

## OFFERING MEMORANDUM



### HSBC BANK PLC

*(a company incorporated in England with registered number 14259; the liability of its members is limited)*  
as Issuer

### HSBC BANK MIDDLE EAST LIMITED

*(a company limited by shares incorporated in the Dubai International Financial Centre)*  
as Issuer

### HSBC CONTINENTAL EUROPE

*(a société anonyme registered in France)*  
as Issuer

## PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS

On 24 February 1999, HSBC Bank plc ("HBEU") established a Programme for the Issuance of Notes and Warrants (the "Programme"). Each of HSBC Bank Middle East Limited ("HBME") and HSBC Continental Europe ("HBCE") and, together with HBEU and HBME, the "Issuers" and each an "Issuer" acceded to the Programme as issuer on 27 June 2019 and 26 May 2022, respectively. References in this Offering Memorandum to "Issuer" in connection with any issue of Notes or Warrants (as defined below) is to HBEU in the case of Notes or Warrants issued by HBEU, is to HBME in the case of Notes or Warrants issued by HBME and is to HBCE in the case of Notes issued by HBCE. HBCE does not intend to issue Warrants under the Programme.

This Offering Memorandum (which expression shall include each of Parts A to I hereof and all documents incorporated by reference herein) has been prepared for the purpose of providing disclosure information with regard to the notes (the "Notes") and warrants (the "Warrants") to be admitted to the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin") and trading on its Global Exchange Market. Euronext Dublin's Global Exchange Market is not a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "EUWA") ("UK MiFIR"). This Offering Memorandum constitutes listing particulars for the purposes of listing on Euronext Dublin's Official List and trading on its Global Exchange Market. Application has been made for this Offering Memorandum to be approved by Euronext Dublin and the securities to be admitted to Euronext Dublin's Official List and to trading on its Global Exchange Market. Investors should note that securities to be admitted to Euronext Dublin's Official List and trading on its Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

**This Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). This Offering Memorandum has been prepared solely with regard to Notes and Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of MiFID II or UK MiFIR and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

In relation to any Notes or Warrants, this Offering Memorandum must be read as a whole and together also with the relevant pricing supplement (the "Pricing Supplement"). Any Notes or Warrants issued under the Programme on or after the date of this Offering Memorandum are issued subject to the provisions described herein. This does not affect any Notes or Warrants already in issue.

This Offering Memorandum will be valid until 12 months from the date hereof.

Any person (an "Investor") intending to acquire or acquiring any securities from any person (an "Offeror") will do so, and offers and sales of the securities to an Investor by an Offeror will be made in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than the Dealers as defined herein) in connection with the offer or sale of the securities and, accordingly, this Offering Memorandum and any Pricing Supplement will not contain such information and an Investor must obtain such information from the Offeror.

The Programme also permits Notes or Warrants to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or will be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

HBEU has been assigned the following long term credit ratings: A+ by S&P Global Ratings UK Limited ("S&P"); A1 by Moody's Investors Service Limited ("Moody's"); and AA- stable by Fitch Ratings Limited ("Fitch"). HBME has been assigned the following long term credit ratings: A3 by Moody's Investors Service Cyprus Ltd and A+ by Fitch. HBCE has been assigned the following long term credit ratings: A+ by S&P; A1 by Moody's; and AA- stable by Fitch. Each of S&P, Moody's and Fitch is established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of the domestic law of the UK by virtue of the EUWA (the "UK CRA Regulation"). As such, each of S&P, Moody's and Fitch appears on the latest update of the list of registered credit rating agencies (as of the date of this Offering Memorandum) on the UK Financial Conduct Authority's (the "FCA") Financial Services Register. The ratings each of S&P, Moody's and Fitch have given to HBEU and HBCE and, in the case of Fitch, HBME are endorsed by S&P Global Ratings Europe Limited, Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "EU CRA Regulation"). Moody's Investors Service Cyprus Ltd is established in the European Union and registered under the EU CRA Regulation. As such, Moody's Investors Service Cyprus Ltd appears on the latest update of the list of registered credit rating agencies (as of the date of this Offering Memorandum) on the ESMA website <http://www.esma.europa.eu>. The rating Moody's Investors Service Cyprus Ltd has given to HBME is endorsed by Moody's, which is established in the UK and registered under the UK CRA Regulation.

**EU PRIIPs REGULATION - IMPORTANT – EEA RETAIL INVESTORS** – If the Pricing Supplement in respect of any Notes or Warrants includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key

information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs REGULATION - IMPORTANT - UK RETAIL INVESTORS** – If the Pricing Supplement in respect of any Notes or Warrants includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

None of the Dealers accepts any responsibility for any environmental assessment of any Notes issued as Green Notes or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green" or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as Green Notes, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Notes, nor is any such opinion or certification a recommendation by any Dealers to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green" or other equivalently labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

The Notes and Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the state securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes and Warrants are being offered and sold (A) in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), in each case only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) and (B) to non-U.S. persons in offshore transactions in reliance on Regulation S. Prospective purchasers are hereby notified that the sellers of Notes and Warrants pursuant to clause (A) above may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder.

Neither HBME nor HBCE intends to offer and sell any Notes or Warrants in the United States or to U.S. persons in reliance on Rule 144A.

In addition, unless the relevant Pricing Supplement specifies otherwise, Warrants may not be offered or sold to, or for the account or benefit of U.S. persons (as defined in the U.S. Commodity Futures Trading Commission regulation 23.23(a)(23)) at any time.

The Notes are not deposit liabilities of HBEU, HBME or HBCE and are not covered by the UK Financial Services Compensation Scheme, the French *Fonds de Garantie des Dépôts et de Résolution* or insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency of the UK, the United States or any other jurisdiction.

Programme Arranger

**HSBC Bank plc**

Dealers and Managers

**HSBC Bank plc**

**HSBC Continental Europe**

**The Hongkong and Shanghai Banking Corporation Limited**

1 June 2023

## IMPORTANT NOTICES

*HBEU accepts responsibility for the information contained in this Offering Memorandum relating to HBEU and Notes and Warrants issued by it. To the best of the knowledge of HBEU, which has taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum relating to HBEU and Notes and Warrants issued by it is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*HBME accepts responsibility for the information contained in this Offering Memorandum relating to HBME and Notes and Warrants issued by it. To the best of the knowledge of HBME, which has taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum relating to HBME and Notes and Warrants issued by it is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*HBCE accepts responsibility for the information contained in this Offering Memorandum relating to HBCE and Notes issued by it. To the best of the knowledge of HBCE, which has taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum relating to HBCE and Notes issued by it is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*None of the Issuers intend to provide post-issuance information.*

*None of the Programme Arranger nor any dealer for an issue of Notes nor any manager for an issue of Warrants (each such dealer or manager a "**Dealer**") has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability is accepted by the Programme Arranger or any Dealer as to the accuracy or completeness of the information contained in this Offering Memorandum or any other information provided by the Issuers in connection with the Programme or the Notes or the Warrants or their distribution.*

*No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Programme Arranger or any Dealer.*

*Neither this Offering Memorandum nor any Pricing Supplement nor any further information supplied in connection with the Programme or any Notes or any Warrants should be considered as a recommendation or as constituting an invitation or offer by any Issuer or any Dealer to any recipient of this Offering Memorandum to subscribe for or purchase any Notes or any Warrants issued by such Issuer. Each investor contemplating subscribing for or purchasing any Notes or any Warrants should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuers. Neither this Offering Memorandum nor any other information supplied in connection with the Programme or any Notes or any Warrants constitutes an offer by or on behalf of any Issuer or any Dealer to subscribe for or purchase any Notes or any Warrants.*

*This Offering Memorandum has been prepared on the basis that any offer of Notes or Warrants in any Member State of the European Economic Area or the United Kingdom will be made pursuant to an exemption under the EU Prospectus Regulation or the UK Prospectus Regulation, as the case may be, from the requirement to publish a prospectus for offers of Notes or Warrants. Accordingly any person making or intending to make an offer in that Member State or the United Kingdom of Notes or Warrants which are the subject of an offering/placement contemplated in this Offering Memorandum as completed by a Pricing Supplement in relation to the offer of those Notes or Warrants may only do so in circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or Article 3 of the UK Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer. None of the Issuers nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes or Warrants in circumstances in which an obligation arises for the relevant Issuer or any Dealer to publish or supplement a prospectus for such offer.*

*An investment in the Notes or Warrants entails certain risks, which vary depending on the specifications and type or structure of the Notes or Warrants.*

*It is advisable that investors considering acquiring any Notes or Warrants understand the risks of transactions involving the Notes or Warrants and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes or Warrants in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes or Warrants will have on their overall investment portfolio) and the information contained in this Offering Memorandum and the relevant Pricing Supplement. Investors should consider carefully the risk factors set forth under "Risk Factors" in this Offering Memorandum.*

*Each Issuer disclaims any responsibility for advising investors of any matters arising under the law of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments or deliveries in respect of the Notes and Warrants.*

*The distribution of this Offering Memorandum and the offer, distribution or sale of Notes or Warrants may be restricted by law in certain jurisdictions. None of the Issuers or any Dealer represents that this document may be lawfully distributed, or that any Notes or Warrants may be lawfully offered, or assumes any responsibility for facilitating any such distribution or offering, in any such jurisdiction. In particular, action may be required to be taken to permit a public offering of any Notes or Warrants or a distribution of this Offering Memorandum in any jurisdiction. Accordingly, no Notes or Warrants may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes or Warrants come must inform themselves about, and observe, any such restrictions.*

***For details of certain restrictions on the distribution of this Offering Memorandum and the offer or sale of Notes and Warrants in the following countries and territories: Australia, the Arab Republic of Egypt, Belgium, Bolivia, the Dubai International Financial Centre, the European Economic Area, France, Guernsey, Hong Kong, Isle of Man, Israel, Italy, Japan, Jersey, Kingdom of Bahrain, Kingdom of Saudi Arabia, the Lebanese Republic, mainland China, Malaysia, Mexico, Norway, Peru, Philippines, Portugal, Republic of Chile, Republic of Indonesia, Republic of Ireland, Republic of Korea ("Korea"), Republic of Panama, Russia, Singapore, South Africa, Spain, State of Kuwait, State of Qatar (including Qatar Financial Centre), Sultanate of Oman, Switzerland, The Netherlands, Taiwan, Thailand, the United Arab Emirates (excluding the Dubai International Financial Centre), the United Kingdom, the United States of America and Uruguay, see "Part B4 - Subscription and Sale of Notes" and "Part C2 - Purchase and Sale of Warrants" below.***

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## **United States**

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR ANY U.S. STATE OR FOREIGN SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THE NOTES OR THE WARRANTS OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM AND ANY ACCOMPANYING OFFERING MEMORANDUM SUPPLEMENTS AND PRICING SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

In addition:

- (1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Pricing Supplement, Notes or Warrants will only be issued or transferred at any time to a person that is neither a U.S. person nor holding such Notes or Warrants for the account or benefit of a U.S. person unless the Notes and Warrants are being offered and sold in accordance with Rule 144A; and
- (2) otherwise, during the 40-day period beginning on the later of the date on which a series of Notes or Warrants is first offered pursuant to Regulation S to persons other than distributors and the date of closing of such offering, such Notes or Warrants will only be issued or transferred to a person that is neither a U.S. person nor holding such Notes or Warrants for the account or benefit of a U.S. person unless the Notes and Warrants are being offered and sold in accordance with Rule 144A.



Each Note and each Warrant will bear legends setting forth the applicable restrictions on sale, resale, pledge and other transfers described above. See "*B4 - Summary of Provisions Relating to the Notes While in Global Form*", "*Part C2 - Summary of Provisions Relating to the Warrants while in Global Form*", "*Part B4 - Subscription and Sale of Notes*" and "*Part C2 - Purchase and Sale of Warrants*" herein.

The Warrants may not be exercised by or on behalf of a U.S. person unless registered under the Securities Act or unless an exemption from such registration is available.

In addition, unless the relevant Pricing Supplement specifies otherwise, Warrants may not be offered or sold to, or for the account or benefit of, U.S. persons (as defined in the U.S. Commodity Futures Trading Commission regulation 23.23(a)(23)) at any time.

Transfers of the Notes which are physically settled may be conditional upon delivery of certain certifications and are subject to significant restrictions as described under "*Part B4 - Subscription and Sale of Notes*" including the right of the Issuer to refuse the recognition of transfers of the Notes. Exercise of a Warrant may be conditional upon delivery of certain certifications as described under "*Terms and Conditions of the Warrants - Exercise Procedure*".

#### AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with resales of the Notes or Warrants, the Issuer will promptly furnish, upon request of a holder of a Note or Warrant, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Notwithstanding any provision herein, every person (and each employee, representative or other agent of such person) may disclose to any and all other persons, without limitation of any kind, any information provided to him by or on behalf of the Issuer relating to the U.S. tax treatment and U.S. tax structure of transactions under the Programme and all materials of any kind (including opinions or other tax analyses) that are provided by or on behalf of the Issuer to that person relating to such U.S. tax treatment and U.S. tax structure.

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#### **United Kingdom**

All applicable provisions of the FSMA must be complied with in respect of anything done in relation to any Notes or Warrants in, from or otherwise involving the United Kingdom. Any document received in connection with an issue of Notes or Warrants may only be distributed in circumstances in which the restriction in Section 21(1) of the FSMA does not apply.

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#### **Australia**

The Issuer is neither a bank nor an authorised deposit-taking institution which is authorised under the *Banking Act 1959 (Cth)* of Australia (the "**Australian Banking Act**") nor is it authorised to carry on banking business under the Australian Banking Act. The Notes and Warrants are not obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia. The Issuer is not supervised by the Australian Prudential Regulation Authority. Notes and Warrants that are offered for issue or sale or transferred in, or into, Australia are offered only in circumstances that would not require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act and are issued and transferred in compliance with the terms of the exemption from compliance with section 66 of the Australian Banking Act that is available to the Issuer. Such Notes or Warrants are issued or transferred in, or into, Australia in parcels of not less than A\$500,000 in aggregate principal or face amount (as applicable). An investment in any Notes or Warrants issued by the Issuer will not be covered by the depositor protection provisions in section 13A of the Australian Banking Act and will not entitle Holders to claim under the financial claims scheme under Division 2AA of the Australian Banking Act.

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## **European Economic Area**

Neither HBEU nor HBME is authorised as a credit institution or investment firm in the European Economic Area.

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## **Hong Kong**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Investors are advised to exercise caution, and if necessary obtain independent professional advice, in relation to any purchase of Notes and Warrants under the Programme.

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## **Saudi Arabia**

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

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## **Bahrain**

In relation to investors in the Kingdom of Bahrain, securities issued in connection with this Offering Memorandum and related offering documents must be in registered form and must only be marketed to existing account holders and accredited investors as defined by the Central Bank of Bahrain (the "**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000, or any equivalent amount in other currency or such other amount as the CBB may determine.

This Offering Memorandum does not constitute an offer of Notes or Warrants in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Offering Memorandum and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Notes or Warrants may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Offering Memorandum or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase any Notes or Warrants, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than as marketing to accredited investors for an offer outside of the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Offering Memorandum or related offering documents and it has not in any way considered the merits of any Notes or Warrants to be marketed for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Offering Memorandum and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Offering Memorandum.

No offer of Notes or Warrants will be made to the public in the Kingdom of Bahrain and this Offering Memorandum must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

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The treatment for taxation purposes of the acquisition, holding or disposal of, or other dealings with, Notes or Warrants may differ according to the jurisdiction in which the person acquiring, holding, disposing or

dealing is subject to taxation. Any person intending to acquire, hold, dispose of or otherwise deal with a Note or Warrant should inform himself as to the treatment for taxation purposes applicable to him.

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*All references in this Offering Memorandum, unless otherwise specified or the context requires, to "Hong Kong" are to the Hong Kong Special Administrative Region of the People's Republic of China, to "Macau" are to the Macau Special Administrative Region of the People's Republic of China, to the "PRC" are to The People's Republic of China (which for the purposes of this Offering Memorandum shall exclude Hong Kong, Macau and Taiwan), all references to "Sterling", "GBP" and "£" refer to the lawful currency of the United Kingdom, all references to "US dollars", "USD" and "US\$" refer to the lawful currency of the United States of America, all references to "Hong Kong dollars", "HKD" and "HK\$" refer to the lawful currency of Hong Kong, all references to "Renminbi", "RMB" and "CNY" refer to the lawful currency of mainland China, all references to "Offshore RMB", where the context requires, refer to Chinese Renminbi that is freely deliverable between accounts in the relevant Offshore RMB Centre as specified in the relevant Pricing Supplement in accordance with the law and applicable regulations and guidelines issued by the relevant authorities in the relevant Offshore RMB Centre as specified in the relevant Pricing Supplement prevailing as of the trade date of the Notes or Warrants, all references to "Japanese Yen", "JPY" and "¥" refer to the lawful currency of Japan and all references to "Euro", "euro", "EUR" and "€" refer to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty on the Functioning of European Union, as amended. Any other currency referred to in any Pricing Supplement will have the meaning specified in the relevant Pricing Supplement.*

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## HOW TO USE THIS DOCUMENT

HBEU and HBME may issue either Notes or Warrants under this Programme. Such Notes and Warrants may include, among other things, Notes and Warrants whose return is linked to:

- one or more shares and other securities ("**Equity-Linked Notes and Warrants**");
- one or more indices, including indices managed by the Issuer ("**Index-Linked Notes and Warrants**");
- one or more preference shares (in the case of Notes only) ("**Preference Share-Linked Notes**");
- one or more commodities or commodities indices ("**Commodity/Commodity Index-Linked Notes**");
- interest rates ("**Interest Rate-Linked Notes and Warrants**");
- inflation rates ("**Inflation Rate-Linked Notes and Warrants**");
- currencies ("**Currency-Linked Notes and Warrants**");
- the credit of one or more entities ("**Credit-Linked Notes and Warrants**");
- one or more funds ("**Fund-Linked Notes and Warrants**"); or
- an emerging market reference entity or reference obligation, or a portfolio of emerging market reference entities or reference obligations (in the case of Notes only) ("**Pass-through Notes**").

Notes and Warrants issued by HBEU and HBME may also be linked to more than one of these variables above.

HBCE may issue only Notes under this Programme. Such Notes may include, among other things, Notes whose return is linked to:

- one or more shares and other securities ("**Equity-Linked Notes**");
- one or more indices, including indices managed by the Issuer ("**Index-Linked Notes**");

- one or more preference shares (Preference Share-Linked Notes, as defined above);
- interest rates ("**Interest Rate-Linked Notes**");
- inflation rates ("**Inflation Rate-Linked Notes**");
- currencies ("**Currency Linked Notes**");
- the credit of one or more entities ("**Credit Linked Notes**"); or
- one or more funds ("**Fund-Linked Notes**").

Notes issued by HBCE may also be linked to more than one of these variables above.

All Notes issued by HBEU will be subject to the general Terms and Conditions as set out in Part B1 of this Offering Memorandum unless the Pricing Supplement specifies that "Alternative Note General Conditions" apply in which case the Alternative Note General Conditions set out in Part B2 of this Offering Memorandum will apply (such Notes being "**Alternative General Conditions Notes**").

*Notes and Warrants issued by HBEU or HBME*

All investors and prospective investors in Equity-Linked Notes and Warrants, Preference Share-Linked Notes, or Index-Linked Notes and Warrants issued by HBEU or HBME (including Notes and Warrants which are linked to exchange-traded funds ("**ETFs**") (other than where the Notes are Alternative General Conditions Notes) should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", "*Part B1 – Terms and Conditions of the Notes*" in the case of Equity-Linked, Preference Share-Linked and Index-Linked Notes or "*Part C1 – Terms and Condition of the Warrants*" in the case of Equity-Linked or Index-Linked Warrants, and "*Part D1 – Additional Provisions Relating to Equity-Linked Notes, Index-Linked Notes, Inflation Rate-Linked Notes and Preference Share-Linked Notes*" in the case of Equity-Linked, Index-Linked and Preference Share-Linked Notes or "*Part D3 – Additional Provisions Relating to Equity-Linked Warrants, Index-Linked Warrants and Inflation-Rate Linked Warrants*" in the case of Equity-Linked Warrants and Index-Linked Warrants, together with the relevant Pricing Supplement for the particular series of Equity-Linked, Index-Linked Notes and Warrants and Preference Share-Linked Notes.

All investors and prospective investors in Equity-Linked Notes (including Notes which are linked to ETFs) or Index-Linked Notes issued by HBEU or HBME which are specified as Alternative General Conditions Notes should read the front cover and the sections headed "*Important Notices*", "*Part A – Information relating to the Programme Generally*", "*Part B2 – Alternative Terms and Conditions of the Notes*" and "*Part D2 – Alternative Additional Provisions Relating to Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes*", together with the relevant Pricing Supplement for the particular series of Equity-, or Index-Linked Notes.

All investors and prospective investors in Commodity/Commodity Index-Linked Notes and Commodity/Commodity Index-Linked Warrants issued by HBEU or HBME should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", "*Part B1 – Terms and Conditions of the Notes*" in the case of Commodity/Commodity Index-Linked Notes or "*Part C1 – Terms and Conditions of the Warrants*" in the case of Commodity/Commodity Index-Linked Warrants, and "*Part E1 – Additional Provisions Relating to Commodity/Commodity Index-Linked Notes*" in the case of Commodity/Commodity Index-Linked Notes or "*Part E2 – Additional Provisions Relating to Commodity/Commodity Index-Linked Warrants*", together with the relevant Pricing Supplement for the particular series of Commodity/Commodity Index-Linked Notes.

All investors and prospective investors in Interest Rate-Linked Notes and Warrants and Inflation Rate-Linked Notes issued by HBEU or HBME (other than where the Notes are Alternative General Conditions Notes) should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", and "*Part B1 – Terms and Conditions of the Notes*" in the case of Interest Rate or Inflation Rate-Linked Notes or "*Part C1 – Terms and Conditions of the Warrants*" in the case of Interest Rate or Inflation Rate-Linked Warrants and "*Part D1 – Additional Provisions Relating to Equity-Linked Notes, Index-Linked Notes, Inflation Rate-Linked Notes, and Preference Share-Linked Notes*" in the case of Inflation Rate-Linked Notes or "*Part D3 – Additional Provisions Relating to Equity-*

*Linked Warrants, Index-Linked Warrants and Inflation-Rate Linked Warrants*" in the case of Inflation Rate-Linked Warrants, together with the relevant Pricing Supplement for the particular series of Interest Rate-Linked Notes or Warrants or Inflation Rate-Linked Notes or Warrants.

All investors and prospective investors in Interest Rate-Linked Notes and Inflation Rate-Linked Notes issued by HBEU or HBME which are specified as Alternative General Conditions Notes should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", "*Part B2 - Alternative Terms and Conditions of the Notes*" and in the case of Inflation Rate-Linked Notes only "*Part D2 - Alternative Additional Provisions Relating to Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes*", together with the relevant Pricing Supplement for the particular series of Interest Rate-Linked Notes or Inflation Rate-Linked Notes.

All investors and prospective investors in Currency-Linked Notes and Warrants issued by HBEU or HBME (other than where the Notes are Alternative General Conditions Notes) should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", and "*Part B1 – Terms and Conditions of the Notes*" in the case of Currency-Linked Notes or "*Part C1 – Terms and Conditions of the Warrants*", in the case of Currency-Linked Warrants, together with the relevant Pricing Supplement for the particular series of Currency-Linked Notes or Currency-Linked Warrants.

All investors and prospective investors in Currency-Linked Notes issued by HBEU or HBME which are specified as Alternative General Conditions Notes should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme generally*" and "*Part B2 - Alternative Terms and Conditions of the Notes*", together with the relevant Pricing Supplement for the particular series of Currency-Linked Notes.

All investors in Credit-Linked Notes and Warrants issued by HBEU or HBME should read the front cover and the sections headed "*Important Notices*", "*Part A - Information Relating to the Programme Generally*", "*Part B1 – Terms and Conditions of the Notes*" in the case of Credit Linked Notes, "*Part C1 – Terms and Conditions of the Warrants*" in the case of Credit-Linked Warrants and if (i) the relevant Pricing Supplement for the Credit-Linked Warrants specifies "*Part F - Product Supplement for Credit-Linked Warrants*" is applicable, "*Part F - Product Supplement for Credit-Linked Warrants*" or, (ii) the relevant Pricing Supplement for the Credit-Linked Note specifies "*Part G - Product Supplement for Credit-Linked Notes*" is applicable, "*Part G - Product Supplement for Credit-Linked Notes*".

All investors in Fund-Linked Notes or Fund-Linked Warrants issued by HBEU or HBME (other than Notes which are linked to ETFs) should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", "*Part B1 – Terms and Conditions of the Notes*" in the case of Fund-Linked Notes or "*Part C - Information relating to the Warrants Generally*" in the case of Fund-Linked Warrants, and "*Part H1 – Additional Provisions Relating to fund Linked Notes*" in the case of Fund-Linked Notes or "*Part H2 – Additional Provisions Relating to Fund Linked Warrants*" in the case of Fund-Linked Warrants, together with the relevant Pricing Supplement for the particular series of Fund-Linked Notes or Warrants.

All investors in Pass-through Notes issued by HBEU or HBME should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", "*Part B1 – Terms and Conditions of the Notes*" and "*Part I – Product Supplement for Emerging Market Pass-through Notes*", together with the relevant Pricing Supplement for the particular series of Pass-through Notes.

#### *Notes issued by HBCE*

HBCE intends to issue only Notes and not Warrants under the Programme and the Alternative Note General Conditions referred to above will not apply to Notes issued by HBCE.

All Notes issued by HBCE will be subject to the French law general Terms and Conditions set out in Part B3 of this Offering Memorandum.

All investors and prospective investors in Equity-Linked Notes, Index-Linked Notes or Preference Share-Linked Notes issued by HBCE (including Notes which are linked to exchange-traded funds ("**ETFs**")) should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", "*Part B3 – Terms and Conditions of the Notes issued by HBCE*", "*Part D1 – Additional Provisions Relating to Equity-Linked Notes, Index-Linked Notes, Inflation Rate-Linked Notes*

and Preference Share-Linked Notes", together with the relevant Pricing Supplement for the particular series of Equity-Linked Notes, Index-Linked Notes or Preference Share-Linked Notes.

All investors and prospective investors in Interest Rate-Linked Notes and Inflation Rate-Linked Notes issued by HBCE should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", "*Part B3 – Terms and Conditions of the Notes issued by HBCE*" in the case of Interest Rate- or Inflation Rate-Linked Notes, and "*Part D1 – Additional Provisions Relating to Equity-Linked Notes, Index-Linked Notes, Inflation Rate-Linked Notes and Preference Share-Linked Notes*" in the case of Inflation Rate-Linked Notes, together with the relevant Pricing Supplement for the particular series of Interest Rate-Linked Notes or Inflation Rate-Linked Notes.

All investors and prospective investors in Currency-Linked Notes issued by HBCE should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*" and "*Part B3 - Terms and Conditions of the Notes issued by HBCE*", together with the relevant Pricing Supplement for the particular series of Currency-Linked Notes.

All investors in Credit-Linked Notes issued by HBCE should read the front cover and the sections headed "*Important Notices*", "*Part A - Information Relating to the Programme Generally*", "*Part B3 - Terms and Conditions of the Notes issued by HBCE*" and, if the relevant Pricing Supplement for the Credit-Linked Notes specifies "*Part G - Product Supplement for Credit-Linked Notes*" is applicable, "*Part G - Product Supplement for Credit-Linked Notes*" together with the relevant Pricing Supplement for the particular series of Credit-Linked Notes.

All investors in Fund-Linked Notes issued by HBCE (other than Notes which are linked to ETFs) should read the front cover and the sections headed "*Important Notices*", "*Part A - Information relating to the Programme Generally*", "*Part B3 – Terms and Conditions of the Notes issued by HBCE*" and "*Part H1 – Additional Provisions Relating to fund Linked Notes*", together with the relevant Pricing Supplement for the particular series of Fund-Linked Notes.

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In this Offering Memorandum, "**Conditions**" means, as applicable, the terms and conditions of the Notes and the terms and conditions of the Warrants, respectively. Other than as expressly defined in any other section of this Offering Memorandum, terms defined in the Conditions, the "*Part B4 - Summary of Provisions Relating to the Notes While in Global Form*" and the "*Part C2 - Summary of Provisions Relating to the Warrants While in Global Form*" have the same meanings in other all sections of this Offering Memorandum.

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## PART A - RISK FACTORS

*This section provides details of the principal risks associated with each Issuer and the Notes and Warrants.*

*Any investment in the Notes and Warrants is subject to a number of risks. Prior to investing in the Notes and Warrants, prospective investors should carefully consider risk factors associated with any investment in the Notes or Warrants, the business of the relevant Issuer and the industry in which it operates together with all other information contained in this Offering Memorandum, including, in particular, the risk factors described below under the headings "Risks relating to all issues of Notes and Warrants"; and (as may be applicable in relation to the particular issue of Notes or Warrants) the risk factors described below under the headings "Risks relating to Emerging Markets"; "Risks relating to Equity/Index-Linked Notes and Warrants"; "Risks relating to Preference Share-Linked Notes"; "Risks relating to Commodity/Commodity Index-Linked Notes and Warrants"; "Risks relating to Interest Rate-Linked Notes and Warrants and Inflation Rate-Linked Notes and Warrants"; "Risks relating to Currency-Linked Notes and Warrants"; "Risks relating to Credit-Linked Warrants to which Part F – Product Supplement for Credit-Linked Warrants applies"; "Risks relating to Credit-Linked Notes to which Part G – Product Supplement Credit-Linked Notes applies"; "Risks relating to Fund-Linked Notes and Warrants to which Part H – Product Supplement for Fund-Linked Notes and Warrants applies"; "Risks relating to Pass-through Notes to which Part I – Product Supplement for Emerging Market Pass-through Notes applies"; "Additional risks relating to Alternative General Conditions Notes"; "Risks relating to Green Notes" and (a) in relation to Notes and Warrants issued by HBEU, the risk factors contained in the HBEU 2022 Form 20-F (as defined below) and the risk factors described below under the heading "Risks relating to Notes and Warrants issued by HBEU only"; (b) , in relation to Notes and Warrants issued by HBME, the risk factors described below under the headings "Risks relating to HBME" and "Risks relating to Notes and Warrants issued by HBME only"; and (c) in relation to Notes issued by HBCE, the risk factors contained in the HBCE 2022 Universal Registration Document (as defined in the section headed "Part A - Incorporation by Reference" below) and the risk factors described below under the heading "Risks relating to Notes issued by HBCE only". Each Issuer considers such risk factors to be the principal risk factors that may affect its ability to fulfil its obligations under the Notes and Warrants and/or risk factors that are material for the purposes of assessing the market risk associated with the Notes and Warrants (as applicable). Words and expressions defined in the Conditions or elsewhere in this Offering Memorandum have the same meanings in this section.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes or Warrants. Additional risks and uncertainties relating to each Issuer or the Notes and Warrants that are not currently known to the relevant Issuer, or that such Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of such Issuer or the Notes and Warrants themselves, and, if any such risk should occur, the price of the Notes and Warrants may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes or Warrants is suitable for them in light of the information in this Offering Memorandum and their personal circumstances.*

### **(1) Risks relating to HBEU**

The section entitled "Risk Factors" on pages 41 to 53 of HBEU's Form 20-F dated 22 February 2023, as filed with the U.S. Securities and Exchange Commission ("**SEC**") (as set out at <https://www.sec.gov/Archives/edgar/data/1140465/000114046523000029/hbeu-20221231.htm>) (the "**HBEU 2022 Form 20-F**"), as incorporated by reference herein on page A-94, sets out a description of the risk factors that may affect the ability of HBEU to fulfil its obligations to investors in relation to the Notes and Warrants.

### **(2) Risks relating to HBME**

#### **Macroeconomic and geopolitical risk**

##### ***Current economic and market conditions may adversely affect HBME's results***

HBME's earnings are affected by global and local economic and market conditions. Uncertain and at times volatile economic conditions can create a challenging operating environment for financial institutions such as HBME.

In particular, HBME has faced and may continue to face the following challenges to its operations and operating model in connection with these factors:

- market developments may continue to depress consumer and business confidence. Economies may head towards recession and interest rates may continue to rise, which could (among other things) cause asset prices and payment patterns to be adversely affected, leading to greater than expected increases in delinquencies, default rates and expected credit losses ("ECL") and other credit impairment charges. Moreover, the impact of higher global inflation and higher interest rates in many of the markets in which HBME operates and the geopolitical events described in more detail below, remains uncertain and may lead to significant credit losses on specific exposures, which may not be fully captured in ECL estimates;
- significant uncertainties remain in assessing the duration and economic impact of the ongoing Russia-Ukraine war. There is a risk that the resulting economic impact of the war and related measures, such as further economic sanctions imposed by relevant government authorities, may last for a prolonged period and may create further challenges for HBME's customers and its business;
- the impact of the Covid-19 pandemic on global economies could have a continued adverse effect on, among other things, the profitability, capital and liquidity of financial institutions such as HBME;
- the demand for borrowing from creditworthy customers may diminish during periods of recession or where economic activity slows or remains subdued; and
- HBME's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption.

The occurrence of any of these events or circumstances could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and customers.

***The macroeconomic impact of significant geopolitical and social developments, including the Russia-Ukraine war and the Covid-19 pandemic, on the global economy may affect HBME's financial condition and results***

While economic globalisation appears to remain deeply embedded in the international system, it is increasingly challenged by nationalism and protectionism. Consequently, international institutions may be less capable of adapting to this trend. Investor confidence in international debt and equity markets (and, in turn, the performance of those markets) could be adversely impacted by macroeconomic and political events.

The ongoing Russia-Ukraine war has contributed to a sharp rise in the price of energy and non-energy commodities, which had already been affected by the impact of the Covid-19 pandemic and later localised Covid-19 outbreaks, which gave rise to significant supply chain disruptions and a marked slowdown in economic activity, mainly in the UK and the EU. Along with an increased demand in China due to the relaxation of Covid-19 restrictions, these factors have resulted in mismatches between the supply and demand of goods and services and contributed to a significant rise in global inflation. In 2022, inflation (based on the consumer price index) averaged at 7.3 per cent. in advanced economies and 9.8 per cent. in emerging market and developing economies, compared with 3.1 per cent. and 5.9 per cent. in 2021 and 0.7 per cent. and 5.2 per cent. in 2020, respectively (source: International Monetary Fund World Economic Outlook April 2023) and for 2023, inflation is projected at 4.7 per cent. in advanced economies and at 8.6 per cent. in emerging market and developing economies (source: International Monetary Fund World Economic Outlook April 2023). Central banks are expected to continue to increase monetary tightening in 2023 to counter rising inflation and the risk of capital outflows. Governments have reduced the level of fiscal support they offer households and businesses and are expected to do so further during the remainder of 2023, as governments continue to move away from the remaining financial support packages offered during the peak of the Covid-19 pandemic. At the same time, whilst Gulf Co-operation Council ("GCC") economies have experienced improved activity due to higher energy prices, increased government spending and increased demand, major global economies, such as the US, the UK and the EU, are continuing to experience lower economic growth in 2023. More recently, the failures of Silicon Valley Bank, Signature Bank and First Republic Bank in the United States and the acquisition of Credit Suisse by UBS and the

related write-down of its additional tier 1 instruments in Switzerland have caused significant disruption and liquidity concerns in the market. Any slowdown in the global economic environment, together with any reduction in governmental spending and the likely impact on the level of economic activity across MENAT may have an adverse effect on HBME's credit risk profile.

Movements in global interest rates continue to be unpredictable. Following a policy of increased overnight rates between 2015 and 2018, the US Federal Reserve cut overnight interest rates to near zero in response to the Covid-19 outbreak in 2020, which was followed by similar cuts in a number of countries such as the UAE, Saudi Arabia and Bahrain. However, in June 2021, the US Federal Reserve increased the Interest on Excess Reserves (IOER) and, subsequently, it raised overnight interest rates by 25 basis points in March 2022, 50 basis points in May 2022, 75 basis points in each of June, July, September and November 2022, 50 basis points in December 2022 and 25 basis points in each of February, March and May 2023. These increases by the US Federal Reserve were followed by similar increases in a number of countries in the Middle East, North Africa and Turkey ("MENAT") region, including the UAE, Saudi Arabia and Bahrain. The steep rise in inflation engendered by the rise in commodity prices, and by the previous monetary and fiscal policy loosening in response to the Covid-19 pandemic has been another factor in global central banks raising their policy rates sharply in recent months, with the potential for further increases to come, which may create further challenges for HBME's customers. Any further increases in interest rates are expected to negatively impact economic growth globally and within the MENAT region.

Any further rise in nationalism and protectionism, including the imposition of new trade barriers could continue to affect global capital flows and lead to some emerging markets (for example in the MENAT region) imposing protectionist measures that could affect financial institutions and their clients. Other emerging, as well as developed, markets may then be tempted to follow suit. This rise could contribute to weaker global trade, potentially affecting HBME's traditional lines of business. HBME's geographic footprint and coverage will make it and its customers susceptible to protectionist measures taken by national governments and authorities, including imposition of trade tariffs, restrictions on market access, restrictions on the ability to transact on a cross-border basis, expropriation, restrictions on international ownership, restrictions on offshoring activity, use of the cloud and the related sharing of client data, interest rate caps, limits on dividend flows and increases in taxation.

Diplomatic tensions between China and the US, which may extend to and involve the UK, the EU, India and other countries, and developments in Hong Kong and Taiwan, could affect HBME, creating regulatory, reputational and market risks. To date, the UK, the US, the EU and other countries have imposed various sanctions and trade restrictions on Chinese persons and companies, and the US continues to develop its approach to strategic competition with China. Although sanctions and trade restrictions are difficult to predict, increases in diplomatic tensions between China and the US and other countries could result in further sanctions and trade restrictions that could negatively impact HBME and the HSBC Group, their customers and the markets in which HBME and the HSBC Group operate.

The Russian invasion of Ukraine has led to elevated geopolitical instability and resulted in the US, the UK and the EU, as well as other countries, imposing significant sanctions and other trade restrictions against Russia, numerous Russian government officials and individuals, and Russian companies and financial institutions, some of which are unprecedented in their nature. Russia has implemented certain countermeasures in response. These sanctions and trade restrictions are complex, novel and evolving. HBME continues to monitor and respond to economic sanctions and trade restrictions that have been adopted in response. These sanctions, restrictions and Russian countermeasures may adversely affect HBME and the HSBC Group, their customers and the markets in which HBME and the HSBC Group operate by creating regulatory, reputational and market risks. In addition, a lack of visibility over the evolution of the Russia-Ukraine war will prevent a reduction of overall risk levels.

The impact from the Covid-19 pandemic also remains a continuing risk to the global economy, to HBME's customers and its organisation. High Covid-19 vaccination rates and acquired population immunity in 2022 have reduced the public health risks and the need for restrictions. However, countries continue to differ in their approach, although China has recently reversed restrictions on activity and mobility. New Covid-19 variants and sub-variants pose a continuing risk and could dampen confidence and result in governments reintroducing restrictions, potentially impacting HBME's personal and business customers. Central banks' actions, government actions and support measures taken in response to the Covid-19 pandemic and the current economic environment, and HBME's responses to those, have created, and may in the future create, restrictions in relation to capital. This has limited, and may in the future limit, HBME's flexibility in

managing its business and taking action in relation to capital distribution and capital allocation. The operational support functions on which HBME relies are based in a number of countries worldwide, some of which have been particularly affected by the Covid-19 pandemic. HBME continues to monitor the situation, in particular in those countries where Covid-19 infections are most prevalent. Meanwhile China has recently reversed restrictions on activity and mobility. While the recovery in China resulting from such relaxation of Covid-19 related restrictions raises the prospect of global growth, it could also lead to renewed inflationary pressures as demand for commodities and other goods rise further.

At a regional level, the economies of the GCC countries have continued to be affected by volatility in global crude oil prices. 2020 saw significant volatility, with the average price of the OPEC Reference Basket falling from US\$65.11 per barrel in January 2020 to US\$16.52 per barrel as at 1 May 2020 due to a reduction in demand following the Covid-19 pandemic and disagreements between members of the Organization of the Petroleum Exporting Countries ("OPEC") and certain non-OPEC member countries, such as Russia, on how to address the falling global oil demand and the falling oil price. An agreement was reached by such OPEC and non-OPEC countries on 9 April 2020 to cut oil production which led to a slight easing of oil production by 500,000 barrels per day. This agreement was extended until July 2020, beyond which a gradual easing of the cuts was scheduled. The OPEC Reference Basket price continued to fluctuate in an upward trend throughout 2020 and 2021, reaching U.S.\$85.24 as at 1 January 2022. However, the Russia-Ukraine conflict (and the ban on import of Russian oil and gas by some NATO and European countries) caused oil prices to surge above U.S.\$100.00 for the first time since 2013 to U.S.\$110.97 per barrel as at 1 May 2022. Since then, oil prices have declined and reached U.S.\$79.98 per barrel as at 28 April 2023.

The volatility in oil prices has resulted in a number of countries in the MENAT region implementing policies and fiscal reforms aimed at reducing fiscal dependency on hydrocarbon-related revenues. For example, a number of countries in the MENAT region (including the UAE, Saudi Arabia, Bahrain and Oman) have already implemented a value-added tax ("VAT") regime and Qatar and Kuwait are expected to follow in the near future. In addition, corporate income tax comes into effect on 1 June 2023 in the UAE.

Economic growth in HBME's major markets is expected to be affected during the remainder of 2023 by the evolution of top risks such as the Russia-Ukraine war, increased global inflationary pressures, further interest rate rises, ongoing supply chain disruptions, volatility in the price of oil and the continued impact of Covid-19. Significant uncertainties remain in assessing the duration and impact of such global macroeconomic events on HBME, its customers and the markets in which it operates. Such factors have historically resulted in reduced liquidity, greater volatility, widening of credit spreads, a lack of price transparency in credit and capital markets, increased volatility in interest rates and exchange rates and decreasing returns from equity and other investments. There is a risk that any such resulting impact on economic activity may last for a prolonged period and this could have a material adverse effect on HBME's business, financial condition, results of operations, prospects, liquidity, capital position and credit ratings.

***HBME is subject to political, social and other risks in the countries in which it operates***

HBME operates through an international network of subsidiaries, branches, affiliates and associated companies. HBME's operations are subject to potentially unfavourable political, social, environmental and economic developments in such jurisdictions, which may include:

- coups, civil wars or acts of terrorism;
- political and/or social instability;
- geopolitical tensions;
- climate change, acts of God, including epidemics and pandemics (such as Covid-19) and natural disasters (such as floods and hurricanes); and
- infrastructure issues, such as transportation and power failures.

While the UAE is seen as a relatively stable political environment, certain other jurisdictions in MENAT are not and there is a risk that regional political instability could impact the UAE. Instability in MENAT may result from a number of factors, including government or military regime change, civil unrest or terrorism. In particular, since early 2011, there has been political unrest in a number of countries in the

MENAT region, including Libya, Lebanon, Yemen, the Republic of Iraq (Kurdistan), Syria, Palestine and Turkey, ranging from public demonstrations and riots (such as the series of civil protests that arose in Iran on 16 September 2022 in respect of women's rights) to, in extreme cases, armed conflict (including the multinational conflict with Islamic State (also known as Daesh, ISIS or ISIL)) and the overthrow of existing leaderships. As a result, this has given rise to increased political uncertainty across the region.

The UAE, along with other Arab states, participated in the Saudi Arabian-led intervention in Yemen, which began in 2015 in response to requests for assistance from the Yemeni government against the Al Houthi militia. The UAE was a member of this intervention before withdrawing its military support in 2020. On 17 January 2022, the Al Houthi militia claimed responsibility for what the UAE described as a drone and missile attack on Abu Dhabi at the facilities of Abu Dhabi National Oil Corporation, a state-owned oil company. In the following weeks, UAE forces intercepted three more hostile drones that entered UAE airspace, one of which was claimed by an Iraqi militia group. The UAE is also a member of another Saudi Arabian-led coalition formed in December 2015 to combat Islamic extremism and, in particular, Islamic State and which still continues today. There are also ongoing tensions between the US and Iran which have led to military strikes by the US in 2020, which killed a senior Iranian military commander and subsequent attacks by Iran into Iraq which appeared to target US army facilities in 2020 and a US consulate building in 2022. More recently, tensions have increased further after Iran's seizure of two oil tankers bound for the US from the Strait of Hormuz.

In June 2017, a number of MENAT countries, including the UAE, Saudi Arabia, Bahrain and Egypt, severed diplomatic relations with Qatar, citing Qatar's alleged support for terrorism. This led to a political and economic blockade of Qatar by these countries. However, in January 2021, diplomatic relations were restored and land and sea borders were reopened between Qatar and each of these countries.

The UAE and Bahrain announced the normalisation of relations with Israel in August 2020 but these have since been strained due to an increase in tensions and violence between Israel and Palestine since April 2021, which has led to fears of a full-scale war and resulted in further volatility in the region.

These situations have caused significant disruption to the economies of affected countries and have had a destabilising effect on international oil and gas prices. Though the effects of the uncertainty have been varied, it is not possible to predict the occurrence or impact of events or circumstances such as war, terrorism, civil unrest or hostilities, and no assurance can be given that countries in the MENAT region would be able to sustain their current economic growth levels if adverse political events were to occur. Continued political instability in the MENAT region could adversely impact HBME. Such risk events may disrupt the provision of services to HBME and result in physical damage to its operations and/or risks to the safety of its personnel and customers.

A number of MENAT countries in which HBME operates have been, and may in the future be, subject to a mutual evaluation review by the Financial Action Task Force ("**FATF**"). Turkey was added to the FATF Grey List in November 2021 and the UAE in March 2022. This has resulted in increased monitoring of financial crime systems and controls together with additional regulatory and compliance obligations and risks for HBME and its customers.

Physical risks from natural disasters, including earthquakes (such as the 7.8 magnitude earthquake that struck Turkey and Syria on 6 February 2023) and floods, could also impact credit risk-weighted assets, while the financial losses caused by these events could impair asset values and also have a detrimental impact on HBME's customers, thereby affecting the creditworthiness of those customers.

Such developments may result in a material adverse effect on HBME's business, financial condition, results of operations, prospects and strategy.

***HBME operates in markets that are highly competitive***

HBME competes with other financial institutions in a highly competitive industry that continues to undergo significant change as a result of financial regulatory reform, as well as increased public scrutiny and a continued challenging global macro-economic environment.

HBME faces competition across the MENAT region for its products and services from locally incorporated banks and local branches of foreign banks. A number of countries in the MENAT region could be viewed as overbanked markets and this has led to some of the largest banks in each market merging with or

acquiring their local competitors, particularly amongst Islamic banks. Further consolidation is expected. In the UAE, First Abu Dhabi Bank, the UAE's largest lender, was formed through the merger of National Bank of Abu Dhabi and First Gulf Bank in 2017. Abu Dhabi Commercial Bank completed a three-way merger with Union National and Al Hilal in 2019 and Dubai Islamic Bank acquired Noor Bank in 2020. In Saudi Arabia, National Commercial Bank merged with Samba Financial Group to form Saudi Arabia's largest bank, Saudi National Bank, in 2022 and Saudi British Bank merged with Alawwal Bank to form Saudi Alawwal Bank in 2021. In Qatar, Masraf Al Rayan merged with Al Khalij Commercial Bank in 2021. In addition, Kuwait Finance House acquired Bahrain's Ahli United in 2022, whilst in Oman, it is currently proposed that Sohar International Bank will acquire HSBC Oman SAOG in the second half of 2023. Such consolidation across the MENAT banking industry has resulted in greater market share for the successor entities, which may lead to higher growth opportunities as they bundle products and cross-sell to existing clients, as well as giving them greater pricing power, all of which could lead to higher revenues and increased competition for HBME.

HBME targets internationally mobile clients who need sophisticated global financial solutions. It generally competes on the basis of: the quality of its customer service; the wide variety of products and services that HBME can offer its customers; the ability of its products and services to satisfy its customers' needs; the extensive distribution channels available for its customers; its innovation; and its reputation. Continued and increased competition in any one or all of these areas may negatively affect HBME's market share and/or cause it to increase its capital investment in its businesses in order to remain competitive.

Additionally, HBME's products and services may not be accepted by its targeted clients.

In many markets, there is increased competitive pressure to provide products and services at current or lower prices.

Consequently, HBME's ability to reposition or reprice its products and services from time to time may be limited and could be significantly influenced by the actions of its competitors who may or may not charge similar fees for their products and services and may not be subject to the same compliance requirements as HBME (for example, global and/or HSBC Group requirements which will not be applicable to HBME's competitors). Any changes in the types of products and services that HBME offers its customers, and/or the pricing for those products and services, could result in a loss of customers and/or market share.

Technological developments and regulatory changes are enabling new competitors to enter the market. This challenges HBME to continue to innovate and to take advantage of new digital capabilities so that it may improve how it serves its customers, drive efficiency and adapt its products to attract and retain customers. As a result, HBME may need to invest more in its business to adapt or develop new or existing products and services to respond to its customers' evolving needs. HBME also needs to ensure that any new digital capabilities do not weaken its resilience. If HBME fails to adapt or develop its products and services to take advantage of new digital capabilities, this could have a material adverse effect on its business.

The digitisation of financial services continues to have an impact on the payments ecosystem, including new market entrants and payment mechanisms, not all of which are subject to the same level of regulations or regulatory scrutiny as financial institutions. This presents ongoing challenges in terms of maintaining required levels of payment transparency, notably where financial institutions serve as intermediaries. Developments around digital assets and currencies have continued at pace, with an increasing regulatory and enforcement focus.

Any of these factors could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and reputation.

***HBME is subject to financial and non-financial risks associated with Environmental, Social and Governance ("ESG") related matters, such as climate change, nature-related and human rights issues***

ESG related matters such as climate change, society's impact on nature and human rights issues bring risks to HBME's business, its customers and wider society. If HBME fails to meet evolving regulatory, shareholder or customer expectations or requirements relating to ESG matters, this could have regulatory compliance and reputational impacts.

Climate change could have both financial and non-financial impacts on HBME either directly or indirectly through its customers. Transition risk can arise from the move to a low-carbon economy, such as through

policy, regulatory and technological changes. Physical risk can arise through increasing severity and/or frequency of severe weather or other climatic events, such as rising sea levels and flooding and chronic shifts in weather patterns, which could affect HBME's ability to conduct its day-to-day operations.

HBME currently expects that the following are the most likely ways in which climate risk may materialise for HBME:

- credit risk for its wholesale customers may increase if climate-related regulatory, legislative or technological developments impact customers' business models, resulting in financial difficulty for customers and/or stranded assets or if extreme weather events disrupt operations. HBME's customers may find that their business models fail to align to a net zero economy or face disruption to their operations or deterioration to their assets as a result of extreme weather;
- residential real estate may be affected by changes to the climate and extreme weather events which could impact both property values and the ability of borrowers to afford their mortgage payments;
- HBME may see an increase in operational risk if extreme weather events impact its critical operations;
- regulatory compliance risk may result from the increasing pace, breadth and depth of climate-related regulatory expectations requiring implementation in short timeframes across multiple jurisdictions or arising from unclear or incomplete regulation;
- conduct risks could develop in association with the increasing demand for 'green' products where there are differing or developing standards or taxonomies; and
- reputational risks may arise from how HBME decides to support its customers in high-emitting sectors and if the HSBC Group makes insufficient progress in achieving its climate-related ambitions, targets and commitments.

HBME also faces increased reputational, legal and regulatory risks as it makes progress towards the HSBC Group's net zero ambition, with stakeholders likely to place greater focus on HBME's actions, such as the development of climate-related policies, its disclosures and financing and investment decisions relating to its ambition. HBME will face additional risks if it is perceived to mislead stakeholders in respect of the HSBC Group's climate strategy, the climate impact of a product or service, or the commitments of its customers.

Climate risk may also have an impact on model risk, as the uncertain impacts of climate change as well as data and methodology limitations present challenges to creating reliable and accurate model outputs.

In addition, there is increasing evidence that a number of nature-related risks beyond climate change – which include risks that can be represented more broadly by impact and dependency on nature – can and will have significant economic impact. These risks arise when the provision of natural services such as water availability, air quality and soil quality is compromised by overpopulation, urban development, natural habitat and ecosystem loss or degradation and other environmental stresses beyond climate change. They can show themselves in a variety of ways, including through macroeconomic, market, credit, reputational, legal and regulatory risks, for both HBME and its customers.

In 2022, the HSBC Group conducted a comprehensive review of the human rights issues that are salient to the HSBC Group, identifying those human rights which are most at risk of being negatively impacted in a severe way by its business activities and relationships. These issues include the right to decent work, including freedom from slavery and forced labour, and the right to equality and freedom from discrimination, amongst others. The HSBC Group's analysis focused on the risk to people, while recognising that where this risk is at its highest, it often converges with material risk to the business, specifically in its role as employer, buyer, investor and provider of products and services to personal and business clients. Failure to manage this risk may negatively impact people and communities, which in turn may have reputational, legal, regulatory and financial consequences for HBME and the HSBC Group.

In respect of all ESG-related risks, HBME also needs to ensure that its strategy and business model, including the products and services it provides to customers and risk management processes (including processes to measure and manage the various financial and non-financial risks HBME faces as a result of ESG-related matters) adapt to meet regulatory requirements and stakeholder and market expectations,

which continue to evolve significantly and at pace. Achieving the HSBC Group's strategy with respect to ESG matters, including any ESG-related ambitions, commitments and targets that the HSBC Group may set, will depend on a number of different factors outside of HBME and the HSBC Group's control, such as advancements in technologies and supportive public policies in the markets where they operate. If these external factors and other changes do not occur, or do not occur on a timely basis, HBME may fail to assist the HSBC Group in achieving its ESG-related ambitions, commitments and targets.

In order to track and report on HBME's progress against the HSBC Group's ESG-related ambitions, commitments and targets, the HSBC Group relies on internal and, where appropriate and available, external data sources, guided by certain industry standards. While ESG-related reporting has improved over time, data remains of limited quality and consistency exposing the HSBC Group and HBME to the risk of using incomplete and inaccurate data and models which could result in sub-optimal decision making. Methodologies, data and industry standards that the HSBC Group have used may develop over time in line with market practice, regulation and/ or developments in science, where applicable. Any such developments in methodologies, and changes in the availability and quality of data over time could result in revisions to the HSBC Group's internal measurement frameworks as well as reported data going forward, including on financed emissions, meaning that such data may not be reconcilable or comparable year-on-year. This could also result in the HSBC Group and/or HBME having to re-evaluate its progress towards its ESG-related ambitions, commitments and targets in the future and this could result in reputational, legal and regulatory risks.

If any of the above risks materialise, this could have financial and non-financial impacts for HBME which could, in turn, have a material adverse effect on its business, financial condition, results of operations, reputation, prospects and strategy.

***Changes in foreign currency exchange rates may affect HBME's results***

HBME prepares its consolidated financial statements in US dollars. However, a portion of its assets, liabilities, revenues and expenses are denominated in other currencies, most of which are pegged to USD. Changes to GCC currency peg may have an effect on HBME's accounting standards, reported income, cash flows and shareholders' equity which could have a material adverse effect on HBME's business, financial condition, results of operations, capital position and prospects.

***Market fluctuations may reduce HBME's income or the value of its portfolios***

HBME's businesses are inherently subject to risks in financial markets and in the wider economy, including changes in, and increased volatility of, interest rates, inflation rates, credit spreads, foreign exchange rates, bond and property prices, and the risk that HBME's customers act in a manner inconsistent with its business, pricing and hedging assumptions.

Market pricing can be volatile, and ongoing market movements could significantly affect HBME in a number of key areas. For example, banking and trading activities are subject to interest rate risk, foreign exchange risk, inflation risk and credit spread risk.

Changes in interest rate levels, interbank spreads over official rates and yield curves affect the interest rate spread realised between lending and borrowing costs. The potential for future volatility and margin changes remains. See "The macroeconomic impact of significant geopolitical and social developments, including the Russia-Ukraine war and the Covid-19 pandemic, on the global economy and international markets may



affect HBME's financial condition and results" above regarding the impact of these on the interest rate environment.

Competitive pressures on fixed rates or product terms in existing loans and deposits sometimes restrict HBME's ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

It is difficult to predict with any degree of accuracy changes in market conditions, and such changes could have a material adverse effect on HBME's business, financial condition, results of operations, capital position and prospects.

***Liquidity, or ready access to funds, is essential to HBME's businesses***

HBME's ability to borrow on a secured or unsecured basis, and the cost of doing so, can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity or the market perceptions of risk relating to HBME or the banking sector, including HBME's perceived or actual creditworthiness.

Current accounts and savings deposits payable on demand or at short notice form a significant part of HBME's funding, and HBME places considerable importance on maintaining their stability. For deposits, stability depends upon preserving investor confidence in HBME's capital strength and liquidity, and on comparable and transparent pricing.

HBME also accesses wholesale markets in order to maintain a diversified portfolio of funding sources, provide funding for entities that do not accept deposits, to align asset and liability maturities and currencies, and to maintain a presence in local markets.

An inability to obtain financing in the unsecured long term or short-term debt capital markets, or to access the secured lending markets, could have a material adverse effect on HBME's liquidity.

Unfavourable macroeconomic developments, market disruptions or regulatory developments may increase HBME's funding costs or challenge HBME's ability to raise funds to support or expand HBME's businesses.

If HBME is unable to raise funds through deposits and/or in the capital markets, HBME's liquidity position could be adversely affected, and HBME might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature, to meet HBME's obligations under committed financing facilities and insurance contracts, to comply with regulatory funding requirements, to undertake certain capital and/or debt management activities or to fund new loans, investments and businesses.

HBME may need to liquidate unencumbered assets to meet its liabilities, including the disposals of assets, to reduce its funding commitments. In a time of reduced liquidity, HBME may be unable to sell some of its assets or unable to maintain the run-down and sale of certain legacy portfolios, or HBME may need to sell assets at reduced prices, which in each case could materially adversely affect HBME's business, financial condition, results of operations, capital position and prospects.

**Macro-prudential, regulatory and legal risks to HBME's business model**

***HBME is subject to numerous new and existing legislative and regulatory requirements and to the risk of failure to comply with applicable regulations***

HBME's business is subject to on-going regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and their interpretations in the Dubai International Financial Centre ("DIFC"), the UAE, the Abu Dhabi Global Market ("ADGM") and the other markets in which HBME operates ("**Regulations**"). These Regulations include the DIFC Law No. 1 of 2004 as amended and the relevant subsidiary regulations of the Dubai Financial Services Authority (the "**DFSA**"), Federal Law No. 14 of 2018 (the "**2018 Federal Law**"), the ADGM rules and regulations and the banking and securities regulations of the countries in which HBME operates. Many regulatory changes relevant to HBME's business may have an effect beyond the country in which they are enacted as HBME's operations may mean that it is obliged to give effect to local Regulations on a wider basis.

In recent years, regulators and governments have focused on reforming both the prudential regulation of the financial services industry and the ways in which the business of financial services is conducted.

Regulators in a number of jurisdictions such as the US, the UK and the EU have introduced measures including enhanced capital, liquidity and funding requirements, the separation or prohibition of certain activities by banks, changes in the operation of capital markets activities, the introduction of tax levies and transaction taxes and changes in compensation practices. There have also been more detailed requirements on how business is conducted, with a focus on protecting vulnerable customers (such as through Federal Law No. 15 of 2020 on Consumer Protection). There is also an increased focus by governments in the MENAT region, in particular the UAE and Saudi Arabia, on introducing similar measures in line with international standards. Examples of these include the implementation of the 2018 Federal Law on the Central Bank and Organisation of Financial Institutions and Activities which is aimed at the greater regulation of specified financial activities, the implementation of VAT in the GCC, the introduction of corporate income tax in the UAE and regulations and standards enacted by the UAE Central Bank and the DFSA to give effect to the requirements of Basel III. Governments and regulators in the jurisdictions in which HBME operates may intervene further in relation to areas of industry risk already identified, or in new areas, which could adversely affect HBME.

Additionally, HBME may be indirectly affected by the impact of Regulations to which its counterparties, affiliates and associate companies are subject in their respective jurisdictions, to the extent that such Regulations adversely affect the ability of HBME's counterparties to meet their contractual obligations to HBME in transactions entered into with it.

More stringent regulatory requirements, including further capital, liquidity and funding requirements, and adjustments in the use of models for measuring risk, together with expected restrictions on outsourcing and use of data, may adversely affect elements of HBME's business, particularly if capital requirements are increased and/or the operating model for the provision of services is required to change to address such regulatory developments.

Regulations may come into force in the UAE or any other jurisdiction where HBME has a presence without being made publicly available until after their implementation date or which may require the passing of further Regulations or the provision of guidance before it is fully clear how such Regulations will impact HBME's business.

There may be changes in Regulations, or in their interpretation or enforcement, or in how new Regulations are implemented. Further, there may be uncertainty and lack of international regulatory coordination as enhanced supervisory standards are developed and implemented. These developments are expected to continue to change the way in which HBME is regulated and supervised and could affect the manner in which HBME conducts its business activities, manages its capital requirements, assesses its risk management practices, or how HBME's group parent company is structured, all of which could have a material adverse effect on HBME's business, financial condition, results of operations and prospects.

***HBME may not manage risks associated with the replacement of benchmark rates and indices effectively***

Inter-bank offered rates ("**IBORs**") have previously been used extensively to set interest rates on different types of financial transactions and for valuation purposes, risk measurement and performance benchmarking.

Key benchmark rates and indices, including IBORs such as the London Inter-Bank Offered Rate ("**LIBOR**"), have been the subject of national, international and other regulatory scrutiny and reform for a number of years. This has resulted in significant changes to the methodology and operation of certain benchmarks and indices, the adoption of replacement near risk free rates ("**RFRs**") and the proposed discontinuation of certain reference rates (including LIBOR). From the end of December 2021, the European Money Markets Institute ("**EMMI**") ceased publication of the Euro Overnight Index average ("**EONIA**") and ICE Benchmark Administration Limited ("**IBA**") ceased publication of all sterling, Euro, Swiss franc and Japanese yen settings and the 1-week and 2-month US dollar LIBOR settings and replacement RFRs have been adopted in their place. All remaining US dollar LIBOR settings will cease immediately after 30 June 2023. The UK's Financial Conduct Authority ("**FCA**") used its regulatory powers to compel IBA to publish a number of sterling and Japanese Yen LIBOR settings on an alternative methodology basis (so-called 'synthetic' LIBOR ) from 1 January 2022. In September 2022, the FCA announced that the publication of one-month and six-month sterling synthetic LIBOR will cease on 31 March 2023, and the publication of three-month sterling synthetic LIBOR will cease at the end of March 2024. There has been no final decision yet on whether a synthetic US dollar LIBOR will be published

following the 30 June 2023 cessation date, although the FCA is consulting on the potential publication of synthetic US dollar LIBOR to the end of September 2024.

The continued existence of legacy contracts referencing US dollar LIBOR, which will cease to be published after 30 June 2023, result in several risks for HBME, its clients and the financial services industry more widely. These include, but are not limited, to:

- Regulatory compliance, legal and conduct risks that arise from the transition of legacy contracts to RFRs or alternative rates and from the sales of products referencing RFRs could lead to unintended or unfavourable outcomes for clients and market participants. These risks could be heightened if HBME's sales processes and procedures are not appropriately adapted or executed to detail the risks and complexity of the RFR market conventions;
- Legal risks are associated with legacy contracts that HBME is unable to transition and legacy contracts that rely on the use of legislative solutions, such as 'synthetic' LIBOR. If HBME is unable to transition legacy contracts, this could lead to reliance on fallback provisions which do not contemplate the permanent cessation of the relevant IBOR, and there is a risk that these fallback provisions will not work from a contractual, practical or financial perspective, potentially resulting in unintended outcomes for clients. While legislative solutions are (in some circumstances) expected to assist market participants and investors with transitioning contracts or mitigating risks associated with 'tough legacy' contracts, there remains some uncertainty around the operation, application and enforceability of such solutions as well as their longevity. For legacy contracts that utilise 'synthetic' LIBOR, there is a risk that HBME is unable to transition such contracts to a new RFR or alternative rate before the relevant 'synthetic' LIBOR is discontinued. This could lead to reliance on the above-mentioned fallback provisions. Each of these issues could result in unintended or unfavourable outcomes for clients and market participants and this could potentially increase the risk of disputes;
- Financial and market risks result from differences in US dollar LIBOR and its replacement RFR, the Secured Overnight Funding Rate ("SOFR") and these different interest rate levels may create a basis risk in HBME's trading book and banking book due to asymmetric adoption of SOFR across assets, liabilities and products that HBME needs to actively manage through appropriate financial hedging. In addition, this may limit the ability to hedge effectively;
- Resilience and operational risks resulting from changes to manual and automated processes made in support of new RFR methodologies and the transition of large volumes of IBOR contracts may lead to operational issues. In particular, there is a risk that HBME's systems, processes and controls have not been appropriately adapted to account for new RFR methodology changes or fallback provisions, which could lead to complaints and disputes; and
- Model risk resulting from changes to HBME's models to replace IBOR-related data, which could adversely affect the accuracy of model outputs.

If any of these risks materialise, this could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and customers.

***HBME is subject to the risk of current and future legal, regulatory or administrative actions and investigations, the outcomes of which are inherently difficult to predict***

HBME faces significant risks in its business relating to legal, regulatory or administrative actions and investigations. The amount of damages claimed in litigation, regulatory proceedings, investigations, administrative actions and other adversarial proceedings against financial institutions are increasing for many reasons. These include a substantial increase in the number of regulatory changes taking place globally and an increasing focus from regulators, investors, the media and other stakeholders on environmental, social and governance transactions and disclosures, as both local and international standards in this area continue to significantly evolve and develop. In addition, criminal prosecutions of financial institutions for, among other things, alleged conduct breaches, breaches of anti-money laundering ("AML"), anti-bribery and anti-corruption and sanctions regulations, antitrust violations, market manipulation, aiding and abetting tax evasion, and providing unlicensed cross-border banking services, have become more commonplace and may increase in frequency due to increased media attention and higher expectations from regulators and the public.

Any such legal, regulatory or administrative action or investigation against HBME or one or more of its subsidiaries could result in, among other things, substantial fines, civil penalties, criminal penalties, cease and desist orders, forfeitures, the suspension or revocation of key licences, requirements to exit certain businesses, other disciplinary actions and/or withdrawal of funding from depositors and other stakeholders. Any threatened or actual litigation, regulatory proceeding, administrative action, investigation or other adversarial proceeding against HBME or one or more of its subsidiaries could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and reputation. Additionally, HBME's financial statements reflect provisioning for legal proceedings, regulatory and customer remediation matters. Provisions for legal proceedings, regulatory and customer remediation matters typically require a higher degree of judgement than other types of provisions, and the actual costs resulting from such proceedings and matters may exceed existing provisioning.

HBME and its affiliates continue to be subject to a number of material legal proceedings, regulatory actions and investigations, a number of which are described in Note 35 ("*Legal proceedings and regulatory matters*") on pages 70 and 71 of the 2022 HBME Annual Report and Accounts. The outcomes of these legal proceedings are inherently difficult to predict, particularly those cases in which matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. Moreover, HBME may face additional legal proceedings, investigations or regulatory actions in the future, including in other jurisdictions and/or with respect to matters similar to, or broader than, the existing legal proceedings, investigations or regulatory actions. An unfavourable result in one or more of these proceedings could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and reputation.

***HBME is subject to tax-related risks in the countries in which it operates***

HBME is subject to the substance and interpretation of tax laws in all countries in which it operates and is subject to routine review and audit by tax authorities in relation thereto. HBME's interpretation or application of these tax laws may differ from those of the relevant tax authorities, and HBME provides for potential tax liabilities that may arise on the basis of the amounts expected to be paid to the tax authorities. The amounts ultimately paid may differ materially from the amounts provided depending on the ultimate resolution of such matters.

In December 2021, the Organisation for Economic Co-operation and Development (the "**OECD**") published model rules that provided a template for countries to implement a new global minimum tax rate of 15 per cent. followed by detailed guidance released in March 2022. The implementation date of the rules is not yet certain and the impact on HBME will depend on exactly how and when the OECD and the various jurisdictions in which HBME operates will implement the rules, in addition to how they are structured within the HSBC Group.

In addition, on 9 December 2022, the UAE Ministry of Finance issued Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "**Corporate Tax Law**") enacted a federal corporate tax regime in the UAE that will apply to taxable persons for financial years beginning on or after 1 June 2023. Under the Corporate Tax Law, corporate tax will apply on the net profits of a business. A rate of 9 per cent. will apply to taxable income exceeding AED 375,000, a rate of zero per cent. will apply to taxable income not exceeding AED 375,000 and a rate of zero per cent. on qualifying income of free zone entities. However, as at the date of this Offering Memorandum, there are a number of aspects of the Corporate Tax Law that remain to be clarified by the regulatory authorities in order for entities such as HBME to be able to determine their tax status and the amount of tax due under the Corporate Tax Law.

In general, the implementation of the above and any further potential changes to tax legislation and tax rates in the countries and territories in which HBME operates could increase HBME's effective tax rate in the future and have a material adverse effect on HBME's business, financial condition, results of operations, prospects and capital position.

**Risks related to HBME's operations**

***HBME's operations are highly dependent on the HSBC Group's information technology systems***

The reliability and security of the HSBC Group's information technology infrastructure is crucial to HBME's provision of financial services to its customers and protecting the HSBC brand.

The effective functioning of the HSBC Group's payment systems, financial control, financial crime, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between HBME's branches and main data processing centres, are important to HBME's operations.

Critical system failure, prolonged service unavailability or a material breach of data security, particularly of confidential customer data, could compromise HBME's ability to serve its customers. This could lead to a breach of regulations by HBME or the HSBC Group and could cause long-term damage to HBME's or the HSBC Group's business and brand that could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and reputation.

***HBME remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology***

HBME operates in an extensive and complex technology landscape, which must remain resilient in order to support its customers, the HSBC Group and the financial markets in which it operates globally. Risks arise where technology is not understood, maintained or developed appropriately.

The threat of cyber-attacks remains a concern for HBME, as it does across the entire financial sector. As cyber-attacks continue to evolve, failure to protect HBME's operations may result in disruption for customers, manipulation of data or financial loss. This could have a material adverse impact on HBME's customers and its reputation.

Adversaries attempt to achieve their objectives by compromising the HSBC Group's systems and those of its related third-parties. They use techniques that include malware (including ransomware), exploitation of both known and unpublished (zero-day) vulnerabilities in software, phishing emails, distributed denial of service, as well as potentially physical compromise of premises, use of artificial intelligence to impersonate others or coercion of staff. HBME's customers may also be subject to these constantly evolving cyber-attack techniques. The HSBC Group, like other financial institutions, experiences numerous attempts to compromise its cyber-security. HBME expects to continue to be the target of such attacks in the future.

Cyber-security risks will continue to increase, due to a continued increase of services delivered over the internet, an increasing reliance on internet-based products, applications and data storage and an increased use of hybrid working models by HBME's employees, contractors, third-party service providers and their sub-contractors.

A failure in the HSBC Group's adherence to its cyber-security policies, procedures or controls, employee wrongdoing, or human, governance or technological error could also compromise the HSBC Group's ability to defend against cyber-attacks. Should any of these cyber-security risks materialise, they could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and reputation.

***HBME could incur losses or be required to hold additional capital as a result of model limitations or failure***

HBME uses models for a range of purposes in managing its business, including regulatory capital calculations, stress testing, credit approvals, calculation of ECLs/loan impairment charges on an IFRS 9, Financial Instruments ("IFRS 9") basis, financial crime and fraud risk management and financial reporting. HBME could face adverse consequences as a result of decisions that may lead to actions by management based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood, or the use of such information for purposes for which it was not designed, or by inherent limitations arising from the uncertainty inherent in predicting or estimating future outcomes. Regulatory scrutiny and supervisory concerns over banks' use of models is considerable, particularly the internal models and assumptions used by banks in their calculations of regulatory capital. If regulatory approval for key capital models is not achieved in a timely manner or if those models are subject to review and challenge, HBME could be required to hold additional capital. Evolving regulatory requirements have resulted in changes to HBME's approach to model risk management, which poses execution challenges. The adoption of more sophisticated modelling approaches including artificial intelligence related risks and technology by both HBME and the financial services industry could also lead to increased model risk. HBME's commitment to changes to business activities due to climate and sustainability challenges will also have an impact on model risk going forward. Models will play an important role in risk management and financial reporting of climate-related risks.

Challenges such as the uncertainty of the long-dated impacts of climate change and the lack of robust and high quality climate-related data present challenges to creating reliable and accurate model outputs for these models.

The economic consequences of higher global inflation and significant increases in interest rates have impacted the reliability of model outputs beyond how IFRS 9 models have been built and calibrated to operate. Consequently, IFRS 9 models under the current economic conditions are generating outputs that do not accurately assess the actual level of credit quality in all cases. In order to calculate more realistic valuation of assets, compensating controls, such as post-model management adjustments based on expert judgement, are required. Such compensating controls require a significant degree of management judgement and assumptions. Significant increases in global inflation and interest rates have impacted the reliability and accuracy of both credit and market risk models. This has required increased monitoring of the models and recalibration of some of the models. Longer term, the models are likely to require redevelopment to take into account the effects of changes in rates and financial markets.

Risks arising from the use of models could have a material adverse effect on HBME's business, financial condition, results of operations, prospects, capital position and reputation.

***HBME's operations use third-party suppliers and service providers***

HBME relies on third-party suppliers and service providers to supply goods and services to it. The use of third-party suppliers and service providers by financial institutions is a particular focus of global regulators. This includes how outsourcing decisions are made, how key relationships are managed, how bribery and corruption risk is managed, and HBME's understanding of third-party dependencies and their impact on service provision.

The inadequate management of third-party risk could impact HBME's ability to meet strategic, regulatory and customer expectations and could also result in legal action.

This may lead to a range of impacts, including regulatory censure, penalties or damage to HBME's reputation. This could have a material adverse effect on HBME's business, financial condition, results of operations, prospects, capital position and reputation.

***Risks related to HBME's governance and internal controls***

***HBME's data management and data privacy controls must be sufficiently robust to support the increasing data volumes and evolving regulations***

As the HSBC Group becomes more data-driven and HBME's business processes move to digital channels, the volume of data that HBME relies on has increased. As a result, its management of data (including data retention and deletion, data quality, data privacy and data architecture), from creation to destruction, must be robust and designed to identify quality and availability issues. Inadequate data management could result in negative impacts to customer service or business processes or require manual intervention to reduce the risk of errors in reporting to senior management, executives or regulators.

Expanding data privacy, national security and cyber security laws in a number of markets could pose potential challenges to intra-group data sharing. These developments could increase financial institutions' compliance obligations in respect of cross-border transfers of personal information, which may affect HBME's ability to manage its financial crime risks across markets.

In addition, failure to comply with data privacy laws and other legislation in the jurisdictions in which HBME operates may result in regulatory sanctions. Any of these failures could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and reputation.

***Third parties may use HBME as a conduit for illegal activities without HBME's knowledge***

HBME is required to comply with applicable financial crime laws and regulations and has adopted various policies, procedures and controls aimed at preventing the exploitation of its products and services for criminal purposes. Financial crime includes fraud, bribery and corruption, tax evasion, sanctions and export control violations, money laundering, terrorist financing and proliferation financing. There are instances, as permitted by regulation, where HBME may (following its due diligence assessments) rely upon counterparties to undertake certain financial crime risk management activities on its behalf.

While permitted by regulation, such reliance may not prevent third parties from using HBME (and HBME's counterparties) as a conduit for financial crime, without HBME's knowledge (and that of HBME's counterparties).

Becoming a party to, being associated with, or even being accused of being associated with, financial crime could damage HBME's reputation and could make it subject to fines, sanctions and/or legal enforcement. Any one of these outcomes could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and reputation.

***HBME may suffer losses due to employee misconduct***

HBME's businesses are exposed to risk from potential non-compliance with the HSBC Group's policies, including the HSBC Values, and related behaviours and employee misconduct such as fraud, negligence or non-financial misconduct, all of which could result in regulatory sanctions and/or reputational or financial harm.

In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue' employees. It is not always possible to deter employee misconduct and the precautions HBME takes to prevent and detect this activity may not always be effective.

Misconduct risks could be increased if HBME's prevent-and-detect measures are less effective because of remote and home working. Employee misconduct, or regulatory sanctions if a regulator deems HBME's actions to deter such activity to be insufficient, could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and reputation.

***The delivery of HBME's strategic actions is subject to execution risk and HBME may not achieve all of the expected benefits for strategic initiatives***

Effective management of transformation projects is required to effectively deliver HBME's strategic priorities, involving delivering both on externally driven programmes and key business initiatives to deliver growth, operational resilience and efficiency outcomes. The magnitude, complexity and, at times, concurrent demands of projects required to meet these can result in heightened execution risk.

Execution risk is further amplified by the inter-dependencies between programmes and restructuring initiatives whilst legislative changes may also lead to interdependencies at a time of existing change. People engagement and morale after several years of transformation is also an area of focus for regional and country management.

Oversight from regulators has increased and is likely to intensify. The delivery of an effective ESG target operating model also carries execution risk amidst a sophisticated regulatory environment. The focus of HBME's regulators (such as the DFSA, the Central Bank of the UAE and the other regulators where HBME has a branch) is increasing and therefore a continued focus on managing its relationships with regulators, meeting their timelines and managing their expectations will be essential for HBME.

HBME's strategy has been supported by the global economic, geopolitical, legal and regulatory environment. HBME has taken into consideration global trends such as technology, customer needs and competition. The development and implementation of HBME's strategy requires difficult, subjective and complex judgements, including forecasts of economic conditions in various parts of the MENAT region, to be made. HBME may fail to correctly identify the relevant factors in making decisions on capital deployment and cost reduction. HBME may also encounter unpredictable changes in the external environment that are unfavourable to its strategy, such as the Russia-Ukraine war.

HBME's ability to execute strategic change may be limited by its operational capacity, effectiveness of its change management controls and the potential for unforeseen changes in the market and/or regulatory environment in which HBME operates.

The global economic outlook continues to remain uncertain due to the possibility of economic recession, heightened inflation, changes in legislation and geopolitical tensions (see "*HBME is likely to be affected by global economic and geopolitical trends, including the risk of government intervention*"). Therefore, there remains a risk that, in the absence of an improvement in global economic conditions, HBME's cost and investment actions may not be sufficient to achieve their expected benefits. The failure to successfully deliver or achieve the expected benefits of these key strategic initiatives could have a material adverse

effect on HBME's customers, business, financial condition, results of operations, prospects, operational resilience and reputation.

***HBME's risk management measures may not be successful***

Risk management is an integral part of all HBME's activities. Risk constitutes HBME's exposure to uncertainty and the consequent variability of return. Specifically, risk equates to the adverse effect on profitability or financial condition arising from different sources of uncertainty, including wholesale and retail credit risk, market risk, non-traded market risk, operational risk, insurance risk, concentration risk, liquidity and funding risk, litigation risk, conduct risk, reputational risk, strategic risk, pension risk and regulatory risk.

While HBME employs a broad and diversified set of risk monitoring and mitigation techniques, such methods and the judgements that accompany their application cannot anticipate every unfavourable event or the specifics and timing of every outcome. Failure to manage risks appropriately could have a material adverse effect on HBME's business, financial condition, results of operations, prospects, capital position, strategy and reputation.

**Risks related to HBME's business**

***HBME's business has inherent reputational risk***

Reputational risk is the risk of failing to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by HBME, another member of the HSBC Group, HBME's employees or those companies with whom HBME is associated. Any material lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputational risk. Stakeholder expectations constantly evolve, and so reputational risk is dynamic and varies between geographical regions, groups and individuals. In addition, HBME's business faces increasing scrutiny in respect to ESG-related matters. If HBME fails to act responsibly or to contribute to the achievement of the HSBC Group's announced targets, commitments, goals or ambitions in a number of areas, such as diversity and inclusion, climate change, sustainability, workplace conduct, human rights, financial crime, and support for local communities, HBME's reputation and the value of its brand may be negatively affected.

Modern technologies, in particular online social media channels and other broadcast tools that facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations. Reputational risk could also arise from negative public opinion about the actual, or perceived, manner in which HBME conducts its business activities, or its financial performance, as well as actual or perceived practices in banking and the financial services industry generally. Negative public opinion may adversely affect HBME's ability to retain and attract customers, in particular, corporate and retail depositors, and to retain and motivate staff, and could have a material adverse effect on HBME's business, financial condition, results of operations, prospects and reputation.

***Non-Financial risks are inherent in HBME's business***

HBME is exposed to many types of non-financial risks that are inherent in its operations. Non-financial risk can be defined as the risk to HBME of achieving its strategy or objectives as a result of inadequate or failed internal processes, people and systems, or from external events. It includes: fraudulent and other criminal activities (both internal and external), breakdowns in processes or procedures, breaches of regulations or law, financial crime, financial reporting and tax errors, external events and systems failure or non-availability. These risks are also present when HBME relies on outside suppliers or vendors to provide services to HBME and its customers.

In particular, fraudsters may target any of HBME's products, services and delivery channels, including lending, internet banking, payments, bank accounts and cards. These non-financial risks may result in financial losses to HBME and/or its customers, an adverse customer experience, reputational damage and potential litigation, regulatory proceeding, administrative action or other adversarial proceeding in any jurisdiction in which HBME operates, depending on the circumstances of the event.

These non-financial risks could have a material adverse effect on HBME's business, financial condition, results of operations, prospects, capital position, strategy and reputation.



***HBME relies on recruiting, retaining and developing appropriate senior management and skilled personnel***

Meeting the demand to recruit, retain and develop appropriate senior management and skilled personnel remains subject to a number of challenges. These include rapidly changing skill requirements and ways of working, the evolving regulatory landscape plus increased requirements and expectations regarding nationalisation and diversity in some jurisdictions. Ongoing talent shortages in key markets and in key capabilities, even where the required talent is globally mobile, add to the complexity of HBME's supply challenge.

HBME's continued success and implementation of its growth strategy depends in part on the retention of key members of its management team and wider employee base, the availability of skilled management in each of its business units, and the ability to continue to attract, train, motivate and retain highly qualified professionals, each of which may depend on factors beyond HBME's control, including economic, market and regulatory conditions, and the impact of the Covid-19 pandemic on health and well-being. In addition, the HSBC Group announced goals in relation to increasing the representation of women and Black heritage employees in senior leadership roles by 2025. If HBME or the HSBC Group fails to achieve these goals, HBME's ability to attract and retain qualified professionals may be negatively affected.

If one of HBME's business units fails to staff its operations appropriately or loses one or more of their key senior executives and fails to successfully replace them in a satisfactory and timely manner, or fails to implement successfully the organisational changes required to support HBME's strategy, its business, financial condition, results of operations, reputation and prospects, including control and operational risks could be materially adversely affected.

Additionally, HBME may be subject to regulatory sanction or financial penalty if it fails to meet the required targets or quotas for employing local nationals in the countries in which it operates.

***HBME has significant exposure to counterparty risk***

HBME is exposed to counterparties that are involved in virtually all major industries, and HBME routinely executes transactions with counterparties in financial services, including brokers and dealers, central clearing counterparties, commercial banks, investment banks, mutual and hedge funds and other institutional clients.

Many of these transactions expose HBME to credit risk in the event of default by its counterparty or client. HBME's ability to engage in routine transactions to fund its operations and manage its risks could be materially adversely affected by the actions and commercial soundness of other financial services institutions.

Financial institutions are necessarily interdependent because of trading, clearing, counterparty or other relationships. As a consequence, a default by, or decline in market confidence in, individual institutions, or anxiety about the financial services industry generally, can lead to further individual and/or systemic difficulties, defaults and losses.

Where bilateral counterparty risk has been mitigated by taking collateral, HBME's credit risk may remain high if the collateral HBME holds cannot be realised quickly or at all or has to be liquidated at prices that are insufficient to recover the full amount of HBME's loan or derivative exposure.

There is a risk that collateral cannot be realised quickly or at all, including situations where this arises by change of law, judicial challenge or the imposition of sanctions, which may influence HBME's ability to foreclose on collateral or otherwise enforce contractual rights.

***Any reduction in the credit rating assigned to HBME or any of its debt securities could increase the cost or decrease the availability of HBME's funding and adversely affect HBME's liquidity position and/or net interest margin***

Credit ratings affect the cost and other terms upon which HBME is able to obtain market funding. Rating agencies regularly evaluate HBME, as well as its debt securities. Their ratings are based on a number of factors, including their assessment of the relative financial strength of HBME, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will

maintain HBME's current ratings or outlook, particularly given the rating agencies' current review of their bank rating methodologies and the potential impact on HBME's ratings.

Any reductions in these ratings and outlook could increase the cost of HBME's funding, limit access to capital markets and require additional collateral to be placed and, consequently, adversely affect HBME's net interest margins and its liquidity position.

***Risks concerning borrower credit quality are inherent in HBME's businesses***

Risks arising from changes in credit quality and the recoverability of loans and amounts due from borrowers and counterparties (e.g. reinsurers and counterparties in derivative transactions) are inherent across HBME's business. Adverse changes in the credit quality of HBME's borrowers and counterparties arising from a general deterioration in economic conditions or systemic risks in the financial system, including from the impact of macroeconomic developments caused by the Russia-Ukraine war and the Covid-19 pandemic (see "The macroeconomic impact of significant geopolitical and social developments, including the Russia-Ukraine war and the Covid-19 pandemic, on the global economy and international markets may affect HBME's financial condition and results") could reduce the recoverability and value of HBME's assets and require an increase in HBME's ECLs/loan impairment charges.

HBME estimates and recognises ECLs/loan impairment charges in its credit exposure. This process, which is critical to HBME's results and financial condition, requires difficult, subjective and complex judgements, including forecasts of how the economic and geopolitical conditions, including the impact of sanctions, might impair the ability of HBME's borrowers to repay their loans and the ability of other counterparties to meet their obligations. This assessment considers multiple alternative forward-looking economic conditions (including gross domestic product estimates) and incorporates this into ECL estimates to meet the measurement objective of IFRS 9. As is the case with any such assessments, HBME may fail to estimate accurately the effect of factors that it identifies or it may fail to identify relevant factors. Further, the information HBME uses to assess the creditworthiness of its counterparties may be inaccurate or incorrect. Any failure by HBME to accurately or correctly estimate the ability of its counterparties to meet their obligations could have a material adverse effect on HBME's business, financial condition, results of operations and prospects.

**Risks related to HBME's financial statements and accounts**

***HBME's financial statements are based in part on judgements, estimates and assumptions that are subject to uncertainty***

The preparation of financial information requires management to make judgements and use estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, particularly those involving the use of complex models, actual results reported in future periods could differ from those on which management's estimates are based. Estimates, judgements, assumptions and models are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the prevailing circumstances. The impacts of revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Accounting policies deemed critical to HBME's results and financial position are those that involve a high degree of uncertainty and have a material impact on the financial statements. In 2022, these included income and expenses, valuation of financial instruments, deferred tax assets, ECL/loan impairment charges, impairment of non-financial assets, provisions and post-employment benefit plans, which are discussed in detail in "Critical accounting estimates and judgements" in the 2022 HBME Annual Report and Accounts.

The valuation of financial instruments measured at fair value can be subjective, in particular where models are used that include unobservable inputs.

The recognition and measurement of deferred tax assets involves significant judgement regarding the probability and sufficiency of future taxable profits, taking into account the future reversal of existing taxable temporary differences and tax planning strategies, including corporate reorganisations. As at the date of this Offering Memorandum, there is also some uncertainty in terms of the tax status of HBME under the Corporate Tax Law (see "HBME is subject to tax-related risks in the countries in which it operates").

The measurement of ECL/loan impairment charges requires the selection and calibration of complex models and the use of estimates and assumptions to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Additionally, significant judgement is involved in determining what is considered to be significant increases in credit risk and what the point of initial recognition is for certain revolving facilities.

The assessment of impairment of non-financial assets involves significant judgements in determining the value in use for the cash generating unit, in particular estimating the present values of cash flows expected.

The recognition and measurement of provisions involve significant judgements due to the high degree of uncertainty in determining whether a present obligation exists, and in estimating the probability and amount of any outflows that may arise.

The calculation of post-employment payment plans involves the determination of key assumptions, including discount rate, inflation rate, post-employment payments and mortality.

Given the uncertainty and subjectivity associated with the above critical accounting judgements and estimates, future outcomes may differ materially from those assumed using information available at the reporting date.

The effect of these judgements on the future results of operations and the future financial position of HBME may be material and could have a material adverse effect on HBME's business, financial condition, results of operations, capital position, prospects and reputation. For further details, "*Critical accounting estimates and judgements*" in the 2022 HBME Annual Report and Accounts.

***Changes in accounting standards may have a material impact on how HBME reports its financial results and financial condition***

HBME prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRSs**") as issued by the International Accounting Standards Board ("**IASB**"), including interpretations ("**IFRICs**") issued by the IFRS Interpretations Committee. From time to time, the IASB or the IFRS Interpretations Committee may issue new accounting standards or interpretations that could materially impact how HBME calculates, reports and discloses its financial results and financial condition, and which may affect HBME's capital ratios, including its common equity tier 1 capital ratio.

**(3) Risks relating to HBCE**

A description of the risk factors relating to HBCE that may affect the ability of HBCE to fulfil its obligations under the Notes are set out in the section entitled "*Risk Factors*" on pages 88 – 176 of the HBCE 2022 Universal Registration Document (as defined in the section headed "*Part A - Incorporation by Reference*" below).

**(4) Risks relating to Notes and Warrants issued by HBEU only**

***Applicable Bank Resolution Powers***

The EU Bank Recovery and Resolution Directive (Directive 2014/59/EU) (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") provides an EU-wide framework for the recovery and resolution of credit institutions and their parent companies and other group companies. The BRRD is designed to provide relevant authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. In the United Kingdom the Banking Act 2009, as amended (the "**Banking Act**") has implemented the majority of the provisions of the BRRD, and was amended by, amongst other statutory instruments, The Bank Recovery and Resolution (Amendment) (EU Exit) Regulations 2020, which implement into United Kingdom law certain of the recent amendments to BRRD which were required to be implemented prior to IP Completion Day (as defined in the EUWA).

***Statutory Intervention Powers***

HBEU is subject to the Banking Act which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the Prudential Regulation Authority and the

United Kingdom Financial Conduct Authority (each a "**relevant UKRA**") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties.

These powers include powers to: (a) transfer all or some of the securities issued by a UK bank or its parent, or all or some of the property, rights and liabilities of a UK bank or its parent (which would include the Notes and Warrants issued by HBEU under the Programme), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the Bank of England); (b) override any default provisions, contracts or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a UK bank; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a UK bank or its parent and its group undertakings (including undertakings which have ceased to be members of the group), in order to enable any transferee or successor bank of the UK bank to operate effectively.

The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

#### ***Power to reduce Noteholders' and Warrantholders' claims***

The powers granted to the relevant UKRA also include powers to vary or extinguish the claims of certain creditors. These powers include a "bail-in" power.

The bail-in power gives the relevant UKRA the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes and/or Warrants) of a failing financial institution or its holding company, to convert certain debt claims (which could be amounts payable under the Notes and/or Warrants) into another security, including ordinary shares of the surviving entity, if any and/or to amend or alter the terms of such claims, including the maturity of the Notes or the expiry of the Warrants or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period. The Banking Act requires the relevant UKRA to apply the bail-in power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant UKRA must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) certain senior claims. The claims of some creditors whose claims would rank equally with those of the Noteholders and/or Warrantholders may be excluded from bail-in. The more of such creditors there are, the greater the impact of bail-in will be on the Noteholders and/or Warrantholders. The bail-in power is subject to the "no creditor worse off" safeguard, under which any shareholder or creditor which receives less favourable treatment following the exercise of the bail-in power than they would have had the institution entered into insolvency may be entitled to compensation.

Moreover, pursuant to the exercise of the bail-in power, any securities that may be issued to Noteholders and/or Warrantholders upon conversion of the Notes or Warrants (as applicable) may not meet the listing requirements of any securities exchange, and HBEU's outstanding listed securities may be delisted from the securities exchanges on which they are listed. Any securities that Noteholders and/or Warrantholders receive upon conversion of such Notes or Warrants (whether debt or equity) may not be listed for at least an extended period of time, if at all, or may be on the verge of being delisted by the relevant exchange. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the issuer (which may be an entity other than HBEU) of any securities issued upon conversion of such Notes or Warrants, or the disclosure with respect to any existing issuer may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the bail-in power.

Furthermore, Noteholders and Warrantholders may have only limited rights to challenge and/or seek a suspension of any decision of the relevant UKRA to exercise the bail-in power (or any of its other resolution powers) or to have that decision reviewed by a judicial or administrative process or otherwise.

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of HBEU or not directly related to HBEU) which the relevant UKRA would consider in deciding whether to exercise such power with respect to HBEU and its securities (including the Notes or the Warrants). Moreover, as the relevant UKRA may have considerable discretion in relation to how and when it may exercise such power, holders of HBEU's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of power and consequently its potential effect on HBEU and its

securities. In some circumstances, the relevant UKRA may decide to apply a deferred bail-in, where liabilities are not written down at the start of the resolution but are transferred to a depository to hold during the bail-in period, with the terms of the write-down being determined at a later point in the bail-in period. Accordingly, it is not yet possible to assess the full impact of the exercise of the bail-in power pursuant to the Banking Act or otherwise on HBEU.

***Powers to direct restructuring of HBEU and its subsidiaries***

As well as a bail-in power, the powers of the relevant UKRA under the Banking Act include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). In addition, the Banking Act gives the relevant UKRA power to amend the maturity date or expiry date and/or any interest payment date of debt instruments, securities or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinue the listing and admission to trading of debt instruments or securities.

The exercise by the relevant UKRA of any of the above powers under the Banking Act may limit HBEU's capacity to meet its obligations under the Notes or Warrants and the exercise of any such powers (including especially the bail-in power) could lead to the holders of the Notes or Warrants losing some or all of their investment.

Moreover, trading behaviour in relation to the securities of HBEU (including the Notes and Warrants), including market prices and volatility, may be affected by the use of, or any suggestion of the use of, these powers and accordingly, in such circumstances, the Notes and Warrants are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant UKRA or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of the Notes or Warrants, the market value of the Notes or Warrants and/or HBEU's ability to satisfy its obligations under the Notes and Warrants.

Although the Banking Act also makes provision for public financial support to be provided to an institution in resolution subject to certain conditions, it provides that the financial public support should only be used as a last resort after the relevant UKRA has assessed and exploited, to the maximum extent practicable, all the resolution tools, including the bail-in power. Accordingly, it is unlikely that investors in the Notes or Warrants will benefit from such support even if it were provided.

**(5) Risks relating to Notes and Warrants issued by HBME only**

***Investors may experience some difficulty in enforcing arbitration awards and foreign judgments against HBME in the DIFC.***

Payments under the Notes and Warrants are dependent upon HBME making payments to investors in the manner contemplated under the Notes and Warrants. If HBME fails to do so, it may be necessary to bring an action against HBME to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming. HBME's place of incorporation and head office is the DIFC and a substantial portion of the assets of HBME are located in the UAE and across the MENAT region.

Each of the Issuing and Paying Agency Agreement, the HBME Deed of Covenant and the Master Note Issuance Agreement (each as defined in the Terms and Conditions of the Notes), the Warrant Agency Agreement, the HBME Warrant Deed of Covenant and the Master Warrant Issuance Agreement (each as defined in the Terms and Condition of the Warrants) and the Warrants (together the "English Law Documents") are governed by English law and (subject to the exercise of an option to litigate given to certain parties (other than HBME)) the parties to the English Law Documents have agreed to refer any dispute in relation to such documents to arbitration under the Arbitration Rules of the LCIA (the "LCIA Rules"). The seat of such arbitration shall be London, England. Pursuant to an option to litigate given to

certain parties, HBME has agreed to submit to the jurisdiction of the courts of England in respect of any dispute arising out of or in connection with the English Law Documents.

Pursuant to Article 13 of the DIFC Law No. 10 of 2005 (as amended and restated) (*Law Relating to the Application of DIFC Laws*) (the "**Application Law**"), the parties' express submission to both arbitration and to the jurisdiction of the English courts should be effective, subject to the courts of the DIFC's (the "**DIFC Courts**") interpretation of Article 5A(1) and 5A(2) of Dubai Law No. 12 of 2004 (as amended) (Law of the Judicial Authority at the DIFC) (the "**Judicial Authority Law**"). In particular, Article 5A(1)(e) of the Judicial Authority Law provides the DIFC Courts with jurisdiction to ratify foreign arbitral awards. However, notwithstanding Article 13 of the Application Law, it is not free from doubt that the DIFC Courts would not seek to re-examine the merits of a case.

In addition, Article 24 of the DIFC Court Law No. 10 of 2004 (as amended) (the "**DIFC Court Law**") provides that, pursuant to Article 7 of the Judicial Authority Law, the DIFC Court of First Instance has jurisdiction to ratify any judgment, order or award of any recognised: (i) foreign court; (ii) Dubai or UAE court; (iii) DIFC or foreign (including the UAE) arbitral award or any award recognised by the DIFC Court Law; or (iv) orders for the purposes of any subsequent application for enforcement in the Dubai courts in the manner prescribed in DIFC law. Article 42(1) of the DIFC Court Law provides that judgments, orders or awards issued or ratified by the DIFC Courts may be enforced within the DIFC in the manner prescribed in the DIFC Rules of Court and Article 42(2) of the DIFC Court Law provides that judgments, orders or awards issued or ratified by the DIFC Courts may be enforced outside the DIFC in accordance with the Judicial Authority Law. Although there is no clear guidance on what is a "recognised foreign court", in theory, an English court judgment could be enforced within the DIFC. However, precedent is limited and it remains to be seen in practice whether any additional hurdles will need to be satisfied before the DIFC Courts will ratify and enforce a foreign judgment. In addition, Article 24(2) of the DIFC Court Law provides that, where the UAE has entered into an applicable treaty for the mutual enforcement of judgments, orders or awards, the DIFC Court of First Instance will comply with the terms of such a treaty. Although the UAE has not yet entered into such a bilateral enforcement treaty with England, on 23 January 2013, the Chief Justice of the DIFC Courts and the Judge in Charge of the U.K. Commercial Court of the Queen's Bench Division, England and Wales (the "**Commercial Court**") entered into a Memorandum of Guidance (the "**Memorandum of Guidance**") setting out their understanding of the procedures for the enforcement of the DIFC Courts' money judgments in the Commercial Court and vice versa. The Memorandum of Guidance is expressed to have no binding legal effect and does not constitute a bilateral enforcement treaty or legislation (and therefore is not binding on the judges of either party and does not supersede any existing laws, judicial decisions or court rules) but it may provide useful insight into the position that is likely to be adopted by the DIFC Courts when enforcing monetary judgments issued by the Commercial Court. The Memorandum of Guidance includes a list of requirements for enforcing a Commercial Court judgment in the DIFC Courts and a non-exhaustive list of grounds upon which the enforcement of such judgments may be challenged in the DIFC Courts. In theory, therefore, an English Court judgment could be enforced within the DIFC against HBME. However, this is relatively untested and it remains to be seen in practice whether any additional hurdles will need to be satisfied before the DIFC Court will ratify and enforce an English court judgment.

The UAE is a signatory to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") and the DIFC Court of First Instance should therefore, in theory, recognise a foreign arbitral award if it complies with the requirements of the New York Convention without re-examining the merits of the case. The DIFC Law No. 1 of 2008 (as amended) the "**Arbitration Law**") provides that an arbitral award, irrespective of the State or jurisdiction in which it was made, shall be recognised as binding within the DIFC and, upon application in writing to the DIFC Courts, shall be enforced. However, Article 44 of the Arbitration Law provides a number of grounds upon which the recognition or enforcement of an arbitral award may be refused by the DIFC Courts for procedural irregularities and fundamental failings in the arbitral process, including where the DIFC Courts finds that the subject-matter of the dispute would not have been capable of settlement by arbitration under the laws of the DIFC or the enforcement of the award would be contrary to the public policy of the UAE. How the New York Convention provisions would be interpreted and applied by the DIFC Courts in practice remains largely untested and therefore whether the DIFC Courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention), remains unclear.

Accordingly, the grounds upon which the DIFC Courts may decline to enforce any judgment, order or award of the English courts or any awards by the LCIA, as the case may be, against HBME are still unclear.

Further, some remedies available under the laws of England and Wales may not be upheld in the DIFC Courts on the basis that such remedies may amount to a penalty.

***Risks relating to enforcement proceedings in the United Arab Emirates***

Under the terms and conditions of the Notes and Warrants, the courts of England have jurisdiction to settle disputes arising from the Notes and Warrants. Where proceedings to enforce an English judgment in the UAE are contemplated, under current UAE law, the courts of the UAE are unlikely to enforce such a judgment without re-examining the merits of the claim. Investors should be aware that there could be practical difficulties in bringing enforcement proceedings against HBME in the UAE.

**(6) Risks relating to Notes issued by HBCE only**

***Bank Recovery and Resolution Directive***

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014, as amended (the "**BRRD**"), notably by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 and by Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, establishes a framework for the recovery and resolution of credit institutions and investment firms.

The BRRD is designed to provide the resolution authorities with a set of tools to intervene early and swiftly in the affairs of an unsound or failing bank to ensure the continuity of the bank's critical financial and economic functions, whilst minimising the impact of a bank's failure on the economy and financial system.

Substantial powers are granted under the BRRD to the resolution authority, which, with respect to HBCE, is the SRB (as defined below) (the "**Resolution Authority**"). These powers enable the Resolution Authority to implement various resolution measures (including, but not limited to, the bail-in tool) with respect to a credit institution subject to its powers (which is the case of HBCE, for more details in this respect, please refer to the paragraph entitled "*Single Resolution Mechanism*" below) in circumstances in which the Resolution Authority determines that such credit institution is failing or likely to fail, within the meaning of the BRRD. A credit institution will be considered as such if one of the following conditions is met or if there are objective elements to support a determination that such entity will, in the near future, meet one of the following conditions:

- (i) it infringes the requirements for continuing authorisation;
- (ii) its assets are less than its liabilities;
- (iii) it is unable to pay its debts or other liabilities as they fall due; or
- (iv) extraordinary public financial support is required (except in order to remedy a serious disturbance in the economy and preserve financial stability upon certain conditions being met).

Powers granted to the Resolution Authority under the BRRD include the following resolution tools: (i) to direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply; (ii) to transfer all or part of the business of the relevant financial institution to a "bridge bank" (a publicly controlled entity); (iii) to transfer the assets of the relevant financial institution to an asset management vehicle to allow them to be managed over time; and (iv) the bail-in tool.

The BRRD also provides for certain ancillary powers, such as the power to: (i) modify contractual arrangements in certain circumstances (which could include a variation of the terms of the Notes); (ii) impose temporary suspension of payments; (iii) suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers.

Noteholders should assume that, in a resolution situation, financial public support will only be available to a relevant entity as a last resort after the Resolution Authority has assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool.

The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of any Notes and could lead to Noteholders losing some or all of the value of their investment in the Notes.

***The Resolution Authority may exercise the bail-in tool in respect of HBCE and the Notes, which may result in Noteholders losing some or all of their investment***

One of the resolution tools granted to the Resolution Authority under the BRRD is the bail-in tool, which gives the Resolution Authority the power to write-down all or a portion of the principal amount of, or interest on, certain unsecured liabilities (such as the Notes) of a failing financial institution and/or to convert such liabilities into another security, including equity instruments of the surviving entity, if any, or another person. The bail-in tool can be used to recapitalise an institution that is failing or likely to fail (determined in the conditions described above), allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring.

Where the relevant statutory conditions for use of the bail-in tool have been met, the Resolution Authority would be expected to exercise these powers without the consent of the Noteholders. Any such exercise of the bail-in tool in respect of HBCE and the Notes may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of the Notes into shares or other Notes or other obligations of HBCE or another person, or any other modification or variation to the terms of the Notes.

The BRRD specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended ("**CRD IV**"), notably by Directive (EU) 2019/878 of 20 May 2019 amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, and as implemented into French law, and otherwise respecting the hierarchy of claims in an ordinary insolvency proceeding. Accordingly, pursuant to French insolvency laws, when applying the bail-in tool, the Resolution Authority must reduce or cancel in the following order: (i) common equity tier one; (ii) additional tier one instruments; (iii) tier two instruments; (iv) subordinated debts other than the ones mentioned in (i) to (iii), pursuant to the hierarchy applicable under a normal insolvency proceeding under French law; (v) remaining liabilities (other than those mentioned in (vi)) which may be subject to the bail-in tool or amounts due under such liabilities, pursuant to the hierarchy applicable under a normal insolvency proceeding under French law; and (vi) amounts due to preferred or guaranteed creditors.

The exercise of the bail-in tool in respect of HBCE and the Notes or any suggestion of any such exercise could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of HBCE to satisfy its obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes. The bail-in tool contains an express safeguard (known as 'no creditor worse off') with the aim that shareholders and creditors do not receive a less favourable treatment than they would have received in ordinary insolvency proceedings. However, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

The European Commission has published a proposal for a Directive of the European Parliament and of the Council amending BRRD as regards to early intervention measures, conditions for resolution and financing of resolution action (2023/0112(COD)), which intends, among other things, to change the creditor hierarchy with the aim to better protect depositors. Although this proposal should not affect the Notes in the creditor hierarchy, its overall impact over the Notes cannot be assessed at this stage.

***Single Resolution Mechanism***

The BRRD is complemented by the directly binding Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 (as amended, the "**SRM Regulation**"), establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism (the "**SRM**") and a single resolution fund (the "**SRF**"), which has applied since 1 January 2016 and was amended by Regulation (EU) 2019/877 of the European



Parliament and of the Council of 20 May 2019 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (applicable since 28 December 2020).

Since 2014, the European Central Bank (the "ECB") has assumed supervisory tasks and responsibilities within the framework of the single supervisory mechanism adopted by the European Union (the "**Single Supervisory Mechanism**") with respect to credit institutions established in the Euro-zone or in non-Euro-zone countries that elect to participate in the Single Supervisory Mechanism.

The SRM Regulation applies to entities covered by the Single Supervisory Mechanism. According to the selection criteria of the ECB, HBCE has been designated as a significant supervised entity for the purposes of article 49(1) of the SRM Regulation and is therefore subject to the SRM Regulation as the primary recovery and resolution rules, instead of the French implementation measures relating to the BRRD.

The SRM Regulation established a single European resolution board (the "**SRB**"), as the central resolution authority, having resolution powers over the institutions that are subject to the SRM Regulation and, together with the relevant national authorities (which, with respect to France, is the French *Autorité de contrôle prudentiel et de résolution*, the "**ACPR**"), forms the SRM. Decision-making is centralised with the SRB working closely with the European Commission, the ECB, the EBA and national resolution authorities.

The SRB (together with the relevant national resolution authorities) draws up and adopts a resolution plan for the entities subject to its powers, including HBCE. The SRB also determines, after consultation with competent authorities, the minimum requirement for own funds and eligible liabilities specific for each institution. The SRB may use the powers of early intervention as set forth in the SRM Regulation, including the power to require an institution to contact potential purchasers in order to prepare for resolution of institution.

The SRB has the authority to exercise the specific resolution powers pursuant to the SRM similar to those of the national authorities under the BRRD (as the SRM Regulation mirrors the BRRD). The resolution tools available for the SRB include the sale of business tool, the bridge institution tool, the asset separation tool and the bail-in tool. In addition, the SRB may exercise the 'write-down and conversion power' in respect of capital instruments and internal eligible liabilities (such power is described in more details in the paragraph entitled "*The Resolution Authority may exercise the bail-in tool in respect of HBCE and the Notes, which may result in Noteholders losing some or all of their investment*" above). The SRB is also granted the authority to instruct the relevant national resolution authorities (which, with respect to France, is the ACPR) within the SRM to use the same resolution tools in respect of an entity subject to the SRM.

### ***French Insolvency Law***

HBCE is incorporated in France as a *société anonyme* and authorised in France as a credit institution. In the event that HBCE becomes insolvent, pursuant to articles L. 613-31-1 *et seq.* of the French *Code monétaire et financier*, insolvency proceedings will be generally governed by the insolvency laws of France.

Pursuant to article L. 613-27 of the French *Code monétaire et financier*, safeguard, judicial reorganisation or liquidation procedures may be opened against a credit institution with the prior consent of the ACPR (*avis conforme*) and competent French courts are bound by such decision.

The Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 was implemented into French law by the *Ordonnance* no. 2021-1193 dated 15 September 2021. Although such directive excludes credit institutions from its scope, the *Ordonnance* does not make such exclusion. Therefore, the following would apply with respect to HBCE. The *Ordonnance*, applicable as from 1 October 2021, amends French insolvency laws notably with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this *Ordonnance*, "affected parties" (including notably creditors, and therefore the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of interest based on verifiable criteria. Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto

power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden: (i) by a cram down inside their class if grouped with other creditors; or (ii) by a cross-class cram down between classes.

Should such proceedings be opened, the commencement of insolvency proceedings against HBCE would have a material adverse effect on the market value of Notes issued by HBCE. As a consequence, any decisions taken by a class of affected parties could negatively and significantly impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover all or part of the amounts due to them from HBCE.

**(7) Risks relating to all issues of Notes and Warrants**

A wide range of Notes and Warrants may be issued under the Programme. The Issuer may issue Warrants linked to, or Notes with principal and/or interest determined by reference to, one or more variables such as an index, formula, securities, commodities, currency exchange rates, interest rates, inflation indices, the credit of one or more entities or other factors (each underlying, commodity, currency or other asset being a "Reference Asset"). A number of these Notes or Warrants may have features which contain particular risks for investors. Set out below is a description of some of the risks that should be taken into consideration by prospective purchasers of Notes or Warrants.

***Credit risk***

The Notes and Warrants are direct, unsecured and unsubordinated obligations of the Issuer and not of any other person. If the Issuer's financial position were to deteriorate, there could be a risk that the Issuer would not be able to meet its obligations under the Notes and Warrants (the Issuer's credit risk). If the Issuer becomes insolvent or defaults on its obligations under the Notes and Warrants, in the worst case scenario investors in the Notes and Warrants could lose all of their invested amounts. Unlike a savings account or similar investment, an investment in the Notes or Warrants is not covered by any deposit guarantee or compensation scheme (such as the UK Financial Services Compensation Scheme or the French *Fonds de Garantie des Dépôts et de Résolution*).

Investors should be aware that any rating of the Issuer reflects the independent opinion of the relevant rating agency and is not a guarantee of the Issuer's credit quality. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

***The Notes and Warrants are unsecured obligations***

It will be particularly important for the investor to evaluate the Issuer's credit risk when considering an investment in the Notes and Warrants as the Notes and Warrants are not secured. If the Issuer became unable to pay amounts owed to the investor under the Notes or Warrants (as applicable), such investor will not have recourse to the Reference Asset(s) or any other security or collateral and, in a worst case scenario, may not receive any payments under the Notes or Warrants (as applicable).

***The Notes and Warrants are not ordinary debt securities and investors are exposed to the risks relating to the Reference Asset(s)***

An investment in the Notes and Warrants is not an equivalent to an investment in a time deposit. The terms of the Notes and Warrants may differ from those of ordinary debt securities because the Notes may not pay interest, the Warrants do not pay interest and, on redemption or expiry (as applicable), depending on the performance of the Reference Asset(s) the Notes and Warrants may return less than the amount invested or nothing.

The repayment of any amount invested in Notes and Warrants and any return on investment may be variable and is not guaranteed. Unlike a savings account or similar investment with a lower return and little or no capital risk, the Notes and Warrants may potentially have a greater return but there is a greater risk of loss of capital. As a result, the investors' capital can fall below the amount initially invested.

Notes and Warrants are linked to the value or level of the underlying Reference Asset(s) and payment at maturity or expiry (and/or payment on early redemption in certain circumstances) and/or payment of interest amounts depend on the performance of the Reference Asset(s). Investors should therefore be prepared to be exposed to the risks related to the Reference Asset(s). The value or level of the Reference

Asset(s) can alter sharply because they reflect the performance of the underlying value or general stock and other market conditions. Therefore, there is a risk that, if the value or level of the Reference Asset(s) does not move in the anticipated direction, the Notes or Warrants may return less than the amount invested and, in a worst case scenario, investors could lose their entire invested amount. In addition, investors should note that there may be a risk that if the issuer of an underlying Reference Asset becomes insolvent, the value of such Reference Asset will become zero. As a result thereof the value of the Notes or Warrants will be adversely affected and in a worst case scenario become zero as well. Investors in the Notes or Warrants would then lose all of their invested amounts.

The Issuer cannot predict the value or level of the Reference Asset(s) on any date during the life of the Notes or Warrants or at maturity or expiry (as applicable). The total return of the Notes or Warrants may be less than other fixed rate instruments, including other securities available directly from the Issuer. Investors should compare the rates of return and other features of the Notes or Warrants to other available investments before deciding to purchase the Notes or Warrants.

***Past performance of the Reference Asset(s)***

Past performance of the Reference Asset(s), if provided, should not be taken as an indication of future performance of the Reference Asset(s). The Issuer cannot provide any assurance that the performance of the Reference Asset(s) will result in a positive return on any investment.

***Capital risks relating to Notes and Warrants which are not principal protected:***

Unless the relevant Series of Notes or Warrants is fully principal protected, the repayment of any amount invested in the Notes or Warrants is not guaranteed. As a result the investors' capital can fall below the amount initially invested in such Notes or Warrants and, in the worst case, the investors may lose their entire invested amount.

***No ownership rights***

An investment in Notes or Warrants relating to Reference Asset(s) is not the same as an investment in the Reference Asset(s). The Notes or Warrants do not (prior to physical settlement of any Notes by delivery of Reference Asset(s), where applicable) confer any legal or beneficial interest in any Reference Asset(s) or securities underlying any Reference Asset(s) (if the Reference Asset is an index) and do not provide a Noteholder or Warrantholder with any of the rights that a holder of such Reference Asset(s) may have (such as voting rights and rights to receive dividends).

***There may be no active trading market or secondary market liquidity for Notes or Warrants***

Any Series of Notes or Warrants issued will be new securities which may not be widely distributed and for which there is no active trading market (even where, in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche which is already issued). If the Notes or Warrants are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar Notes or Warrants (as applicable), general economic conditions, commissions paid by the Issuer and the financial condition of the Issuer and existing liquidity arrangements (if any) might not protect Noteholders from having to sell the Notes at substantial discounts to their principal amount in case of financial distress of the Issuer. Accordingly, the investor is subject to the risk that its investment in the Notes and Warrants may be difficult or impossible to trade. If a market does develop, it may not be very liquid and such liquidity may be sensitive to changes in financial markets.

It is not possible to predict whether any trading market for the Notes and Warrants will develop or, if it does, the price at which Notes and Warrants will trade in the secondary market or whether such market will be liquid or illiquid. If any Notes and Warrants are not listed or traded on any exchange, pricing information for the Notes and Warrants may be more difficult to obtain and the liquidity of the Notes and Warrants may be adversely affected. Also, to the extent that Notes are redeemed or purchased and cancelled or Warrants are exercised or purchased and cancelled, the number of Notes or Warrants outstanding will decrease, resulting in a lessening of the liquidity of the Notes and Warrants. A lessening of the liquidity of the Notes and Warrants may cause, in turn, an increase in the volatility associated with the price of the Notes and Warrants. An investor in the Notes or Warrants is subject to the risk therefore, that to the extent that there is no liquid market in the Notes and Warrants, an investor may have to wait until redemption of such Notes

or until it is able to exercise such Warrants in order to realise the value of its investment and, as such, an investor should proceed on the assumption that they may have to bear the economic risk of an investment in the Notes or Warrants until their redemption or exercise date.

***Illegality***

The Noteholders and Warrantholders are subject to the risk that the Issuer may terminate its obligations under the Notes or Warrants if the Calculation Agent determines acting in good faith and a commercially reasonable manner that the performance of the Issuer's obligations under any Notes or Warrants (or, in the case of Warrants and Notes other than Alternative General Conditions Notes, the Issuer's designated affiliates' obligations under any hedging or funding arrangement established in connection therewith) shall after the trade date have become unlawful or (in the case of Warrants and Notes other than Alternative General Conditions Notes only) impracticable in whole or in part, unless the relevant Pricing Supplement in respect of a Series of Notes specifies "Early Redemption for Impracticability" as not applicable, in which case the Issuer will not be entitled to terminate its obligations under such Notes or Warrants for the reasons of impracticability only. Following such a determination of illegality or (as the case may be) impracticability, the Issuer may terminate its obligations under the Notes against payment of the Early Redemption Amount specified in the relevant Pricing Supplement or terminate its obligations under the Warrants against payment of the Fair Market Value. In the case of Notes other than Alternative General Conditions Notes, the Pricing Supplement may specify the Early Redemption Amount as being the Fair Market Value of such Note immediately prior to such termination. The Fair Market Value of a Note or Warrant will be adjusted to account fully for any reasonable expenses and costs incurred by the Issuer and/or its designated affiliates in connection with the Issuer's obligations under the Notes or Warrants or any related hedging and/or funding arrangements as a result of such events. Noteholders and Warrantholders may suffer a loss of some or all of their investment as a result of such early termination, and will forego any future performance in the relevant Reference Asset and, in the case of Notes only, future interest payments applicable to such Notes (if any).

The Conditions provide that it shall not be a default for the Issuer to withhold or refuse any payment of principal or interest under the Notes or any payment in respect of the Warrants (1) if the Issuer determines, acting in good faith and, in relation to Notes issued by HBCE only, in a commercially reasonable manner, that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment (and any such determination made by the Issuer in accordance with advice given at any time by independent legal advisers shall be conclusive and binding on the Noteholders or Warrantholders (as applicable)) or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability. So long as such circumstances are continuing, investors in the Notes or Warrants may not receive any such payments in respect of them and will not be entitled to any additional payments of interest or otherwise as a result of such withholding or refusal.

***Early Redemption for Taxation Reasons***

The Noteholders are subject to the risk that the Issuer may terminate its obligations under the Notes if the Issuer determines that it would be required to gross-up payments to the holders following a withholding or deduction required by law of taxes, duties, assessments or governmental charges imposed or levied by or on behalf of the Relevant Jurisdiction. Following such a determination, the Issuer may terminate its obligations under the Notes against payment of the Early Redemption Amount specified in the relevant Pricing Supplement. In the case of Notes other than Alternative General Conditions Notes, the Pricing Supplement may specify the Early Redemption Amount as being the Fair Market Value of such Note immediately prior to such termination. The Fair Market Value of a Note will be adjusted to account fully for any reasonable expenses and costs incurred by the Issuer and/or its designated affiliates in connection with the Issuer's obligations under the Notes or any related hedging and/or funding arrangements as a result of such events. Noteholders may suffer a loss of some or all of their investment as a result of such early termination and will forego any future performance in the relevant Reference Asset and future interest payments applicable to such Notes (if any).

***Certain factors affecting the value and trading price of Notes and Warrants***

The value of Notes and Warrants prior to maturity or expiry (as applicable) is expected to depend on a number of factors including, without limitation: (i) the financial condition and funding costs of the Issuer; (ii) the value and volatility of the Reference Asset(s) and liquidity of the Reference Asset(s); (iii) the time remaining to expiration or maturity; (iv) any change(s) in interest rates, dividend yields and inflation rates; (v) any change(s) in currency exchange rates; (vi) economic and market conditions; and (vii) any related transaction costs. As a result of these factors the price at which a Noteholder or Warrantholder will be able to sell the Notes or Warrants prior to maturity or expiry (as applicable) may be less than the initial amount invested in the Notes or Warrants. Each of these factors interrelate in complex ways (for example, one factor may offset an increase in the value of the Notes or Warrants caused by another factor). Investors are subject to the risk that the value of Notes or Warrants may be adversely affected by one or more of the following factors:

(a) *Fluctuations in the level or value of the Reference Asset(s)*

Fluctuations in the value or level of the Reference Asset(s) may affect the value of the Notes or Warrants, but equally an investor in the Notes or Warrants is subject to the risk that expectations of fluctuation in value or level of the Reference Asset(s) during the remaining period to the maturity of the Notes or expiry of the Warrants (as applicable) or any earlier redemption or exercise date would adversely affect amounts payable in respect of the Notes or Warrants. The level or value of the Reference Asset(s) may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro-economic factors and speculation.

(b) *Interest rates*

Rising interest rates may lower the value of the Reference Asset(s), and thus, the value of the Notes and Warrants. Changes in interest rates may also affect the economy of a country in which the Reference Asset(s) or securities underlying the Reference Asset(s) (where such Reference Asset(s) is an equity index) are traded, and which may adversely affect the value of the Notes and Warrants.

(c) *Volatility of the Reference Asset(s)*

If the size and frequency of market fluctuations in value of the Reference Asset(s) increase or decrease, the trading value of the Notes and Warrants may be adversely affected.

(d) *Time remaining to maturity or expiry*

The Notes and Warrants may trade at a value above that which would be expected based on the level of interest rates and the level of the Reference Asset(s). Any such difference will reflect a "time premium" resulting from expectations concerning the Reference Asset(s) during the period prior to the maturity of the Notes or the expiry of the Warrants. An investor in the Notes and Warrants should be aware of the risk that, as the time remaining to the redemption or exercise (as applicable) of the Notes and Warrants decreases, this time premium would likely decrease, which would adversely affect the value of the Notes and Warrants.

(e) *Dividend rates*

An investor in the Notes and Warrants is subject to the risk that changes in dividend or other distribution rates on the Reference Asset(s) may adversely affect the trading value of the Notes and Warrants. If the dividend or other income rates on the Reference Asset(s) increase, the trading value of the Notes and Warrants are likely to decrease as the Notes and Warrants generally do not reflect such distributions by way of increase in amounts payable on redemption or exercise, or pass-through payments of such distributions.

***Pricing***

As part of the valuation mechanism, Notes and Warrants may specify a time and an exchange or other venue in which the level or value of the Reference Asset(s) are to be observed. Depending on how the level or value of the Reference Asset(s) is calculated, the level or value of such Reference Asset(s) may fluctuate throughout the trading day, and they may change rapidly. As a result, investors should note that return on any Notes and Warrants may be particularly sensitive to the choice of valuation times and valuation

methods. The "price discovery" mechanism used to ascertain the value of the underlying at any given time on exchanges or other venues may not be uniform throughout the trading day. This may affect the valuation of any issuance of Notes and Warrants. For example, exchanges may conduct auctions to set an opening or closing price, and trading characteristics and participants in after-hours trading sessions may differ from those during regular hour sessions.

***Potential conflicts of interest***

The Issuer and/or affiliates of the Issuer may from time to time: (i) advise or engage in business with the issuers of or obligors in respect of Reference Asset(s) or securities underlying Reference Asset(s) (where such Reference Asset(s) is an equity index) regarding transactions to be entered into by them; (ii) engage in transactions involving Reference Asset(s) or securities underlying Reference Asset(s) (where such Reference Asset(s) is an equity index) for their proprietary accounts, for other accounts under their management or to facilitate client orders; (iii) carry out hedging activities related to the Notes and Warrants by purchasing or entering into derivatives transactions relating to the Reference Asset(s) or securities underlying Reference Asset(s) (where such Reference Asset(s) is an equity index) (but will not be obliged to do so); (iv) publish research reports relating to Reference Asset(s) or securities underlying Reference Asset(s) (where such Reference Asset(s) is an equity index); or (v) have or acquire non-public information about Reference Asset(s) and/or any relevant securities underlying Reference Asset(s) (where such Reference Asset(s) is an equity index). In undertaking any such activities, neither the Issuer nor any affiliate of the Issuer is under any obligation to consider the interests of the Noteholders, and any such activity by the Issuer or its affiliates (as applicable) may have a negative effect on the value or level of such Reference Asset(s) and therefore on the value of any Notes and Warrants to which they relate.

In addition, the conditions of the Notes or Warrants may provide for (a) the early redemption of the Notes, or an early termination of the Warrants, as the case may be, and/or (b) a lesser amount being payable in respect of the Notes or Warrants, if the value of any Reference Asset exceeds, falls below, is equal to or does not stay within pre-determined reference levels ("**Threshold Events**"). The activities described in the preceding paragraph may cause such Threshold Events to be triggered, which could potentially have a negative impact on the value of any Notes and Warrants to which they relate.

Certain affiliates of the Issuer or the Issuer itself may: (i) be the counterparty to the hedge of the Issuer's obligations under an issue of Notes and Warrants; (ii) be the Calculation Agent responsible for making determinations and calculations in connection with the Notes and Warrants; or (iii) publish research reports which express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes and Warrants referencing the Reference Asset(s). Accordingly, there is a risk that certain conflicts of interest may arise both among the Issuer or these affiliates and between the interests of the Issuer or these affiliates and the interests of Noteholders or Warrant holders (as applicable).

***Fees, commission and cost of hedging***

The original issue price of the Notes or Warrants may include the distribution commission or fee charged by the Issuer and/or its affiliates and the cost or expected cost of hedging the Issuer's obligations under the Notes or Warrants (if any). Accordingly, there is a risk that, upon issue, the price, if any, of the Notes or Warrants in any secondary market (including the price (if any) at which the Issuer or its affiliates would be willing to purchase Notes or Warrants from the investor) would be lower than the original issue price. Such fee, commission and cost of hedging may also be deducted from the redemption or settlement amount payable in respect of the Notes (in the case of Notes other than Alternative General Conditions Notes) or Warrants. In addition, any such prices may differ from values determined by pricing models used by the Issuer or affiliates as a result of such compensation or other transaction costs.

***Effect of general economic conditions on the Notes and Warrants***

The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other countries and areas. There can be no assurance that events occurring elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or Warrants or that economic and market conditions will not have any other adverse effect.

***Hedging activities of the Issuer and affiliates***

The Issuer or its affiliates may carry out hedging activities related to the Notes and Warrants, including purchasing Reference Asset(s) or securities underlying Reference Asset(s) (where such Reference Asset(s) is an equity index), but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the Reference Asset(s) or securities underlying Reference Asset(s) (where such Reference Asset(s) is an equity index) on a regular basis as part of their securities businesses. Any of these activities could potentially affect the value of the reference factor, Reference Asset(s) or securities underlying Reference Assets(s) (where such Reference Asset(s) is an equity index) and, accordingly, the value of the Notes or Warrants.

***Calculation Agent's discretion and valuation***

Calculation of the interest payments (if applicable) and/or amount payable in respect of redemption or expiry or exercise may be by reference to certain specified screen rate(s), level(s) or value(s) published on an exchange or other quotation system, or if any such rate(s), level(s) or value(s) is not displayed at the relevant time, rate(s), level(s) or value(s) (as applicable) determined by the Calculation Agent acting in good faith and a commercially reasonable manner, or otherwise, an exercise of its discretion in accordance with and pursuant to the terms and conditions of the applicable Notes and Warrants. The Calculation Agent may also have other discretionary powers (including without limitation, powers to (i) adjust terms and conditions of Notes and Warrants; (ii) in certain circumstances, substitute the Reference Asset; (iii) postpone payment; (iv) redeem or terminate the Notes and Warrants prior to their scheduled maturity or expiry, as applicable; or (v) apply any combination of the foregoing). Investors should be aware that, in circumstances where the Issuer has entered into hedging arrangements (or otherwise), the exercise of its discretionary powers as Calculation Agent under the conditions of the Notes and Warrants, or as calculation agent under its related hedge, may have an adverse impact on the performance of the Notes and Warrants, which may result in a lower return, or no return at all. The Notes may be redeemable prior to their scheduled maturity and the Warrants may expire prior to their scheduled expiry in certain circumstances at an amount determined by the Calculation Agent which may be less than their nominal amount. Accordingly, an investor in the Notes and Warrants is subject to the risk that the calculation of payments and other determinations under the Notes and Warrants are conclusively determined by one party which may be the Issuer itself or its affiliates and the investor cannot object to such calculation or determination.

The Calculation Agent may be permitted to use its proprietary models in setting the terms of an adjustment, and it may be difficult for investors to predict the resulting adjustments in advance. In such case, an investor would be subject to the risk that it would be difficult to verify that adjustments made to payments under the Notes and Warrants are legitimate and consistent with the terms of an issue of Notes and Warrants without expertise in applying valuation models.

All calculations and determinations made by the Calculation Agent in relation to the Notes and Warrants shall (save in the case of manifest error at the time the relevant determination is made) be final and binding on the Issuer and all Noteholders and Warrantholders. The Calculation Agent shall have no obligations to the holders of Notes or Warrants, and shall only have the obligations expressed to be binding on it pursuant to the Conditions. The Calculation Agent may delegate to an affiliate some or all of its functions, powers, duties and obligations as it deems appropriate without the prior consent of the holders of the Notes or Warrants.

***Exchange rate risks and exchange control risks***

The Issuer will generally pay amounts in respect of the Notes and Warrants in the Settlement Currency (as referred to in the relevant Pricing Supplement). As a result there are various potential exchange rate risks that investors in the Notes or Warrants need to consider.

***Investor converting amounts paid in the Settlement Currency into the Investor's Currency***

If an investor anticipates that it will need to convert payments made under the Notes or Warrants from the Settlement Currency into a currency of its choice (the "**Investor's Currency**") (for instance, if other obligations of the investor are payable in the Investor's Currency), then the investor is subject to the risk that the currency conversion rate which it must pay for exchanging the Settlement Currency into the Investor's Currency becomes less attractive and therefore decreases the realisable value of its investment.

An appreciation in the value of the Investor's Currency relative to the Settlement Currency at any time would decrease (i) the value of any redemption (in the case of Notes) or cash settlement (in the case of Warrants) payable to the investor and (ii) the market value of the Notes or Warrants, in each case where converted into the Investor's Currency at that time. As a result, the amount that the investors receive in respect of the Notes or Warrants, as converted, may be less than expected or zero.

*Material risks involved in currency conversion*

The material risks involved in the currency conversion include the risk that exchange rates may change significantly (including changes due to performance of the Investor's Currency relative to the Settlement Currency). It is impossible to predict whether the value of one such currency relative to another will rise or fall during the term of the Notes and Warrants.

*Amounts converted from another currency into the Settlement Currency or calculated by reference to an underlying currency pair*

The Pricing Supplement in relation to some Notes may specify that Conversion provisions apply in relation to specified payments under the Notes, in which case the amounts of such payments will be converted into the Settlement Currency in accordance with provisions set out in the relevant Pricing Supplement. The relevant Pricing Supplement may also specify in relation to a Series of Notes or Warrants that certain amounts payable in respect of the Notes or Warrants are to be determined by reference to the exchange rate(s) between one or more underlying currencies. In any such case, the exchange rate and exchange control risks set out above in relation to the Settlement Currency and the Investor's Currency may apply to the Settlement Currency and/or a Cross Currency and the underlying currency and/or such underlying currency pair(s).

In addition,

- (a) if "Price Source Disruption" is specified in the relevant Pricing Supplement as being applicable to any Notes or Warrants, then if for any reason a relevant rate of exchange is not available the Calculation Agent may (i) use alternative sources to determine an exchange rate (such source as may be determined by the Calculation Agent), (ii) postpone the determination of the rate of exchange (subject to a postponement cut-off of 30 calendar days (or such other number of calendar days as may be specified in the Pricing Supplement) after which the Calculation Agent, acting in a commercially reasonable manner, shall determine its good faith estimate of the rate and use exchange rates prevailing at later times or (iii) determine the rate of exchange as the arithmetic mean of exchange rates provided by leading dealers in the relevant foreign exchange market.
- (b) if "EM Price Source Disruption" is specified in the relevant Pricing Supplement as being applicable to any Notes, then if for any reason a relevant rate of exchange is not available the Calculation Agent may (i) postpone the determination of the rate of exchange (subject to a postponement cut-off of 30 calendar days (or such other number of calendar days as may be specified in the Pricing Supplement)), (ii) following such postponement cut-off, use alternative sources specified in the relevant Pricing Supplement to determine an exchange rate (the "**alternate rate of exchange**"), and/or (iii) in certain circumstances (including where no rate of exchange or alternate rate of exchange is available following postponement or the Calculation Agent determines that any rate of exchange or alternate rate of exchange (as applicable) determined in accordance with the Conditions is not reflective of the rate that the Issuer could obtain in the general foreign exchange market), determine the rate of exchange in good faith and a commercially reasonable manner.

Additionally, where "EM Price Source Disruption" is specified in the relevant Pricing Supplement as being applicable to any Notes, the relevant Pricing Supplement may also specify "Price Materiality" to be applicable to such Notes. Where Price Materiality is specified as being applicable to any Notes, if the Calculation Agent determines that the rate of exchange determined in accordance with the Conditions differs from the fallback rate of exchange determined in accordance with the Conditions by the Price Materiality Threshold Percentage specified in the Pricing Supplement or more (or if no such Price Materiality Threshold Percentage is specified in the Pricing Supplement, by three per cent. or more), the Calculation Agent may determine the relevant rate of exchange in good faith and a commercially reasonable manner.



The exchange rate so determined may differ from the rate which would have prevailed but for the occurrence of the disruption and this may lead to a decrease in the amount payable to the investors. In addition, if the Calculation Agent postpones the determination of the rate of exchange the due dates for any payments in respect of the Notes or Warrants (including, without limitation, the maturity date or cash settlement date) and/or the date of delivery, where physical settlement applies, may also be postponed.

If a specified fixing date for the determination of a relevant exchange rate is an Unscheduled Holiday, the fixing date will be postponed to the next relevant currency business day which is not an Unscheduled Holiday (subject to a postponement cut-off of 30 calendar days (or such other number of calendar days as may be specified in the Pricing Supplement)), after which the Calculation Agent, acting in a commercially reasonable manner, shall determine its good faith estimate of the relevant rate.

If the Issuer is unable to settle payments in the Settlement Currency, the Issuer may, in certain circumstances, settle any payments due under the Notes or Warrants by payment of the Alternative Payment Currency Equivalent (which will be an amount in USD or such other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement) (see "*Payment of Alternative Payment Currency Equivalent*" below).

#### *Exchange control risks*

Investors in Notes and Warrants should also be aware that there is the risk that authorities with jurisdiction over the Investor's Currency or Settlement Currency such as government and monetary authorities may impose or modify (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or transfer of funds in and out of the country. It is impossible to predict whether the value of one such currency relative to another will rise or fall during the term of the Notes and Warrants. As a result of exchange controls and restrictions the Issuer may not be able to make payments under the Notes and Warrants in the Settlement Currency and will therefore pay the equivalent of the amounts due under the Notes in U.S. dollars or another currency. Investors in the Notes and Warrants will therefore forego any future performance of the Settlement Currency. See for further details "*Risks relating to Emerging Markets*".

#### ***Payment of Alternative Payment Currency Equivalent***

If (i) "Payment of Alternative Payment Currency Equivalent" is specified to be applicable in the relevant Pricing Supplement, or is applicable in accordance with the Conditions or (ii), the relevant clearing system(s) ceases to accept payments in the Settlement Currency (a "**Clearing System Currency Eligibility Event**"), then, if by reason of a FX Disruption Event, a Clearing System Currency Eligibility Event or any other event specified in the relevant Pricing Supplement as an Additional Alternative Payment Currency Event, the Issuer is not able to satisfy its obligations to pay any amounts due under the relevant Notes or Warrants (as applicable) in the Settlement Currency, then the Issuer is entitled to make the payments in USD or any other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement (the "**Alternative Payment Currency**").

#### ***Certain considerations regarding hedging***

Investors intending to purchase Notes or Warrants to hedge against the market risk associated with investing in a Reference Asset should recognise that there is a risk that the value of the Notes or Warrants may not exactly correlate with the value of the Reference Asset to which they relate. Due to fluctuating supply and demand for the Notes or Warrants, there is no assurance that their value will correlate with movements of the Reference Asset. In addition, the formula for redemption or exercise (as applicable) may be subject to a cap. For these reasons, among others, it may not be possible to purchase or liquidate assets in a portfolio at the prices used to calculate the value of any relevant Reference Asset. Accordingly, investors who invest in Notes or Warrants as a means of hedging may be exposed to risks arising out of such differences in value.

#### ***Value of Baskets***

The value of a basket of Reference Assets to which any Notes or Warrants relate may be affected by the number of Reference Assets included in such basket. Generally, the value of a basket that includes Reference Assets from a number of companies or obligors or other components or which gives relatively equal weight to each Reference Asset will be less affected by changes in the value of any particular

Reference Asset included therein than a basket that includes fewer Reference Assets or that gives greater weight to some Reference Assets.

In particular, if the Reference Assets included in a basket are all in or connected with a particular industry, the value of such basket will be affected to a greater extent by the economic, financial and other factors affecting that industry than if the Reference Assets included in the basket relate to various industries that are affected by different economic, financial or other factors or are affected by such factors in different ways.

Investors in the Notes and Warrants are subject to the risk that other risks relating to the Reference Assets which adversely affect the value of the Notes or Warrants will be exacerbated due to the number of and/or type of Reference Assets.

### ***Change of law***

The Conditions of the Notes and the Conditions of the Warrants are based on English law and relevant tax law in effect as at the date of this Offering Memorandum. There is a risk that the interpretation and/or effect of the Conditions may be subject to change in such a manner as to adversely affect the contractual rights of holders of the Notes and Warrants. The value of the Notes and Warrants may also be affected by changes in the laws of the jurisdiction of listing or incorporation of the issuers of or obligors under the Reference Asset(s) or securities underlying Reference Asset(s) (where such Reference Asset(s) is an equity index).

No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Memorandum.

### ***Clearing systems***

Because Notes and Warrants may be held by or on behalf of the relevant clearing system as specified in the relevant Pricing Supplement investors will be able to trade their interests only through the relevant clearing system. In addition, Notes and Warrants may be issued as Uncertificated Registered Notes or Uncertificated Registered Warrants. CREST will maintain records of the interests in such Notes and Warrants and investors will be able to trade their interests only through CREST. Investors will have to rely on their procedures for transfer, payment and communication with the Issuer to receive payment under the Notes and Warrants. Investors are therefore subject to the risk of those settlement procedures failing such that payments due under the Notes or Warrants may be delayed and that book entries or entries in the register are entered incorrectly which may lead to difficulties with an investor asserting ownership of its Notes or Warrants.

The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the global Notes or global Warrants. Holders of interests in the global Notes or global Warrants will not have a direct right to vote in respect of the relevant Notes or Warrants. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system to appoint appropriate proxies.

### ***Modification, waiver and substitution***

Investors in the Notes or Warrants are subject to the risk that modifications to the Conditions of the Notes or Warrants may be made without the consent of any Noteholders or Warrantholders, as the case may be, where the Issuer determines that:

- the modification is not materially prejudicial to the interests of the Noteholders and the Warrantholders as a whole;
- where the modification of the Notes or Warrants is of a formal, minor or technical nature or is made to correct a manifest error or comply with mandatory provisions of the law of the Issuer's jurisdiction of incorporation; or
- where the Conditions are inconsistent with the termsheet relating to the relevant Notes or Warrants.

There is a commercial risk that the obligations of the Warrantholder or the Noteholder will be owed by a principal debtor other than the Issuer. The Notes and Warrants permit the substitution of an affiliate of the

Issuer as principal debtor in respect of the Notes and the Warrants, **provided that** the Issuer provides a guarantee.

### **Risks relating to benchmark reform and transition**

#### *Regulation and reform of Benchmarks*

LIBOR, the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of ongoing national, international and other regulatory guidance and reform. Some of these reforms are already effective whilst others are yet to apply. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to a "benchmark". For example, following an announcement by the FCA on 5 March 2021 (the "**FCA LIBOR Announcement**"), immediately after 31 December 2021, all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month U.S. dollar settings, either ceased to be provided by any administrator or became unrepresentative of the relevant underlying market. The FCA LIBOR Announcement also provided that the remaining U.S. dollar settings would similarly either cease to be provided or would become unrepresentative immediately after 30 June 2023.

Regulation (EU) 2016/1011, as amended (the "**EU Benchmarks Regulation**"), and Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK Benchmarks Regulation**"), apply to the provision of benchmarks and the contribution of input data to a benchmark within the EU or the UK (as applicable) and prevent certain uses by EU or UK supervised entities (as applicable) of "benchmarks" of unauthorised administrators.

The EU Benchmarks Regulation and the UK Benchmarks Regulation, together with other international, national or other reforms or the general increased regulatory scrutiny of "benchmarks" could have a material impact on any Notes or Warrants linked to a "benchmark". Such reforms could result in changes to the manner of administration of "benchmarks", with the result that such "benchmarks" may perform differently than in the past (and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level) or may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the discontinuance or unavailability of quotes for certain benchmarks.

#### **A Benchmark Trigger Event could occur in relation to the Notes or Warrants**

A "**Benchmark Trigger Event**" (as defined in the Conditions) may occur in relation to a Series of Notes or Warrants linked to a "benchmark" in a number of scenarios, including:

- where there is an event or circumstance which has the effect that the Issuer or the Calculation Agent is not or will not be, permitted under any applicable law or regulation to use a benchmark (as defined in the Conditions) to perform its or their obligations under the Notes; or
- certain other events (including, without limitation, an announcement by or on behalf of the administrator, regulatory supervisor for the administrator, the central bank for the currency of a benchmark, an insolvency official with jurisdiction over the administrator for a benchmark, a resolution authority with jurisdiction over the administrator for a benchmark or a court or an entity with similar insolvency or resolution authority over the administrator of a benchmark that such benchmark has ceased or will cease to be provided permanently or indefinitely) determined to have occurred by the Issuer.

#### *Determination of a Benchmark Trigger Event*

The circumstances with respect to a Relevant Benchmark that may lead to the occurrence of a Benchmark Trigger Event are beyond the Issuer's control. However, in all cases, the Issuer will make a determination as to whether the relevant circumstances have arisen.

In making a determination as to whether the occurrence of the relevant circumstances constitute a Benchmark Trigger Event the Issuer may take into consideration any factors the Issuer considers relevant to such determination (including prevailing market practice and the impact of such circumstances on any

related hedging arrangement of the Issuer and/or its affiliates) and may exercise its discretion and make subjective judgements. The Issuer is under no obligation to act in the best interests of the holders of the Notes or Warrants in making such determination, and there is no guarantee that the determinations made by the Issuer will lead to the best possible outcome for investors.

*Consequences of the occurrence of a Benchmark Trigger Event*

The occurrence of a Benchmark Trigger Event in relation to a Relevant Benchmark to which the Notes or Warrants are linked could result in such Relevant Benchmark being deemed replaced (for the purposes of the Notes or Warrants) with an alternative benchmark (a "**Replacement Index**") selected by the Issuer (or any Alternative Pre-nominated Index specified in the Pricing Supplement as applicable), adjustment to the terms and conditions pursuant to Condition 15A (*Consequences of a Benchmark Trigger Event*) or 8A (*Consequences of a Benchmark Trigger Event*) (as applicable), early redemption or termination, discretionary valuation by the Issuer and/or the Calculation Agent, delisting or other consequences in relation to Notes or Warrants linked to such Relevant Benchmark.

There can be no assurance that the amounts payable to investors in relation to any Notes or Warrants following the application of a Replacement Index or the Alternative Pre-nominated Index pursuant to Condition 15A (*Consequences of a Benchmark Trigger Event*) (in the case of Notes), or a Replacement Index or the Alternative Pre-nominated Index pursuant to Condition 8A (*Consequences of a Benchmark Trigger Event*) (in the case of Warrants), and any related adjustments to the terms and conditions of the relevant Notes or Warrants (as applicable), will correspond with the amounts that investors would have received if the original Relevant Benchmark had continued to apply, and investors may accordingly receive less than they would otherwise have received.

The determination and use of a Replacement Index or the Alternative Pre-nominated Index following the occurrence of a Benchmark Trigger Event may result in changes to the Conditions and/or payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on such Notes or Warrants if the Relevant Benchmark remained available in its current form. Any such consequence could have a material adverse effect on the value of and return on any such Notes or Warrants.

***Regulatory initiatives may restrict certain investments and have an adverse impact on the regulatory treatment of the Notes and the Warrants***

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the derivatives and structured securities industries. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may restrict investment in certain Notes and Warrants, have an adverse impact on the regulatory position for certain investors and/or on the incentives for certain investors to hold Notes and Warrants and may thereby also affect the liquidity of such Notes and Warrants in the secondary market. Investors in the Notes and the Warrants are responsible for analysing their own regulatory position and none of the Issuer or the Dealers makes any representation to any prospective investor or purchaser of the Notes or the Warrants regarding the regulatory treatment of their investment at the time of such investment or at any time in the future. Prospective investors should therefore make themselves aware of the changes and requirements applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes or the Warrants.

**Taxation and other charges in relation to the Notes and Warrants**

Transactions involving Notes or Warrants may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. Stamp duty, stamp duty reserve tax and/or similar transfer taxes may be payable on any conveyance or transfer (actual or deemed) or agreement to transfer assets in cases where obligations of the Issuer under the Notes are or may be physically settled.

Transactions involving Notes or Warrants may be subject to United Kingdom stamp duty or stamp duty reserve tax, and are subject to the risk that instruments effecting or evidencing transfers of Notes or Warrants and executed in the United Kingdom may not be admissible in evidence in civil proceedings unless duly stamped. An instrument of transfer executed outside the United Kingdom is also subject to the risk that it may be inadmissible in United Kingdom civil proceedings unless duly stamped after it has been first received in the United Kingdom.

Under the terms and conditions of the Notes all payments and deliveries will be subject to any fiscal or other laws and regulations in the place of payment and Noteholders may be responsible for paying, or suffer a deduction for, any applicable duties, taxes or other charges imposed by such laws and regulations, subject only to the Issuer's obligation to gross-up in relation to certain taxes imposed by the Relevant Jurisdiction under Condition 8A (*Taxation - Gross-up*). This gross-up obligation is applicable provided Condition 8B (*Taxation - No gross-up*) is not specified as applying to a Series of Notes and is subject to a number of exceptions and covers only certain withholdings and deductions on account of taxes imposed by the Relevant Jurisdiction; in particular, it does not cover stamp duty, stamp duty reserve tax and/or similar transfer taxes.

If Condition 8B (*Taxation - No gross-up*) is specified as applying to a Series of Notes in the relevant Pricing Supplement, the Issuer will not be required to gross-up or pay any additional amounts in respect of the Notes in respect of which any withholding or deduction has been required to be made in respect of any tax. Accordingly, investors may receive a lower return than would be received on an investment where no withholding tax is payable or where the relevant issuer has an obligation to gross-up for such withholdings or deductions.

Under the terms and conditions of the Warrants, Warrantholders are responsible for paying all stamp duties, stamp duty reserve tax and/or other taxes or duties, securities transfer taxes and any other charges, if any, payable in connection with the subscription, purchase or exercise of the Warrants. The Issuer will not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or exercise of any Warrants nor shall it be obliged to pay any additional amounts to the Warrantholders in respect of any withholdings or deductions that are made on payments to them on account of any taxes.

Potential purchasers who are in any doubt about the tax consequences of purchasing any Notes should consult and rely on their own tax advisers.

#### ***France – French Financial Transactions Tax***

Pursuant to Article 235 ter ZD of the French tax code, acquisitions for consideration of equity securities (*titre de capital*) within the meaning of Article L 212-1 A of the French Monetary and Financial Code or similar instruments within the meaning of Article L 211-41 of the French Monetary and Financial Code that provide or could provide access to capital or voting rights, resulting in a transfer of ownership within the meaning of Article L 211-17 of the French Monetary and Financial Code (that is resulting from the registration of the acquired securities in the securities accounts of the purchaser), admitted to trading on a French, European or foreign regulated market within the meaning of Articles L 421-4, L 422-1 or L 423-1 of the French Monetary and Financial Code and issued by a company having its head office in France and whose market capitalisation as of 1 December of the year preceding the year in which the acquisition occurs exceeds EUR1 billion ("**French Qualifying Securities**"), are subject to the French financial transactions tax ("**French FTT**"), levied at the rate of 0.3 per cent. The French FTT also applies to an acquisition of securities (irrespective of which entity issued such securities) when these securities represent French Qualifying Securities ("**Synthetic French Qualifying Securities**"). If applicable, the cost of the French FTT may be deducted from the amounts payable to the Warrantholders and/or Noteholders.

The French FTT could also be triggered if the Issuer and/or its affiliates choose to purchase Reference Asset(s) or securities underlying the Reference Asset(s) (where such Reference Asset(s) is an equity index) to hedge their exposure under the Warrants and/or the Notes if such Reference Assets(s) or securities underlying the Reference Asset(s) (where such Reference Asset(s) is an equity index) are French Qualifying Securities or Synthetic French Qualifying Securities and assuming none of the French FTT exemptions provided for by Article 235 ter ZD of the French tax code apply to the relevant acquisition. If applicable, the cost of this French FTT may be deducted from the amounts payable to the Warrantholders and/or Noteholders.

If physical settlement of the Notes would give rise to an acquisition of French Qualifying Securities or Synthetic French Qualifying Securities, the French FTT would apply to this acquisition (assuming none of the French FTT exemptions provided for by Article 235 ter ZD of the French tax code applies) and the corresponding cost may be charged to the Noteholders or Warrantholders (as applicable).

**Italy – Italian Financial Transactions Tax**

Italian financial transaction tax may apply to Notes and Warrants linked to Reference Assets that are securities issued by Italian Issuers.

A financial transaction tax has been introduced under Italian law, ("**Italian FTT**"), pursuant to Article 1, paragraphs 491 – 500, of Law 24 December 2012, no. 228, as implemented by Ministerial Decree issued on 21 February 2013 and amended by Ministerial Decree issued on 16 September 2013. The Italian FTT applies, *inter alia*, on cash-settled derivatives ("**Italian FTT on Derivatives**") executed or modified on or after 1 September 2013, both traded or not on Qualifying Markets (as defined below) and unlisted, whose underlying are mainly shares or participating financial instruments issued by Italian resident companies or the value of shares issued by Italian resident companies, including warrants and certificates. The condition is met when more than 50 per cent. of the equity portion of the underlying is represented by the market value of shares or participating financial instruments issued by Italian resident companies.

Accordingly, there is a risk that the Italian FTT on Derivatives could be triggered where the issuer of a Reference Asset relating to the Warrants and, where deemed to represent the underlying equity instruments or characterised as derivative instruments, the Notes (together with the Warrants, the "**Affected Instruments**") is an Italian resident or the issuer of a security underlying a Reference Asset is an Italian resident. The residence and nationality of the Issuer and any holder of the Affected Instrument and the place of execution of the Affected Instrument would be irrelevant as the application of the Italian FTT on Derivatives is exclusively dependent on the residence of the issuer of the underlying Reference Asset or of the securities underlying a Reference Asset (where such Reference Asset is an equity index).

The Italian FTT on Derivatives applies at a fixed amount, due from both parties equally, as follows:

- Index-Linked Affected Instruments where a security that forms part of the Reference Asset is issued by an Italian-resident company: from EUR0.01875 to EUR15, depending on the notional value of the contract;
- Equity-Linked Affected Instruments where an underlying Reference Asset is issued by an Italian-resident company: from EUR0.125 to EUR100, depending on the notional value of the contract; and
- Affected Instruments linked to a basket of Reference Assets or Reference Indices: from EUR0.25 to EUR200 depending on the notional value of the contract.

The above amounts are reduced by 80 per cent. where the transaction is implemented in a regulated market or in a multilateral trading facility. An investor in the Affected Instrument is subject to the risk that payments under the Affected Instruments will be adversely affected by this Italian transaction tax as these charges will be deducted from the Cash Settlement Amount or Final Redemption Amount.

The issuance of financial instruments qualifying as transferable securities ("*valori mobiliari*") according to article (1)(1-bis)(c) of Legislative Decree no. 58 of 24 February 1998, is exempt from Italian FTT on Derivatives. The Italian Ministry of finance clarified that, following the issuance, if a number of intermediate transfers (e.g. intermediate transfers between financial intermediaries) are required before the initial placement of the notes or warrants to the ultimate investors, said intermediate transfers are exempt from Italian FTT. However, Italian FTT will apply to the transactions following the initial placement. In the case of cash-settled transferable securities, the cash settlement of such transferable securities is a transaction outside the scope of Italian FTT on Derivatives.

Besides the Italian FTT on Derivatives, the Italian FTT also applies to transfers of certain shares and participating financial instruments issued by Italian resident companies and other instruments representing the latter ("**Italian FTT on Shares**"), both traded or not on Qualifying Markets (as defined below) and unlisted.

Italian FTT on Shares applies on transactions negotiated and settled as from 1 March 2013. Accordingly, there is a risk that the Italian FTT on Shares could be triggered where the Issuer and/or its affiliates purchase Reference Assets or securities underlying the Reference Assets (where such Reference Asset is an equity index) to hedge their exposure under the Affected Instruments if such securities are shares and participating financial instruments issued by Italian resident companies and other instruments representing the latter and

are not exempted from the Italian FTT requirement ("**in-scope securities**"). The residence and nationality of the parties to the transaction and the place of execution of the transaction would be irrelevant as the application of the Italian FTT on Shares is exclusively dependent on the residence of the issuer of the in-scope securities.

The Italian FTT on Shares would be applicable in the case in scope securities are transferred to investors in Affected Instruments upon physical settlement of the relevant Affected Instruments.

The Italian FTT on Shares is levied at the following rates, which would be due from the Issuer and/or its affiliates on acquisition of the shares:

- 0.1 per cent. of the acquisition price on transfers transacted on a Qualifying Market (as defined below); and
- 0.2 per cent. of the acquisition price otherwise.

For the purpose of the application of the lower rate, "**Qualifying Markets**" are deemed to be:

- (i) regulated markets or multilateral trading facilities pursuant to Article 4, paragraph 1, points 21 and 22 of Directive 2014/65/EU, of an EU Member State and of an EEA Member State which allows an adequate exchange of information with Italy; and
- (ii) markets recognised by the Italian regulator Consob, established in an EU Member State or a state which allows for an adequate exchange of information with Italy.

Italian FTT on Derivatives and Italian FTT on Shares are required to be levied and subsequently paid to the Italian tax authority by financial intermediaries (e.g. banks, trusts and investment companies) or other subjects involved in the execution of the transaction. Where more intermediaries are involved in the execution of the transaction, Italian FTT on Derivatives and Italian FTT on Shares is payable by the subject who receives the order of execution directly from the ultimate purchaser or counterparty. Intermediaries and other non-Italian resident subjects having no permanent establishment in Italy which are liable to collect and pay Italian FTT on Derivatives and Italian FTT on Shares to the Italian tax authority may appoint an Italian tax representative for the purposes of collecting and paying Italian FTT on Derivatives and Italian FTT on Shares. If no intermediary or other subjects are involved in the transaction, Italian FTT on Derivatives and Italian FTT on Shares is directly paid by the ultimate purchaser or counterparty.

An investor in the Notes and/or Warrants is subject to the risk that payments under the Affected Instruments will be adversely affected by the Italian FTT as these charges may be deducted from the Cash Settlement Amount or Final Redemption Amount.

### ***Spain – Spanish Financial Transactions Tax***

On 16 October 2020, the Spanish Parliament approved the Law 5/2020, of 15 October, on the Tax on Financial Transactions ("**Spanish FTT Law**") introducing the Spanish FTT that has entered into force on 16 January 2021.

The Spanish FTT is aligned with the French and Italian financial transactions tax. Specifically, the Spanish FTT is an indirect tax levied on the acquisitions for consideration of shares issued by Spanish companies regardless of the residency of the parties involved in the transaction, or of the jurisdiction where the shares are traded, provided that they comply with the following conditions: (i) the shares should be admitted to trading on a regulated market under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (or in a foreign market declared equivalent by the European Commission), and (ii) the stock market capitalisation value of the company should exceed €1,000,000,000 (the "**Qualifying Shares**").

The taxable base of the Spanish FTT is the total consideration paid excluding certain items such as transaction costs and intermediary fees. The applicable rate is 0.2 per cent.

In principle, Spanish FTT does not apply to the acquisition of financial instruments (including derivatives) different from Qualifying Shares or certificates of deposit representing such Qualifying Shares (the "**Qualifying Certificates of Deposit**") such as the Notes or Warrants. However, if the liquidation or

settlement of such financial instrument results in the physical delivery of Qualifying Shares or Qualifying Certificates of Deposit, Spanish FTT may be triggered.

### ***People's Republic of China – China Connect***

#### *General*

In respect of Notes or Warrants linked to China Connect Underlyings (as defined below) that are eligible securities listed and traded on any stock exchange (each a "**China Connect Market**") in mainland China which are acceptable to SEHK under any securities trading and clearing links programme developed by SEHK, any such China Connect Market, HKSCC and the CSDCC for the establishment of mutual market access between SEHK and any such China Connect Market ("**China Connect**", such securities being "**China Connect Underlying**" and the trading of China Connect Underlying through SEHK being "**Northbound Trading**"), such Notes or Warrants reflect the risks of an investment in such China Connect Underlyings by an investor (a "**China Connect Investor**") purchasing such China Connect Underlyings through Northbound Trading under China Connect.

If the rules and regulations relating to China Connect become subject to change in the future, the Calculation Agent may determine that a Hedging Disruption or Change in Law has occurred and redeem the Notes or terminate the Warrants at Fair Market Value. The China Connect Investor is subject to the risk that such value may be less than what the Noteholders or Warrantholders had expected. Furthermore, if a China Connect Share Disqualification or a China Connect Service Termination occurs, the Issuer may, at its sole and absolute discretion, determine to adjust certain terms of the Notes or Warrants (as applicable) or redeem the Notes or terminate the Warrants early. Noteholders or Warrantholders may suffer a loss of some or of all of their investment as a result of such adjustment or early redemption or termination (as the case may be) and will forego any future performance in the relevant China Connect Underlying that may occur following such redemption or termination.

#### *Regulatory requirement*

Investments by China Connect Investors under Northbound Trading are subject to, amongst other things, restrictions on maximum percentage holding of the shares issued by a company listed in mainland China (both on a single foreign investor basis and on an aggregate foreign investor basis).

The investor in the Notes and Warrants will be subjected to the effect of equivalent restrictions and controls to those imposed on China Connect Investors. Therefore, if China Connect Investors became unable to invest directly in or alternatively hold China Connect Underlying or China Connect Investors were not allowed to sell or receive proceeds from the sale of such China Connect Underlying, the value of the Notes and Warrants may be adversely affected and, in the worst case, may become worthless.

#### *Trading quotas under China Connect*

Although there is no longer an aggregate quota limitation, trading China Connect Underlying through China Connect is still subject to a daily quota (the "**Daily Quota**"). The Daily Quota under China Connect is applicable to the whole market and limits the maximum net buy value of cross-boundary trades under China Connect each day. Daily Quota limitations may prevent China Connect Investors from purchasing China Connect Underlyings when it is otherwise advantageous to do so. In particular, once the remaining balance of the relevant Daily Quota drops to zero or the Daily Quota is exceeded, buy orders will be rejected (although the China Connect Investors will be permitted to sell their China Connect Underlyings regardless of the quota balance).

Under the SEHK rules, it will be possible to sell China Connect Underlyings through China Connect irrespective of whether there is a breach of the Daily Quota. If Northbound Trading is suspended as a result of a breach of the Daily Quota, none of the entities in the HSBC Group will be able to submit any further buy orders and any buy orders received but not yet routed to the market may be rejected or delayed until sufficient quota is available. The regulators may also announce further requirements on China Connect which may vary, amend or supplement the requirements as currently known. Any corporate action adjustment shall be determined by the Calculation Agent in accordance with the terms of the Notes and Warrants, with reference to the then applicable laws, rules, regulations and guidance in relation to China Connect. Therefore, if China Connect Investors became unable to invest directly in or alternatively hold China Connect Underlying or China Connect Investors were not allowed to sell or receive proceeds from



the sale of such China Connect Underlying, the value of the Notes and Warrants may be adversely affected and, in the worst case, may become worthless.

#### *Taxation issues*

The amount of a payment to the investor under the Notes and Warrants may be decreased to take into account the effect of taxes (including financial transaction taxes, any taxes, duties and similar charges in mainland China, including, without limitation, any enterprise income tax, stamp duty or value-added tax) on or in connection with an investment in the Reference Assets. There is a risk that tax law or practice will change in the future resulting in the imposition of or increase in tax on an investment in, or disposition of, Reference Assets. This will result in a decrease of the amounts payable under the Notes or Warrants.

The PRC Ministry of Finance ("MOF"), the State Administration of Taxation ("SAT") and the China Securities Regulatory Commission ("CSRC") jointly released Caishui [2014] No.81 dated 31 October 2014 defining that dividends from A-share investments by investors from the Hong Kong market are not subject to the differentiation tax policies based on the shareholding period for the time being, but subject to a 10 per cent. enterprise income tax ("EIT") withholding by the listed company before HKSCC is able to provide details on identities and shareholding periods of investors to the CSDCC from 17 November 2014. However, investors from the Hong Kong market may apply to the relevant tax authorities for tax relief in respect of dividend payments under any applicable bilateral treaties/arrangements on the avoidance of double taxation signed between the PRC and their resident jurisdictions. The same circular (Caishui [2014] No. 81) grants temporary exemption from EIT and Business Tax ("BT") for the gains arising from the sale of A-shares of a company listed on the Shanghai Stock Exchange and traded through Shanghai-Hong Kong Stock Connect, effective 17 November 2014. It is uncertain whether or when such exemptions may expire. On 23 March 2016 the MOF and SAT jointly issued Caishui [2016] No.36 which provides detailed implementation guidance on the further rollout of the Value-Added Tax ("VAT") reform. From 1 May 2016 VAT replaced BT to cover all sectors that used to fall under the BT. Caishui [2016] No.36 grants temporary VAT exemption on gains arising by Hong Kong market investors from trading A-shares listed on the Shanghai Stock Exchange and traded through the Shanghai-Hong Kong Stock Connect. On 5 November 2016, MOF, SAT and CSRC jointly issued Caishui [2016] No. 127, which provides that since 5 December 2016, Hong Kong market investors are temporarily subject to EIT on dividends from the relevant A-shares of a company listed on the Shenzhen Stock Exchange and traded through the Shenzhen-Hong Kong Stock Connect at a rate of 10 per cent., but are temporarily exempted from EIT and VAT on the gains arising from trading such A-shares. Both circulars (Caishui [2014] No. 81 and Caishui [2016] No. 127) provide that title transfer of shares by Hong Kong market investors under China Connect because of a sale, inheritance or gift is subject to stamp duty in mainland China. Circular Caishui [2016] No. 127 also provides that stamp duty on covered short selling is temporarily exempted, and this is applicable to Hong Kong market investors through both Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. If any taxes, duties and similar charges in mainland China (including, without limitation, any EIT, stamp duty or VAT) are applicable to the trading of Reference Assets, it may result in a Hedging Disruption or an Increased Cost of Hedging and the Issuer will determine whether to redeem the Notes or terminate the Warrants. If the Issuer determines not to redeem the Notes or terminate the Warrants, the Calculation Agent may make such adjustments as it determines to be appropriate to the terms of the Notes or Warrants. This may result in a lower payment by the Issuer to the Noteholders or Warrantholders.

#### **People's Republic of China – Notes/Warrants linked to mainland China underlyings that are not China Connect Underlyings**

##### *General*

In respect of Notes or Warrants linked to the performance of underlyings of the securities market in mainland China that are not China Connect Underlyings, any hedging arrangements entered into by the Issuer in connection with such Notes or Warrants may be carried out by the Issuer and/or its designated affiliates in compliance with and subject to the regime for a Qualified Foreign Investor ("QFI", which is a merged regime for the Qualified Foreign Institutional Investor ("QFII") scheme and the Renminbi Qualified Foreign Institutional Investor ("RQFII") scheme, effective from 1 November 2020). The legal and regulatory requirements under the QFI regime and the developments and changes thereof may affect the ability of the Issuer and/or its designated affiliates to continue such hedging arrangements. In addition, the Issuer may be subject to other regulatory regimes in mainland China in connection with arrangements relating to such Notes or Warrants, including those relating to any maximum size of holdings.

If the QFI regime or any other applicable regulatory regime in mainland China changes after the issue date of the relevant Notes or Warrants, and it is determined that an Additional Disruption Event in the form of Hedging Disruption, Change in Law or Increased Cost of Hedging has occurred as a result, the Issuer may, at its sole and absolute discretion determine to adjust certain terms of the Notes or Warrants (as applicable) or redeem the Notes or terminate the Warrants early at their Fair Market Value. Noteholders or Warrantholders may suffer a loss of some or of all of their investment as a result of such adjustment or early redemption or termination (as the case may be) and will forego any future performance in the relevant underlying that may occur following such redemption or termination.

#### Taxation Issues

In respect of the QFIIs, (currently referred to as QFIs), the Ministry of Finance ("MOF") and the State Administration of Taxation ("SAT") of the government of the PRC jointly issued a circular (Caishui [2005] No. 155 on 1 December 2005) to state that gains arising from securities trading through approved securities brokers will be exempted from business tax ("BT"). On 23 March 2016 the MOF and SAT jointly issued Caishui [2016] No. 36 which provides the detailed implementation guidance on the further rollout of the Value-Added Tax reform. From 1 May 2016 VAT will replace BT to cover all sectors that used to fall under the BT. Caishui [2016] No. 36 grants temporary VAT exemption on gains realised by QFII from securities trading through domestic entrusted companies (securities brokers). In addition, SAT has clarified in a circular (Guoshuihan [2009] No. 47 dated 23 January 2009) that dividends and interest payments to QFIIs derived from mainland China are subject to a 10 per cent. withholding of enterprise income tax ("EIT"). However, QFIIs may apply to the relevant tax authorities for tax relief in respect of any returns on dividends and interest payments derived in mainland China under any applicable bilateral treaties/arrangements on the avoidance of double taxation signed between the PRC and their resident jurisdictions. MOF, SAT and China Securities Regulatory Commission jointly issued a circular (Caishui [2014] No. 79 on 31 October 2014) to state that gains derived by QFII/RQFII (currently collectively referred to as QFIs) from the transfer of equity investment, including the stocks within China is temporarily exempt from EIT starting from 17 November 2014. Gains realised before 17 November 2014 by QFIIs/RQFIIs who are not a tax resident from mainland China are subject to 10 per cent. EIT. However, it is uncertain how long the temporary exemption will last, and whether it will be repealed and re-imposed retrospectively. It is not entirely clear whether gains realised on trading of debt investments are out of the scope of EIT. In respect of Foreign Institutional Investors outside mainland China, SAT has stated in a circular (Guoshuihan [2010] No. 183 dated 6 May 2010) that withholding obligations exist for dividends on B shares to any non-resident institution shareholder in the same manner as dividends on other listed shares issued by mainland China tax resident companies. For bond interests, on 7 November 2018, MOF and SAT issued Caishui [2018] No. 108, which grants a three-year exemption from EIT and VAT for bond interest from China bond market derived by overseas institutional investors (such as QFIs) that do not have a presence or establishment in China or do not derive the relevant income from such presence or establishment. The effective period of the exemption is from 7 November 2018 to 6 November 2021 and has been further extended to 31 December 2025 in accordance with Caishui [2021] No.34. It is therefore possible that the relevant tax authorities may in the future clarify the tax position and impose income tax and/or other tax categories on realised gains by foreign institutional investors (as the case may be) from dealing in mainland China equities and/or other securities.

Should any change in tax law, or any clarification regarding tax law, in mainland China after the issue date of the relevant Notes or Warrants result in the occurrence of an Additional Disruption Event in the form of a Change in Law, Hedging Disruption or Increased Cost of Hedging, the Issuer may, at its sole and absolute discretion determine to adjust certain terms of the Notes or Warrants (as applicable) or redeem the Notes or terminate the Warrants early at their Fair Market Value. Noteholders or Warrantholders may suffer a loss of some or of all of their investment as a result of such adjustment or early redemption or termination (as the case may be) and will forego any future performance in the relevant underlying that may occur following such redemption or termination.

#### *Limitations on exercise or trading size*

If so indicated in the relevant Pricing Supplement, an investor must tender a specified minimum number of Warrants (and integral multiples of Warrants thereafter) or minimum trading size or total consideration of Notes at any one time in order to exercise or on-sell the Notes or Warrants. Thus, investors with fewer than the specified minimum number of Warrants (or specified multiples thereof) or minimum trading size or total consideration of Notes will either have to sell their Notes or Warrants or purchase additional Notes or Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore,

investors in such Notes or Warrants incur the risk that there may be differences between the trading price of such Notes or Warrants and the Cash Settlement Amount of such Warrants or the Final Redemption Amount or Early Redemption Amount of such Notes (as applicable).

If specified in the applicable Pricing Supplement, Notes which settle physically in the underlying Reference Asset may only be redeemed in such amounts as will ensure that the number of relevant Reference Assets to be delivered is equal to an integral multiple of the minimum allowed trading amount of the relevant Reference Asset on the relevant stock exchange as from time to time specified by such stock exchange or other market in which the Reference Asset is traded (the "**Minimum Trading Amount**"). Where the exercise of a holding of such physically settled Notes would not result in the purchase of a number of relevant Reference Assets equal to an integral multiple of the relevant Minimum Trading Amount, the Holder will receive the maximum number of relevant Reference Assets equivalent to the maximum integral multiple of the Minimum Trading Amount and may be entitled to a payment in lieu of the option of the Issuer, determined in the sole and absolute discretion of the Issuer, in respect of the remaining Reference Assets unless any such payment is of a *de minimis* amount, in which case, Noteholders shall not receive anything in respect of the remaining Notes. Noteholders will, therefore, either have to sell their Notes or purchase additional Notes, incurring transaction costs in each case, in order to realise their investment.

***Risk of automatic / mandatory early redemption or termination***

In relation to certain types of Notes or Warrants early redemption or termination occurs if certain conditions set out in the relevant Pricing Supplements are met. Investors should therefore be aware that certain types of Notes and Warrants may terminate prior to the stated maturity date or expiry date (as applicable). As a result investors in such Notes or Warrants may forego any future interest or other payments as well as any appreciation or depreciation (as applicable) in the underlying Reference Assets.

**(8) Risks relating to the Notes**

***General***

An investment in the Notes is speculative and entails substantial risks. Noteholders should understand that in some instances they could suffer a partial or complete loss of their investment subject, if applicable, to any minimum redemption amount specified in the relevant Pricing Supplement. In the case of Notes linked to a Reference Asset or Reference Assets, any investment return on a Note determined by reference to changes in the level and/or the value of the Reference Asset(s), is subject to fluctuation and may be less than would be received by investing in a conventional debt instrument. Changes in the level and/or the value of the Reference Asset(s) cannot be predicted. If so provided in the relevant Pricing Supplement, the Notes may be subject to early redemption by reference to changes in the level and/or the value of the Reference Asset(s). On redemption, the Notes may be redeemed in such manner as the Pricing Supplement provides or, in certain circumstances, may be exchanged for other securities.

***Notes issued at a substantial discount or premium***

The market values of Notes issued at a substantial discount to or premium above their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility.

***The offer price of the Notes may not reflect the market implied credit risk of the Issuer***

The offer price of the Notes may be determined based on various factors including the Issuer's appetite for funding at the relevant time which may not reflect the market implied credit risk of the Issuer. In highly volatile market conditions, the credit spreads of the Issuer may be substantially higher than usual. In such a case, taking into account the Issuer's credit spreads, the offer price of the Notes may be substantially higher than (i) the Issuer's internal valuation and market implied value of the Notes as at the trade date of such Notes and (ii) the price of the Notes in the secondary market (if any). As a result, (a) the price at which a Noteholder purchases the Notes may be substantially higher than the market implied value of the Notes, and (b) the price at which a Noteholder may be able to sell the Notes in the secondary market (if any) may be substantially less than the amount invested in the Notes.

***Notes may be redeemed prior to maturity***

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Tranche of Notes due to any withholding or deduction for or on account of tax imposed by the Relevant Jurisdiction, the Issuer may redeem all outstanding Notes in accordance with the Conditions of the Notes. If specified in the relevant Pricing Supplement, the amount payable by the Issuer in such circumstances may be less than the amount invested in the Notes or what would have been received under the Notes if the Notes had not been so redeemed and investors will forego any further interest payments (if any) in respect of the Notes. The Noteholders may not benefit from any appreciation in value or level of the Reference Asset(s) that may occur following such redemption.

***Notes with multiple denominations***

Where the Notes are specified as having a denomination consisting of a minimum denomination plus a higher integral multiple of another smaller amount, it is possible that such Notes may be traded in the clearing systems in amounts in excess of such minimum denomination that are not integral multiples of the minimum denomination. In such a case, should Definitive Notes be required to be issued, Noteholders who, as result of trading such amounts, hold a principal amount that is less than the minimum denomination may not receive a Definitive Note in respect of such holdings and would need to purchase a principal amount of Notes such that their holding amounts to, or is an integral multiple of, the minimum denomination.

***Early Redemption upon the occurrence of an Event of Default***

If the Calculation Agent determines that the Notes have become immediately due and payable following an Event of Default (as defined in the Conditions) with respect to the Notes such Notes may be redeemed early against payment of the Early Redemption Amount. The Pricing Supplement may specify the Early Redemption Amount as being the Fair Market Value of such Note immediately prior to such redemption. The Fair Market Value of a Note will be adjusted to account fully for any reasonable expenses and costs incurred by the Issuer and/or its designated affiliates in connection with the Issuer's obligations under the Notes or any related hedging and/or funding arrangements as a result of such events. Noteholders may suffer a loss of some or all of their investment as a result of such early redemption and will forego any future performance in the relevant Reference Asset and future interest payments applicable to such Notes (if any).

***Meetings of Noteholders***

Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority, so investors in the Notes are subject to the risk that the Conditions may be modified without their consent.

***The Issuer gives no representation or assurance as to the environmental, social or sustainable impact of any Reference Asset***

No representation or assurance is given by the Issuer or any other person that the Reference Asset(s) or securities underlying any Reference Asset(s) (if the Reference Asset is an equity index), satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any direct or indirect environmental, social or sustainable impact of the businesses or products of the Reference Asset(s) or issuers of such Reference Asset(s) or securities underlying such Reference Asset(s). If such environmental, social or sustainable impact is a factor in an investor's decision to invest in Notes or Warrants, investors should consult with their legal or other advisers before making an investment in such Notes or Warrants.

***Specific risks relating to Fixed Rate Notes***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Investors will not benefit from any increases in market interest rates above the fixed rate payable in respect of the relevant Notes.

*Specific risks relating to Floating Rate Notes**Variable Returns*

Floating Rate Notes have returns that are variable as a result of the method by which the interest is calculated. The rate of interest is not fixed and is tied to the performance of an underlying benchmark and, if so specified in the relevant Pricing Supplement, may be subject to a maximum rate or minimum rate on the interest payable. The rate of interest can periodically go down and therefore return on the Notes is not guaranteed and may in a worst case become zero (or, if a minimum rate of interest is specified, the minimum rate of interest). Investors should be aware that, in respect of Floating Rate Notes which are subject to a maximum interest rate, investors will not benefit from any increases of the underlying benchmark above such maximum interest rate.

*The market continues to develop in relation to near risk-free rates which may be reference rates for Floating Rate Notes*

To avoid the problems associated with the potential manipulation and financial stability risks of IBORs, regulatory authorities in a number of key jurisdictions are requiring financial markets to transition away from IBORs to near risk-free rates which exclude the risk-element of interbank lending. Near risk-free rates may differ from IBORs in a number of material respects. In particular, in the majority of relevant jurisdictions, the chosen near risk-free rate is an overnight rate (for example, the Sterling Overnight Index Average ("**SONIA**") in respect of GBP, the Secured Overnight Financing Rate ("**SOFR**") in respect of USD, the euro short-term rate ("**€STR**" in respect of EUR, the Singapore Overnight Rate Average ("**SORA**") in respect of SGD and the Tokyo Overnight Average Rate ("**TONA**") in respect of JPY), with the interest rate for a relevant period calculated on a backward looking (compounded or simple weighted average) basis, rather than on the basis of a forward-looking term. As such, investors should be aware that near risk-free rates may behave materially differently from LIBOR, EURIBOR and other IBORs as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore may perform differently over time to an unsecured rate.

Investors should also be aware that the market continues to develop in relation to near risk-free rates such as SONIA, SOFR, €STR, SORA and TONA as reference rates in the capital markets. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, SOFR, €STR, SORA and TONA including various ways to produce term versions of risk-free rates (which seek to measure the market's forward expectation of an average of such rates over a designated term).

The market or a significant part thereof (including the Issuer) may adopt an application of SONIA, SOFR, €STR, SORA, TONA and/or any other near risk-free rate that differs significantly from that set out in the Conditions (including in relation to fallbacks in the event that such rates are discontinued or fundamentally altered) and used in relation to Floating Rate Notes referencing near risk-free rates such as SONIA, SOFR and/or €STR issued under this Programme.

Since near risk-free rates are relatively new in the market, Notes linked to such rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to SONIA, SOFR, €STR, SORA, TONA and/or any other near risk-free rate, such as the spread over the rate reflected in interest rate provisions, may evolve over time, and trading prices of the Notes linked to SONIA, SOFR, €STR, SORA, TONA and/or any other near risk-free rate may be lower than those of later-issued debt securities linked to the same rate as a result.

In addition, the manner of adoption or application of SONIA, SOFR, €STR, SORA or TONA and/or any other near risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of such rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing SONIA, SOFR, €STR, SORA, TONA and/or any other near risk-free rates. Investors should consider these matters when making their investment decision with respect to any such Notes.

*Historical levels are not an indication of future levels*

Hypothetical or historical performance data and trends are not indicative of, and have no bearing on, the potential performance of near risk-free rates and therefore Noteholders should not rely on any such data or trends as an indicator of future performance. Daily changes in near risk-free rates have, on occasion, been more volatile than daily changes in comparable benchmark or market rates. As a result, the return on and value of debt securities linked to near risk-free rates may fluctuate more than floating rate securities that are linked to less volatile rates. The future performance of any near risk-free rate is impossible to predict, and therefore no future performance of any near risk-free rate should be inferred from any hypothetical or historical data or trends.

*Calculation of Interest Rates based on near risk-free rates are only capable of being determined at the end of the relevant Interest Period*

Interest on Notes which reference near risk-free rates such as SONIA, SOFR, €STR, SORA and TONA is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference such rates to reliably estimate the amount of interest that will be payable on such Notes. Further, if the Notes become due and payable under Condition 11 (*Events of Default*), the Rate of Interest applicable to the Notes shall be determined on the date the Notes became due and payable and shall not be reset thereafter.

*The Issuer has no control over the determination, calculation or publication of near risk-free rates*

The Issuer has no control over the determination, calculation or publication SONIA, SOFR, €STR, SORA, TONA and/or any other near risk-free rate. There can be no guarantee that such rates will not be fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to the relevant rate. If the manner in which the relevant near risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

*Near Risk-Free rates may cease to be available*

There can be no guarantee that SONIA, SOFR, €STR, SORA, TONA and/or any other near risk-free rate will not cease to be published, be discontinued, be suspended and/or be otherwise unavailable for use by the Issuer.

In relation to a near risk-free rate, a discontinuation (or certain other events which may affect the Reference Rate) may constitute a Benchmark Trigger Event (as further described above in the risk factor entitled "*A Benchmark Trigger Event could occur in relation to the Notes or Warrants*").

If (i) an Index Cessation Event and an Index Cessation Effective Date have both occurred, or (ii) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have both occurred (the "**RFR triggers**"), this may result in the relevant near risk-free rate applicable to the Notes being replaced with a rate which has been recommended as a replacement for that near risk-free rate by a relevant government or regulatory body or committee. These replacement rates are uncertain and no market convention currently exists, or may ever exist for their determination. In the event that the relevant replacement rate is not available, or if the relevant RFR triggers subsequently occur with respect to the relevant replacement rate, then the rate applicable to the Notes may be determined by reference to a further fallback rate, which may be an official central bank rate.

In each of these circumstances, the Issuer may without the consent of the Noteholders be entitled to make adjustments to the Conditions to give effect to the relevant replacement rate in a manner that may be materially adverse to the interests of investors in the Notes, including, without limitation, adjustments to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes.

Any of the above-mentioned determinations may require the exercise of discretion and the making of subjective judgements. The rate applicable to the Notes may be set by the Calculation Agent or the Issuer in its discretion.

The circumstances which can lead to the trigger of an Index Cessation Event or Benchmark/Administrator Event are beyond the Issuer's control and the subsequent use of a replacement rate following any such event

may result in changes to the Conditions and/or interest payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on any such Notes if the relevant near risk-free rate remained available in its current form. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

***Specific risks relating to Zero Coupon Notes***

If the Notes are Zero Coupon Notes, the Issuer will not make any interest payments with respect to the Notes.

***Notes subject to optional redemption by the Issuer***

An optional redemption feature allowing the Issuer to redeem the Notes prior to their maturity is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Investors should consider reinvestment risk in light of other investments available at that time. As a result of the exercise of a call right by the Issuer, investors will forego any further interest payments (if any) in respect of the Notes and, if so specified in the Pricing Supplement, investors may receive less than their invested amount.

Where Notes of any Series qualify in whole or in part towards the Issuer's minimum requirement for own funds and eligible liabilities ("MREL"), and if such Notes are redeemable prior to maturity at the Issuer's option, pursuant to the Statement of Policy of the Bank of England set out in "*The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)*" dated December 2021 (updating June 2018) HBEU may not, unless the Bank of England has approved such optional early redemption, exercise its option to redeem such Notes prior to maturity if, prior to such optional early redemption, HBEU is, or following such optional early redemption HBEU would be, in breach of its minimum requirements for own funds and eligible liabilities. Further, under Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No 648/2012, as it forms part of domestic law in the UK by virtue of the EUWA (as amended, supplemented or replaced from time to time, the "UK CRR"), HBEU will be required to obtain the prior permission of the Prudential Regulatory Authority (for capital instruments) or the Bank of England (for non-capital eligible liabilities) to effect the call, redemption, repayment or repurchase of any Notes which count towards the Issuer's MREL prior to their scheduled maturity.

***An investment in the Notes is subject to reinvestment risk***

If the Notes are subject to an early redemption prior to their stated maturity date, there is no guarantee that investors will be able to reinvest the proceeds from the Notes at a comparable return for a similar level of risk.

***Effect of interest rates on the Notes***

Investors in Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes. Investments in the Notes may involve interest rate risk with respect to the currency of denomination of the Notes. A variety of factors influence interest rates such as macro-economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Notes.

***Capped Return***

The terms and conditions of Notes and/or Warrants in relation to which the return is determined by reference to one or more Reference Assets may provide that the return payable on the Notes or Warrants is subject to a cap. In these circumstances, the exposure to the performance of the relevant Reference Asset(s) may be limited and accordingly, investors could forego a return that could have been made had they invested in a product without a similar cap.

***Further and other issues of Notes***

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes to be consolidated with and form a single series with the outstanding Notes. In addition, the Issuer may issue other notes and/or other instruments, the value of which is linked to one or more of the Reference Assets. Any such issue of further notes may have an adverse effect on the value of Notes.

***Notes which include leverage in the return may involve potentially greater losses than Notes which are unleveraged***

Notes may have a leveraged exposure to the Reference Asset(s) in that the exposure of each Note to the Reference Asset(s) may be greater than the amount invested in the Note. Leveraged exposure results in the effect of price movements being magnified and may lead to proportionally greater losses in the value of and return on the Notes as compared to an unleveraged exposure. Any Note which includes leverage represents a very speculative and risky form of investment since negative performance of the Reference Asset carries the risk of a correspondingly higher loss of the amount invested in such Note. An investor may suffer a significant or total loss of the amount invested.

**(9) Risks relating to the Warrants*****Certain factors affecting the value and trading price of Warrants***

The Cash Settlement Amount at any time prior to expiration is typically expected to be less than the trading price of such Warrants at that time. Any difference between the trading price and the Cash Settlement Amount will reflect, among other things, a "time value" for the Warrants. The "time value" of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value or level of the Reference Asset(s) to which the Warrant relates. Warrants offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Warrants varies with the price, value and/or level of the Reference Asset(s) as well as by a number of other interrelated factors, including those specified herein.

Before acquiring, exercising or selling Warrants, investors should carefully consider, among other things, (i) the trading price of the Warrants, (ii) the value and volatility of the Reference Asset(s), (iii) the time remaining to expiration, (iv) any change(s) in interim interest rates and dividend yields, (v) any change(s) in currency exchange rates, (vi) the depth of the market or liquidity of the Reference Asset(s) and (vii) any related transaction costs.

As a result of these factors the price at which a Warrantholder may be able to sell the Warrants prior to expiry may be less than the initial amount invested in the Warrants. Investors should also note that each of these factors interrelate in complex ways (for example, one factor may offset an increase in the trading value of the Warrants caused by another factor).

***Time lag after exercise***

Unless otherwise specified in the Pricing Supplement, in the case of any exercise of Warrants, there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Cash Settlement Amount relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the applicable Pricing Supplement or Conditions of the Warrants. However, such delay could be significantly longer, particularly in the case of a delay in the exercise of Warrants arising from any daily maximum exercise limitation, or following the imposition of any exchange controls, other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) on any applicable Valuation Date. The price of the relevant Reference Asset(s) may change significantly during any such period and such movement or movements could decrease the Cash Settlement Amount in respect of the Warrants being exercised and may result in the Cash Settlement Amount being zero.

***The time remaining to the expiration of Warrants***

As the time remaining to the expiration of the Warrants decreases, the trading value of a Warrant is expected to decrease.



**(10) Risks relating to Emerging Markets**

Notes and Warrants issued may relate to Reference Assets which are located in an emerging market and/or may be denominated and/or settled in an emerging market currency. Investors in such Notes or Warrants should be aware that these markets are subject to greater risks than well-developed markets. The value or level of the Reference Asset(s) which are linked to an emerging market country and/or exchange rates in relation to the emerging market currency in which the Notes or Warrants are denominated and/or to be settled may therefore be volatile and investment in such Notes and Warrants will involve additional risks and special considerations not typically associated with investing in Notes or Warrants which are linked to other more established economies.

The Issuer considers the following risks to be material:

**(a) *Settlement procedures***

Many emerging market countries have only recently developed organised securities markets, and the institutions on which they depend, with the result that the procedures for settlements, clearing and registration of securities transactions can give rise to technical and practical problems. In addition, since most emerging markets have civil law systems, which do not recognise a distinction between legal and beneficial ownership, it is not usually possible to use nominees (which may affect how interests in the Reference Asset(s) are held) and the provision of custody services is a relatively novel practice in most emerging markets, and the controls put in place in more mature markets may not be available. Inefficient systems may result in delayed payments on the Reference Asset(s), which may in turn delay payments under the Notes or Warrants.

**(b) *Exchange controls and repatriation of profits***

Certain emerging market countries may operate exchange controls affecting the transfer of money in and out of the country and the convertibility of the local currency. Some countries also impose restrictions on the ability of foreign investors to repatriate profits or the proceeds of sale of their investments without an official permit. In some cases the currency is non-convertible although many currencies are "semi-convertible". An investor in the Notes or Warrants where the underlying Reference Asset(s) are linked to an emerging market country or in Notes or Warrants which are denominated and/or settling in an emerging market currency are subject to the risk that, if such emerging market currency ceases to be convertible into the Settlement Currency or becomes only semi-convertible, then the Notes or Warrants may return less on exercise or expiry or maturity (respectively) than the amount invested or nothing. This includes circumstances where (i) "Payment of Alternative Payment Currency Equivalent" is specified to be applicable in the relevant Pricing Supplement, or is applicable in accordance with the Conditions or (ii), a Clearing System Currency Eligibility Event has occurred and is continuing and the Issuer elects to settle the Notes or Warrants (as applicable) in the Alternative Payment Currency, as the disruption to convertibility may affect the exchange rate at which the Settlement Currency may be converted into the such Alternative Payment Currency.

Moreover the value of investments in the underlying Reference Asset(s) can fluctuate significantly due to volatile exchange rates and high inflation. Emerging markets may experience higher volatility in their foreign exchange rate movements than other countries, and changes in the foreign exchange rates may have a negative impact on issuers of Reference Asset(s) whose businesses are heavily reliant on exports and, as a consequence, the general economic conditions in emerging market countries which are heavily reliant on exports. The risk for an investor in the Notes or Warrants is that the price of the Note or Warrant might be more volatile (as the amounts payable under the Note or Warrant are linked to the value of the Reference Asset) or that issuers of the underlying Reference Assets or constituent securities of a Reference Asset will not perform at an expected level, which may cause payments due under the Notes or Warrants to be lower than expected.

**(c) *Disclosure and information***

The level of disclosure of information relating to a company's business and ownership to shareholders, and to the stock exchange on which its shares are listed, is much less extensive in most emerging markets than in more sophisticated markets. Although many emerging markets

now have insider dealing laws, it cannot be assumed that the regulatory authorities have both the ability and the will to enforce the legislation rigorously. Similarly, although money laundering regulations have been introduced in some jurisdictions, their practical effect has yet to be assessed.

Accordingly, an investor in Notes or Warrants linked to an emerging market country are subject to the risk that information available on the Reference Assets which might form the basis of its investment decision in respect of the Notes or Warrants may be of poorer quality than that available on Reference Assets linked to well-developed markets and investors may not receive relevant information relating to the Reference Assets at the same time as other market participants, which may cause price volatility and the market price of the Notes or Warrants may drop at a later point in time once all relevant information becomes available.

(d) *Market liquidity and volatility*

The stock exchanges of emerging market countries are generally much smaller (in terms of market capitalisation, turnover, and number of stocks traded) and are still in a premature stage when compared to the well-developed markets. The likelihood of exchange or market disruption e.g. temporary exchange closures, broker defaults, settlement delays and broker strikes and disputes among listed companies, the stock exchanges and other regulatory bodies, could be higher than the well-developed markets. These disruptions could have an adverse effect on the overall market sentiment and on the value of the Reference Asset(s). The capital market of emerging market countries could be heavily influenced by government policies and a limited number of major stakeholders. The governing bodies could from time to time impose restrictions on trading in certain securities, limitations on price movements and margin requirements. Such events in turn may affect overall market sentiment and lead to fluctuations in the market prices of the Reference Asset(s), thus adversely affecting the value of the Notes or Warrants.

Therefore, there is a risk that the trading price of such Notes or Warrants may be more volatile and that the value of the underlying Reference Asset(s) may be adversely affected (following which, amounts payable under the Notes or Warrants would be adversely affected as a consequence).

(e) *Accounting standards*

In some emerging market countries, accounting standards and practices vary significantly from internationally accepted standards. It is therefore difficult in such jurisdictions to obtain reliable historic financial information on Reference Asset(s) which may underlie the Notes or Warrants even where accountancy laws have been reformed to bring them into line with international standards (a problem which hyper-inflation has exacerbated in some markets). Great care must therefore be taken to assess asset and business valuations. Entities in emerging market countries may not generally be subject to uniform accounting, auditing and financial reporting standards and auditing practices and requirements may not be comparable to those applicable to obligors located in developed countries.

(f) *Political risks*

The pace of political and social change will be more rapid than in well-developed markets. This is a common feature of emerging market countries and is often related to the transition from a centrally planned economy to a modern market economy. Far-reaching legal and political reforms have inevitably resulted in new constitutional and social tensions, and the possibility of continuing instability and even a reaction against market reforms cannot be discounted. Such instability may discourage investors from investing in the particular emerging market, which could reduce the market value of the underlying Reference Asset(s) and/or adversely impact exchange rates in relation to the relevant emerging market currency and therefore reduce the market value of the Notes or Warrants and any amounts payable thereunder.

The unique political and diplomatic status of each emerging market relative to other countries may also make the equities and debt markets in such emerging markets more volatile and more price sensitive to global or regional economic and political developments than other markets. Such increased price volatility could lead to the Notes' or Warrants' trading price (during the life of the Notes or Warrants) or the relevant amount payable thereunder being lower than expected.

There is a particular risk that policies in emerging markets encouraging foreign investment may be abandoned or reversed. Restrictions imposed on foreign investment or restrictions which concern the repatriation of capital invested in emerging markets may increase the transaction costs payable by the Issuer and/or its affiliates which, as such costs are passed to the investor, may thereby decrease the payments due under the Notes or Warrants, or entitle the Issuer to terminate the Notes or Warrants early. On a political level, such restrictions could lead to renationalisation of privatised industries and expropriation of private property without compensation which may have a negative effect on the financial position of the issuers of the Reference Asset(s).

(g) *Economic risks*

The economies of individual emerging market countries may differ favourably or unfavourably from the economies of developed countries in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resource self-sufficiency and the balance of payments position. In the past, a number of emerging market countries' markets have experienced significant adverse economic developments, including substantial depreciation in currency exchange rates against major currencies, increased interest rates and inflation, reduced economic growth rates, increases in foreign currency debts, corporate bankruptcies, declines in market values of listed shares and government imposed austerity measures. All of these economic factors may adversely affect the value and performance of Reference Asset(s) and therefore the value of the Notes or Warrants.

(h) *Restrictions and controls*

Notes and Warrants may be subject to risk that restrictions and controls on the Reference Asset(s) are imposed by governments, governmental or regulatory bodies, regulators or exchanges of emerging markets jurisdictions. As a result of such restrictions and controls, potential delays might occur in respect of payments due under the Notes or Warrants linked to such Reference Asset(s) or even that funds may not be payable under the Notes or Warrants on settlement following the exercise, sale, redemption or termination of the Notes or Warrants. Also, taxes and charges levied in respect of buying and selling equity or debt securities relating to such restrictions and controls may be deducted from amounts payable under the Notes or Warrants.

(i) *Legal and Regulatory framework*

The sophisticated legal and regulatory systems necessary for the proper and efficient functioning of modern capital markets may yet to have been developed in some emerging market countries. A high degree of legal uncertainty may therefore exist as to the nature and extent of investors rights and the ability to enforce those rights in the courts. Many advanced legal concepts which now form significant elements of mature legal systems are not yet in place or if they are in place, have yet to be tested in the courts. It is difficult to predict with any degree of certainty the outcome of judicial proceedings (often because the judges themselves have little or no experience of complex business transactions), or even the quantum of damages which may be awarded following a successful claim. It may also be difficult to obtain and enforce a judgment relating to emerging markets debt in the jurisdiction in which the majority of the assets of an obligor is located.

***Specific risks relating to Notes and Warrants settling in emerging markets currencies***

Notes and Warrants issued may be denominated and/or settle in an emerging market currency. Investors in such Notes and Warrants should be aware that these markets are subject to greater risks than well developed markets. Investment in the Notes and Warrants will involve additional risks and special considerations not typically associated with investing in Notes and Warrants which are settled in more conventional currencies such as Euro or U.S. dollar.

***Currency exchange rate fluctuations***

The rapid pace of political and social change in emerging market countries increases the likelihood that currency exchange risks will eventuate where the Settlement Currency is linked to an emerging market country. Currency exchange risks are described in detail above in the section entitled "*Risks relating to all issues of Notes and Warrants – Exchange rate risks and exchange control risks*".

***Specific risks relating to Notes and Warrants linked to Reference Asset(s) denominated in Offshore RMB and traded outside mainland China and Notes and Warrants settled in Offshore RMB outside mainland China***

Notes and Warrants linked to Reference Asset(s) denominated in Offshore RMB and traded outside mainland China and Notes and Warrants settled in Offshore RMB outside mainland China may be issued under the Programme. For the purpose of those Notes and Warrants and where the context requires, "**Offshore RMB**" shall refer to Chinese RMB that is freely deliverable between accounts in the relevant Offshore RMB Centre as specified in the relevant Pricing Supplement in accordance with the law and applicable regulations and guidelines issued by the relevant authorities in the relevant Offshore RMB Centre as specified in the relevant Pricing Supplement prevailing as of the Trade Date of the Notes and Warrants. Set out below is a description of some of the risks that should be taken into consideration by prospective investors in such Notes and Warrants.

- (a) *RMB is not freely convertible; Restrictions on RMB conversion through relevant Offshore RMB Centres (as specified in the relevant Pricing Supplement) may adversely affect the liquidity of the Notes and Warrants*

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar. However, there has been a significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of mainland China for the purposes of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in mainland China on the remittance of Renminbi into and out of mainland China for settlement of capital account items are developing gradually.

Although Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions were implemented by the People's Bank of China ("**PBoC**") in 2018, there is no assurance that the PRC Government will continue to liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in mainland China will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of mainland China. Despite the Renminbi internationalisation programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of mainland China in Renminbi, this may affect the overall availability of Renminbi outside mainland China, which may negatively impact on the liquidity of the Notes and Warrants and thus the value of the Notes and Warrants. In addition, if Renminbi outside mainland China is unavailable, this will impact on the ability of the Issuer to source Renminbi to perform its obligations under Notes and Warrants denominated in Renminbi.

- (b) *There is only limited availability of Renminbi outside mainland China, which may affect the liquidity of the Renminbi-denominated Notes and Warrants and the Issuer's ability to source Renminbi outside mainland China to service such Renminbi-denominated Notes and Warrants*

As a result of the restrictions imposed by the PRC Government on cross border Renminbi fund flows, the availability of Renminbi outside mainland China is limited. The PBoC has established a Renminbi clearing and settlement mechanism for participating banks in various jurisdictions and entered into settlement agreements with certain financial institutions to act as Renminbi clearing banks (each a "**RMB Clearing Bank**").

However, the current size of Renminbi-denominated financial assets outside mainland China is limited. There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with enterprises in mainland China. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. RMB Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross border trade settlement. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside mainland China to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of laws and regulations in mainland China on foreign exchange. There is no assurance that new regulations will not be promulgated or the settlement agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside mainland China. The limited availability of Renminbi outside mainland China may affect the liquidity of the Renminbi-denominated Notes and Warrants. To the extent the Issuer is required to source Renminbi outside mainland China to service the Renminbi-denominated Notes and Warrants, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

(a) *RMB interest rate risk*

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility and, as a result, the value of the Notes and Warrants may fluctuate as well. In addition, the interest rate for Renminbi in markets outside mainland China may significantly deviate from the interest rate for Renminbi in mainland China as a result of foreign exchange controls imposed by laws and regulations in mainland China and prevailing market conditions.

Renminbi-denominated Notes may carry a fixed interest rate ("**Fixed Rate Notes**") or have a resettable interest rate ("**Resettable Notes**"). Consequently, the trading price of Renminbi-denominated Notes which are Fixed Rate Notes or Resettable Notes will vary with the fluctuations in the Renminbi interest rates. If holders of such Renminbi-denominated Notes propose to sell their Renminbi-denominated Notes before their maturity, they may receive an offer lower than the amount they have invested.

(b) *RMB exchange rate risk*

Offshore RMB represents a market which is different from that of RMB deliverable in mainland China. The exchange rate of Offshore RMB against the U.S. dollar, Hong Kong dollar or other foreign currencies may be different from the exchange rate of RMB deliverable in mainland China against such currencies. Apart from its own supply and demand, the Offshore RMB exchange rate may be influenced by the onshore exchange rate (which currently trades within a band set by authorities in the onshore interbank market), and the two rates may converge with or diverge from each other.

The value of Renminbi against other foreign currencies is susceptible to internal factors in mainland China and external factors. In 2015, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments will be made in Renminbi with respect to Renminbi Notes and Warrants unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Offshore RMB depreciates against the U.S. dollar, Hong Kong dollar or other foreign currencies, the value of a Noteholder's or Warrantholder's investment in U.S. dollar, Hong Kong dollar or other applicable foreign currency terms will decline.

(c) *RMB payment risk*

If the Settlement Currency for the Notes or Warrants is Offshore RMB and (i) "Payment of Alternative Payment Currency Equivalent" is specified to be applicable in the relevant Pricing Supplement, or is applicable in accordance with the Conditions or (ii), a Clearing System Currency Eligibility Event has occurred and is continuing, an investor is subject to the risk that payments in respect of such Notes or Warrants will be made in the Alternative Payment Currency specified in the relevant Pricing Supplement instead of Offshore RMB. To the extent the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay the Final Redemption Amount and/or Cash Settlement Amount (as applicable) and/or any other amounts due as a result of Offshore RMB Disruption (as defined in the Conditions), the Issuer will be entitled to settle any such payment in the Alternative Payment Currency specified in the relevant Pricing Supplement on the due date at the Alternative Payment Currency Equivalent (as defined in the Conditions) of any such Final Redemption Amount and/or Cash Settlement Amount (as applicable) and/or any other amounts due. In this case, the risk factors in the section entitled "(1) Risks relating to all issues of Notes and Warrants - Exchange rate risks and exchange control risks" would apply as if the relevant Alternative Payment Currency were the Settlement Currency.

(d) *Payments with respect to the Notes and Warrants may be made only in the manner through Renminbi bank accounts maintained at banks in the relevant Offshore RMB Centre.*

Investors in the Notes and Warrants should be aware that all Offshore RMB payments under the Notes and Warrants will be made solely by credit to Renminbi bank accounts maintained at banks in the relevant Offshore RMB Centre as specified in the relevant Pricing Supplement in accordance with the law and applicable regulations and guidelines issued by the relevant authorities in the relevant Offshore RMB Centre as specified in the relevant Pricing Supplement.

(e) *The Renminbi Notes and Warrants may be subject to Inconvertibility, Non-transferability or Illiquidity.*

The Renminbi Notes and Warrants may provide that, if Renminbi is not available at or about the time when a payment is due to be made under the Renminbi Notes and Warrants or it is impracticable for the Issuer to satisfy its obligations to pay any amounts due under the Renminbi Notes and Warrants because of Offshore RMB Inconvertibility, Offshore RMB Non-transferability or Offshore RMB Illiquidity (each as defined in the Terms and Conditions of the Notes and Warrants) the Issuer shall be entitled to settle payments in an Alternative Payment Currency (as specified in the relevant Pricing Supplement). These circumstances could include the imposition of exchange controls or a disruption in the currency market which prevents the Issuer from obtaining Renminbi. In this case, the investment considerations in the section entitled "Risks relating to all issues of Notes and Warrants – Exchange rate risks and exchange control risks" would apply as if the Alternative Payment Currency were the Settlement Currency.

(f) *Gains on the transfer of the Renminbi Notes and Warrants may become subject to income taxes under tax laws in mainland China.*

Under the Enterprise Income Tax Law of the People's Republic of China ("**EIT Law**"), the Individual Income Tax Law of the People's Republic of China ("**IIT Law**") and the relevant implementation rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes and Warrants by non-mainland China resident enterprise or individual holders may be subject to EIT or individual income tax ("**IIT**") in mainland China if such gain is regarded as income derived from sources within mainland China. While the EIT Law levies EIT at the rate of 20 per cent. of the gains derived by such non-mainland China resident enterprise Noteholders or Warrantholders from the transfer of the Notes or Warrants, its implementation rules have reduced the EIT rate to 10 per cent. In accordance with the IIT Law and its implementation rules (as amended from time to time), any gain realised by a non-mainland China resident individual Noteholder or Warrantholder from the transfer of the Notes or Warrants may be regarded as being sourced from mainland China and thus be subject to IIT at a rate of 20 per cent. of the gains derived by such non-mainland China resident individual Noteholder or Warrantholder from the transfer of the Notes or Warrants. However, there remains uncertainty as to whether the gain realised from the transfer of the Renminbi Notes and Warrants by non-mainland China resident enterprise or individual holders would be treated as income derived from sources within mainland China and be

subject to tax in mainland China. This will depend on how the tax authorities in mainland China interpret, apply or enforce the EIT Law, the IIT Law and their respective implementation rules. If such gains are determined as income sourced in mainland China by the relevant tax authorities in mainland China, (i) the non-mainland China resident enterprise Noteholders or Warrantholders may be subject to EIT at the rate of 10 per cent. of the gains derived by such non-mainland China resident enterprise Noteholders or Warrantholder and (ii) the non-mainland China resident individual Noteholders or Warrantholders may be subject to IIT at the rate of 20 per cent. of the gains derived by such non-mainland China resident individual Noteholders or Warrantholders, unless there is an applicable tax treaty between the PRC and the jurisdiction in which such non-mainland China resident enterprise or individual resident holders of *Renminbi Notes and Warrants* reside, or newly issued specific tax regulations that reduces or exempts the relevant EIT or IIT), in which case the value of their investment in *Renminbi Notes and Warrants* may be materially and adversely affected.

**(11) Risks relating to Equity/Index-Linked Notes and Warrants**

*In the case of Notes and Warrants linked to an inflation index, please see the separate section entitled "Risks relating to Interest Rate-Linked Notes and Warrants and Inflation Rate-Linked Notes and Warrants".*

***No investigation has been made of the financial condition or creditworthiness of any issuer of any Reference Asset(s)***

No investigation has been made of the financial condition or creditworthiness of any issuer of any Reference Asset(s) or the securities underlying a Reference Asset(s) (where the Reference Asset(s) is an equity index) in connection with the issue of any Equity/Index Linked Notes or Warrants. Investors in the Equity/Index Linked Notes or Warrants should obtain and evaluate the same information concerning the Reference Asset(s) or the securities underlying a Reference Asset(s) (where the Reference Asset(s) is an equity index) and each such issuer as they would if they were investing directly in the Reference Asset(s) or such securities. In addition, investors should understand that the historical performance of the Reference Asset(s) or such securities should not be viewed as predictive of future results.

***Actions or omissions of the issuer of the securities, the sponsor of an index or other***

In certain circumstances, the actions or omissions of the issuer of securities to which the Equity/Index-Linked Notes or Warrants relate or for which the Equity/Index-Linked Notes or Warrants are exchangeable, the sponsor of an index to which Equity/Index-Linked Notes or Warrants are linked or others outside the control of the Issuer, may adversely affect the rights of the Noteholders or Warrantholders (as applicable) and/or the value of the Equity/Index-Linked Notes or Warrants, including actions that may give rise to an adjustment to, or early redemption or termination (as applicable) of, the Equity/Index-Linked Notes or Warrants.

***Market Disruption Events***

Investors in the Equity/Index-Linked Notes and Warrants are subject to the risk that a Market Disruption Event will occur in relation to a Reference Asset. A Market Disruption Event may occur in respect of Notes and Warrants if, as determined by the Calculation Agent: a related stock exchange closes early without notice; limitations are imposed on trading; trading is suspended; or market participants are prevented from obtaining valuations or effecting transactions, and, in relation to a China Connect Underlying, in the case of early closure of the relevant exchange (the "**China Connect Market**"), disruption of such exchange or suspension of trading on such exchange including the early closure or disruption of the securities trading and clearing links programme developed or to be developed by The Stock Exchange of Hong Kong Limited (the "**SEHK**"), the China Connect Market, the Hong Kong Securities Clearing Company Limited and the China Securities Depository and Clearing Corporation for the establishment of mutual market access with SEHK and the China Connect Exchange.

If the Calculation Agent determines that a Market Disruption Event has occurred, then this will result in the occurrence of a Disrupted Day in relation to the relevant Reference Asset, the consequences of which are discussed in the immediately following paragraphs.

***Disrupted Day***

Investors in the Equity/Index Linked Notes and Warrants are subject to the risk that a Disrupted Day may occur in relation to a Reference Asset. A Disrupted Day may occur in respect of Notes and Warrants if, as determined by the Calculation Agent: a stock exchange or related stock exchange fails to open for trading during its regular trading session, or, in relation to China Connect Underlying, on which the China Connect Service fails to open for order routing during its regular order-routing session; or on which a Market Disruption Event has occurred; or if an index sponsor fails to publish the level of an index.

If the Calculation Agent determines that a Disrupted Day has occurred, the Calculation Agent may postpone the Valuation Date to a later date which is not a Disrupted Day, **provided that** the Valuation Date will not be postponed beyond the eighth consecutive Scheduled Trading Day (or such other number of Scheduled Trading Days as may be specified in the Pricing Supplement) after the Scheduled Valuation Date (the "**Limit Valuation Date**"). If the Calculation Agent postpones the Valuation Date the due dates for any payments or delivery in respect of the Notes or Warrants (including, without limitation, the maturity date, settlement date or cash settlement date) may also be postponed. Any such postponement may have an adverse effect on the value of such Notes or Warrants.

***Additional Disruption Events***

Investors should note that Additional Disruption Events may occur in relation to the relevant Notes and Warrants in certain circumstances described in the Conditions. If any Additional Disruption Event occurs in relation to the relevant Notes and Warrants, the Issuer may (and in the case of Alternative General Conditions Notes, only if the Issuer determines that the continuation of the Notes is impossible or would result in a significant alteration of the economic balance of the Notes compared to that which existed at Issue Date) declare a valuation date and designate an early redemption date in respect of the Notes or an exercise date in respect of the Warrants (as applicable) and the Noteholders or Warrantholders will receive an early redemption amount or termination amount (as applicable) based on the determinations made by the Calculation Agent.

The following Additional Disruption Events may be specified to be applicable in the relevant Pricing Supplement:

- in the case of Warrants and Notes other than Alternative General Conditions Notes, "**Change in Law**" may occur where the Issuer determines that (A) due to the adoption of or any change in any applicable law or regulation, or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation, (x) it will, or there is a substantial likelihood that it will, with the passing of time, or has become illegal for the Issuer or any of its designated affiliates to hold, acquire or dispose of or realise, recover or remit the proceeds of the sale of disposal of a Reference Asset or Reference Asset Component or any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including, without limitation, any currency risk, of the Issuer issuing and performing its obligations with respect to the Warrants or Notes (as applicable), (y) it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Warrants or Notes (as applicable), or in relation to the hedging activities of the Issuer or any of its designated affiliates in connection with the Warrants or Notes (as applicable), (ii) stock loan transactions in relation to such Warrants or Notes (as applicable) or (iii) other instruments or arrangements held by the Issuer or any of its designated affiliates in order to hedge, individually or on a portfolio basis, such Warrants or Notes (as applicable) or (z) the Issuer or any of its designated affiliates will incur a materially increased cost in performing its obligations under the Warrants or Notes (as applicable);
- in the case of Alternative General Conditions Notes, "**Change in Law**" may occur where the Issuer determines that (A) due to the adoption of or any change in any applicable law or regulation, or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation, (x) it will, or it will, with the passing of time, or has become illegal for the Issuer to issue, have outstanding and/or perform its obligations with respect to the Notes or (y) the Issuer will incur a materially increased cost in performing its obligations under the Notes;



- in the case of Warrants and Notes other than Alternative General Conditions Notes, "**Hedging Disruption**" may occur if the Issuer or its affiliates become unable to hedge or would suffer material delay in conducting any hedging transactions relating to the Notes and Warrants;
- in the case of Warrants and Notes other than Alternative General Conditions Notes, "**Increased Cost of Hedging**" may occur where the Issuer would incur a materially increased cost, other than as a consequence of deterioration in its own creditworthiness, in hedging its obligations under the Notes and Warrants;
- "**Failure to Deliver**" may occur upon the failure of a party to deliver, when due, the relevant Reference Asset(s) in respect of the Notes, where such failure is due to illiquidity in the market for such Reference Asset(s);
- "**Insolvency Filing**" may occur if the issuer of the Reference Asset(s) institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by creditors and not consented to by the issuer of the Reference Asset(s) shall not be deemed an Insolvency Filing;
- in the case of Warrants and Notes other than Alternative General Conditions Notes, "**China Connect Share Disqualification**" may occur where the Underlying Securities cease to be accepted as "China Connect Securities" (as defined in the rules of SEHK) for the purpose of the China Connect Service; and
- in the case of Warrants and Notes other than Alternative General Conditions Notes, "**China Connect Service Termination**" may occur where one or more of the China Connect Market, SEHK, the China Securities Depository and Clearing Corporation, Hong Kong Securities Clearing Company Limited or any regulatory authority with competent jurisdiction permanently suspends or terminates the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the Underlying Securities through the China Connect Service.

Upon the occurrence of such an early redemption prior to the originally scheduled maturity date of the relevant Notes or of an exercise date prior to the originally scheduled exercise dates or expiry dates of the relevant Warrants, Noteholders may suffer a loss of some or of all of their investment and will forego any future performance in the relevant Reference Asset that may occur following such redemption or termination.

***U.S. withholding tax may apply to Notes or Warrants linked to Reference Asset(s) that are securities issued by U.S. issuers***

Where Notes or Warrants are linked to Reference Asset(s) and some or all of the Reference Asset(s) are securities of U.S. issuers, certain payments on the Notes or Warrants could be subject to U.S. withholding tax (up to 30 per cent., depending on the applicable treaty or other exemption). In addition, U.S. withholding tax could be imposed on holders of the Notes or Warrants to the extent U.S.-source dividends are paid on the Reference Asset(s), even if no corresponding payment is made on the Notes or Warrants to such holders.

If U.S. withholding tax is required on Notes or Warrants linked to Reference Asset(s) that are securities issued by U.S. issuers, the Issuer will not be required to pay any additional amounts with respect to the withheld amounts. See "*Taxation— United States Taxation— Withholding on Dividend Equivalent Payments*" below.

***Provision of information***

None of the Issuer or any of its affiliates is under any obligation to provide information in respect of any Reference Asset or the securities underlying the Reference Asset(s) (where the Reference Asset(s) is an

equity index) or monitor whether or not any event or circumstance in respect of such Reference Asset(s) has occurred unless it is explicitly and positively stated that such person will do so. The Issuer may have acquired, or during the term of the Notes or Warrants may acquire, non-public information with respect to one or more Reference Assets or the securities underlying the Reference Asset(s) (where the Reference Asset(s) is an equity index). The Issuer is not under any obligation to make such information available to holders of such Notes or Warrants. Therefore, an investor in the Notes or Warrants should obtain and evaluate information concerning the relevant Reference Asset(s) or securities as it would if it were investing directly in such Reference Asset or securities.

***Specific risk factors relating to Index-Linked Notes and Warrants***

*Successor Index, Index Modification, Index Cancellation*

In certain circumstances, certain adjustments may be made to the index or indices to which Notes or Warrants are linked (each a "**Reference Index**"), which may result in a loss to the Noteholders or Warrantholders. The Issuer considers the following to be material risks of adjustment:

- (i) the replacement of the relevant Reference Index by a successor index if the relevant Reference Index is not calculated or announced by the relevant Index Sponsor or is replaced by a successor index;
- (ii) the modification of the relevant Reference Index by the relevant Index Sponsor which may have a material effect on the Notes and Warrants; and
- (iii) the cancellation of the relevant Reference Index by the relevant Index Sponsor, which may result in either (A) the redemption or termination of the relevant Notes or Warrants upon payment of the Fair Market Value of the Notes or Warrants immediately prior to such termination (or, in the case of Alternative General Conditions Notes, the Early Redemption Amount, but only if the Issuer determines that the continuation of the Notes is impossible or would result in a significant alteration of the economic balance of the Notes compared to that which existed at Issue Date) or (B) the continuation of the Notes and Warrants, in which case the relevant level of the Reference Index will be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

As a result of any such replacement, modification or cancellation, Noteholders or Warrantholders may suffer a loss of some or of all of their investment and may forego any future performance in the relevant Reference Index.

*Calculation and administration of HSBC proprietary Indices / third party index sponsor*

With respect to Notes or Warrants which are linked to one or more HSBC proprietary Reference Indices, investors should understand that such Reference Indices are calculated independently by a third party calculation agent (the "**Third Party Calculation Agent**") and administered independently by a third party index administrator (the "**Third Party Administrator**"). As such, HSBC Bank plc is not responsible for the calculation or administration of the HSBC proprietary Reference Indices and is not the index sponsor for the purpose of Notes or Warrants which are linked to such Reference Indices. The Third Party Administrator will act as index sponsor.

The identity of the Third Party Calculation Agent and Third Party Administrator for each HSBC proprietary Reference Index is specified in the index rules thereof and such entities may, respectively, make determinations of the level of the HSBC proprietary Reference Indices, and of any adjustments that need to be made to the HSBC proprietary Reference Indices, without considering the interests of investors in the Notes or Warrants.

The Third Party Administrator, acting as index sponsor, does not act as fiduciary for or an adviser to the Warrantholder or Noteholder in respect of any determination or judgement or otherwise. The Third Party Administrator may have economic interests adverse to those of the Warrantholders and Noteholders, including with respect to certain determinations and judgements that the Third Party Administrator may be required to make pursuant to the terms of the HSBC proprietary Reference Index, any of which may affect payments in respect of the Warrants or Notes. The Third Party Administrator may act in its own interests in such capacities and need not have regard to the interests of the Noteholders or Warrantholders.

HSBC Bank plc has no responsibility for the calculation of the HSBC proprietary Reference Indices, which is performed by the Third Party Calculation Agent, and does not guarantee or represent or warrant the accuracy or completeness of the HSBC proprietary Reference Indices or the data comprised therein. Furthermore, HSBC Bank plc has no responsibility in relation to the administration by the Third Party Administrator of the HSBC proprietary Reference Indices.

Details of where further information regarding HSBC proprietary Reference Indices including the index rules or summaries thereof (if available) will be specified in the relevant Pricing Supplement(s).

***Specific risk factors relating to Equity-Linked Notes and Warrants***

*Extraordinary Events*

There is a risk in respect of Equity-Linked Notes or Warrants that certain Extraordinary Events may occur in respect of Reference Asset(s) (such as a merger, a takeover or exchange offer, delisting, nationalisation or transfer to a governmental agency or the insolvency or bankruptcy of the issuer of the Reference Asset(s)). If such event has occurred, the Calculation Agent may take certain actions, such as adjusting certain Conditions or redeeming the Notes or terminating the Warrants.

Upon the occurrence of such an early redemption or termination of the relevant Equity/Index-Linked Notes or Warrants, the holders thereof may suffer a loss of some or all of their investment and will forego any future performance in the relevant Reference Asset(s) that may occur following such redemption or termination.

*FX Rates*

The value of the relevant Equity-Linked Notes or Warrants may be affected by changes in foreign exchange rates. For example, an appreciating USD relative to local currency may lower the value of the relevant Equity-Linked Notes or Warrants while a depreciating USD may increase the value of the relevant Equity-Linked Notes or Warrants.

*Potential Adjustment Events*

Investors in Equity-Linked Notes or Warrants are subject to the risk that certain circumstances in respect of Reference Asset(s) occur (such as a subdivision, consolidation or reclassification of securities, a distribution of dividend or extraordinary dividend or any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Asset(s)). If the Calculation Agent determines that such circumstances have occurred, the Calculation Agent may (but is not obliged to) make such corresponding adjustment(s) as it determines to be appropriate, to the number of Reference Asset(s) to which each Equity-Linked Note or Warrant relates and to any other exercise, settlement, payment or other term of the relevant Equity-Linked Notes or Warrants to account for that diluting or concentrative effect, and determine the effective date(s) of such adjustment(s). In the case of Alternative General Conditions Notes only, such adjustment(s) must be made with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant Potential Adjustment Event. Such adjustments may adversely affect the value of the relevant Equity-Linked Notes or Warrants and/or any amount payable on redemption or termination of the Notes or Warrants and the holders thereof may suffer a loss of some or all of their investment as a result.

*Substitution of Securities*

If 'Substitution of Securities' is specified as being applicable in the relevant Pricing Supplement to any Notes or Warrants, then following the occurrence of an Extraordinary Event (other than a Delisting in respect of any Depositary Receipts) or an Additional Disruption Event in relation to a Security, the Issuer may (but is not required to) replace the relevant Security (the "**Affected Security**") with a substitute security (the "**Substitute Security**") (as selected by the Calculation Agent in accordance with the Conditions). If there is a substitution of a Security, investors will be exposed to the performance of the Substitute Security in place of the Affected Security. As a result, investors may receive a significantly lower return as compared with what they would have received had such substitution not occurred.

*Events relating to DR-Linked Notes and DR-Linked Warrants*

Investors in DR-Linked Notes and Warrants are subject to the risk that a delisting may occur in relation to the Depository Receipts or that the related Deposit Agreement is or will be terminated. Following such event, the Issuer may determine (a) that the DR-Linked Notes or Warrants shall continue, in which case it shall elect whether the security shall thereafter be Replacement DRs or the Underlying Security and the Calculation Agent may make such adjustment(s) as it determines to be appropriate to the terms of the Notes or (b) that (in the case of Warrants and Notes other than Alternative General Conditions Notes) the Warrants or Notes shall not continue or that (in the case of Alternative General Conditions Notes) the continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date, in which case the Notes or Warrants will be terminated and investors will receive the Early Redemption Amount (in the case of Alternative General Conditions Notes) or the Fair Market Value (in the case of Warrants and Notes other than Alternative General Conditions Notes). Such adjustments or termination may adversely affect the value of the relevant DR-Linked Notes and Warrants and/or any amount payable on redemption or termination of the DR-Linked Notes or Warrants and the holders thereof may suffer a loss of some or all of their investment as a result.

***Specific risks relating to Equity-Linked Notes and Warrants where Securities are Units in an exchange-traded fund***

In respect of Equity-Linked Notes and Warrants where the Reference Asset(s) are units in an exchange-traded fund, one of the following events may occur:

- (i) the relevant fund is (or is to be) wound-up or similar, or makes a restructuring arrangement with its creditors or certain insolvency proceedings or similar are commenced against the fund;
- (ii) breach by the relevant fund of any applicable leverage restriction or any contractual restriction binding on or affecting the fund or any of its assets;
- (iii) resignation, termination or replacement of the fund adviser;
- (iv) any change or modification of the fund documents that could reasonably be expected to affect the value of the Units or the rights or remedies of any holders thereof from those prevailing on the Issue Date;
- (v) any breach of any strategy or investment guidelines stated in the fund documents that is reasonably likely to affect the value of the Units or the rights or remedies of any holders thereof;
- (vi) in the case of Warrants and Notes other than Alternative General Conditions Notes, it becomes impractical or impossible for the Issuer to hedge its obligations under the Notes or Warrants, as applicable;
- (vii) cancellation, suspension or revocation of the registration or approval of the Units or the fund by any governmental, legal or regulatory entity with authority over the Units or the fund;
- (viii) any change in the legal, tax, accounting or regulatory treatments of the fund or the fund adviser that is reasonably likely to have an adverse impact on the value of the Units or on any investor therein;
- (ix) the relevant fund becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged breach of applicable law for any activities relating to or resulting from the operation of the fund;
- (x) it becomes impractical or impossible for the Calculation Agent to be able to determine the value of the units in the fund and this is likely to continue for the foreseeable future, or if there is an information failure which would make it difficult to monitor the fund;
- (xi) in the case of Warrants and Notes other than Alternative General Conditions Notes, the Calculation Agent has determined that it has become illegal to hold the units in the fund or that the Issuer would incur a materially increased cost in performing its obligations under the Notes or Warrants;
- (xii) in the case of Warrants and Notes other than Alternative General Conditions Notes, the Issuer would incur a materially increased amount of tax on its hedge of the Notes and Warrants except for where this is solely due to a deterioration in the Issuer's creditworthiness;

- (xiii) the index underlying a fund is cancelled, or there is a material change in the formula or method of calculating the underlying index or other material modification of the relevant index, or the index sponsor fails to calculate and announce the underlying index; or
- (xiv) in the case of Alternative General Conditions Notes, the Calculation Agent determines in good faith that the Issuer will incur a materially increased cost in performing its obligations under the Notes due to any change in any applicable law or regulation (including tax law) or due to the change in the interpretation of any applicable law or regulation by any court or tribunal (including a taxing authority).

Following the occurrence of such event ("**Extraordinary ETF Event**"), the Calculation Agent may make certain adjustments to or substitutions for the Affected Units as the Calculation Agent may determine or the Calculation Agent may determine that the relevant Notes or Warrants shall be terminated upon payment to the holders thereof of the Fair Market Value (or, in the case of Alternative General Conditions Notes, the Early Redemption Amount) of the Notes or Warrants (as applicable), each of which may result in a loss to such holders.

#### *Tax and Currency Risk*

The tax status of funds in those jurisdictions in which they conduct their business and/or any change in taxation rules or treatment in such jurisdictions could affect the value of the assets of such funds or the ability of funds to achieve their investment objectives. Consequently this could adversely affect the value of the Notes or Warrants linked to such funds. In addition, remittance of income and capital gains generated by underlying investments of funds in certain countries may be dependent on there being liquidity in the relevant local currency and the absence of foreign exchange controls which inhibit or prevent the repatriation of such gains. In any such circumstances, the value of the notional shares of funds may be adversely affected and as a result the relevant funds and the value of the Notes or Warrants may be adversely affected.

#### *Class of Investments*

Prospective purchasers or investors should note that funds may have legal or other discretions in relation to their investments and no assurance can be given that the exercise of such discretions will achieve the investment objectives of such funds. Therefore, there is a risk that return on an investment in funds may not be achieved. This would have an adverse effect on the value of the Notes or Warrants and any amounts payable thereunder.

#### *Investment Risk*

There can be no assurance that any fund will achieve its investment objectives. The investment income of each fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the funds' investment income may be expected to fluctuate in response to changes in such expenses or income and this may have an adverse effect on the value of the Notes or Warrants and any amounts payable thereunder.

#### *High yield*

Some reference funds may invest in high yield securities. High yield securities are typically medium or lower rated securities and are sometimes referred to as "**junk bonds**". Such securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. The risk of loss due to default by issuers of high yield securities is significantly greater because lower rated and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In addition, funds which invest in such securities may find it more difficult to sell high yield securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore, such funds may experience difficulty in valuing certain securities at certain times. Prices realised upon the sale of such lower rated (or unrated) securities, under these circumstances, may be less than the prices used in calculating the value of such funds. All such risks could adversely affect the value of Notes or Warrants linked to funds which invest in high yield securities.

*Additional considerations/ risk factors set out in offering documents relating to funds*

Investors in the Notes and/or Warrants which are linked to funds (including, but not limited to, exchange-traded funds) should note that there may be particular investment considerations and risk factors set out in the offering documentation relating to such funds and are advised to read and consider such offering documentation in making an investment decision to invest in such Notes and/or Warrants. Such information is not incorporated by reference and does not form part of this Offering Memorandum.

***Specific risk factors relating to Equity-Linked and Index-Linked Notes and Warrants linked to an Actively Managed Underlying***

*The Actively Managed Underlyings underpinning Notes or Warrants may be unsuccessful*

The value of and return on the Notes or Warrants depends on the performance of the underlying actively managed notional basket of Securities or Index, as applicable (the "**Actively Managed Underlying**"). The Actively Managed Underlying will be managed by a third party (the "**Underlying Selector**"), in accordance with pre-determined rules, which could include the selection of and adjustments to the notional components of the Actively Managed Underlying and their respective weightings. The Actively Managed Underlying may have no or a limited operating history with no proven track record in achieving any stated investment objective. It is not possible to predict the future performance of the Actively Managed Underlying. The past performance of the initial components comprised in the Actively Managed Underlying is not necessarily indicative of the future performance or of the value of and return on the Notes or Warrants. No assurance can be given that the Actively Managed Underlying will be successful and investors may lose some or all their investment.

*There are risks related to the correlation as between the notional components of the Actively Managed Underlying*

It is possible that the positive performance of notional components of the Actively Managed Underlying does not directly result in an overall positive performance of the Actively Managed Underlying. Fluctuations in the value of one notional component comprised in the Actively Managed Underlying may be offset or intensified by fluctuations in the value of one or more other notional components comprised in the Actively Managed Underlying. Therefore, even in the case of a positive performance of one or more notional components, the performance of the Actively Managed Underlying as a whole may be negative if the performance of the other notional components is negative to a greater extent.

*The Actively Managed Underlying will be actively managed by the third party Underlying Selector; The Issuer has no responsibility for the performance of the Underlying Selector*

The Underlying Selector has sole responsibility for the selection and allocation of the notional components of the Actively Managed Underlying and the performance of the Actively Managed Underlying. The role of the Issuer is limited to assisting the Underlying Selector by providing certain services in respect of the notional components under the terms of the relevant agreement between the Issuer and the Underlying Selector. The Issuer has no obligation to monitor the compliance by the Underlying Selector with the rules of the Actively Managed Underlying, to monitor the performance by the Underlying Selector or its management of the Actively Managed Underlying. The Issuer shall not be liable to any party for the performance of the Actively Managed Underlying or for the actions of the Underlying Selector.

The Underlying Selector may be reliant on key personnel to manage the Actively Managed Underlying and such personnel may depart or be replaced during the term of the Notes or Warrants. Any change to key personnel in the Underlying Selector could have an adverse effect on the value of and return on the Notes and Warrants.

*There are specific risks related to the Actively Managed Underlying not being a recognised index*

An Actively Managed Underlying is subject to additional risks compared to a recognised financial index. In particular, there may be a lower degree of transparency relating to the composition, maintenance and calculation of the Actively Managed Underlying than would be the case for a recognised financial index and there may in some circumstances be less information available about the Actively Managed Underlying. Subjective criteria may play a much greater role in the composition of the Actively Managed Underlying compared to a recognised financial index and, in such cases, there may be a greater degree of dependence on the Issuer or Calculation Agent or the Underlying Selector than would be the case for a recognised

financial index. Accordingly, investors in the Notes or Warrants bear the risk that the performance of the Actively Managed Underlying, and the value of and return on the Notes and Warrants, could be less certain than had the Actively Managed Underlying been a recognised financial index.

*An issuer may reject requests by the Underlying Selector to change the notional components of the Actively Managed Underlying and/or their weighting*

Under the terms of the relevant agreement between the Issuer and the Underlying Selector, the Issuer may be entitled to reject any requests by the Underlying Selector from time to time under the pre-determined rules of the Actively Managed Underlying to change the notional components of the Actively Managed Underlying and/or their respective weightings. Any such rejection could have an adverse effect on the performance of the Actively Managed Underlying and, therefore, on the value of and return on the Notes and Warrants. The Issuer shall have no liability to any party for any losses (direct or consequential) suffered due to such actual or potential adverse performance or reduced return caused by such rejection or any other action or non-action of the Issuer.

*The deduction of fees and costs will reduce the performance of the Actively Managed Underlying and impact the value and return on the Note and Warrants*

The Actively Managed Underlying and/or the Notes and Warrants may include embedded costs and/or fees which will reduce the financial performance of the Notes and Warrants. Embedded costs and/or fees are therefore costs to an investor of accessing the performance of such Actively Managed Underlying. The effect of any embedded costs and/or fees on the performance of an Actively Managed Underlying may vary over time and may be material.

Separate fees payable to the Underlying Selector and the Issuer, respectively, may be deducted from the Actively Managed Underlying. Such deductions will act as a drag on the performance of the Actively Managed Underlying and this, in turn, will reduce the return on the Notes and Warrants.

*The Issuer acts in multiple capacities with regard to Notes and Warrants linked to the Actively Managed Underlying and these can give rise to conflicts of interest*

As well as the potential conflicts of interest which may arise in relation to the Issuer as discussed above under the heading "*Potential conflicts of interest*" in the section entitled "*Risks relating to all issues of Notes and Warrants*", conflicts of interest may arise in connection with the Issuer's acting as counterparty to the Underlying Selector under an agreement relating to the provision of certain services in respect of the notional components of the Actively Managed Underlying.

Among other things, the Issuer may terminate its agreement with an Underlying Selector at any time in accordance with the terms of such agreement. In taking any such action it will have no obligation to consider the interests of any investors in the Notes and Warrants. Any such termination could have a material impact on the value of the Notes and Warrants.

*The Underlying Selector is subject to potential conflicts of interests which could affect the value of and return on the Notes and Warrants*

The Underlying Selector may take decisions which are not in the investors' interests due to the impact of conflicts of interest. This could lead to a worse performance of the relevant Actively Managed Underlying overall and have an adverse effect on the value of and return on the Notes and Warrants.

The Underlying Selector may not only act as Underlying Selector with regard to an Actively Managed Underlying, but may at the same time act as asset manager or financial consultant with regard to investors, which may induce potential conflicts between the investors' interests and the Underlying Selector's interests, particularly as the Underlying Selector will receive a fee. This could negatively affect the performance of the Underlying Selector and have a material adverse effect on performance of the relevant Actively Managed Underlying and the return on the Notes and Warrants.

**(12) Risks relating to Preference Share-Linked Notes*****General***

On redemption Preference Share-Linked Notes will be redeemed by payment of an amount determined by reference to the performance of the relevant preference shares, which depends on the performance of the relevant underlying asset(s) or basis of reference to which the preference shares are linked (the "**Preference Share Underlying**" or, if it is comprised in a basket of underlying asset(s), a "**Preference Share Underlying Component**"). If the performance of the Preference Share Underlying or a Preference Share Underlying Component is negative, the performance of the preference shares will or may be negative and, if so, thus the value of the Preference Share-Linked Notes will be adversely affected. Purchasers of Preference Share-Linked Notes risk losing all or a part of their investment if the value of the preference shares does not move in the anticipated direction. **If the value of the Preference Shares becomes zero, the value of the Preference Share-Linked Notes will also become zero.**

***Preference Share Underlying***

The Preference Share Underlying may be a specified index or basket of indices, a specified share or basket of shares, a specified currency or basket of currencies, a specified debt instrument or basket of debt instruments, a specified commodity or basket of commodities, a specified fund share or unit or basket of fund shares or units or such other underlying instruments, bases of reference or factors as may be determined by the Preference Share Issuer and specified in the terms and conditions of the relevant series of Preference Shares.

***Credit Risk of Preference Share Issuer***

Preference Share-Linked Notes are linked to the performance of the relevant preference shares issued by the Preference Share Issuer. Investors bear the Preference Share Issuer risk. The value of the Preference Share-Linked Notes is dependent not only on the value of the preference share, but also on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Preference Share-Linked Notes. The Preference Share Issuer is not an operating company. Its sole business activity is the issue of redeemable preference shares. The Preference Share Issuer does not have any trading assets and does not generate any significant net income. As its funds are limited any misappropriation of funds or other fraudulent action by the Preference Share Issuer or person acting on its behalf would have a significant effect on the value of the preference shares and will affect the value of the Preference Share-Linked Notes. If the Preference Share Issuer becomes insolvent there could be a risk that the Preference Shares are redeemed worthless and therefore the value of the Notes would become zero as well. In such worst case scenario investors would lose all of their invested amount.

***Potential conflicts of interest***

The Issuer and/or affiliates of the Issuer (including HSBC Continental Europe), the calculation agent in respect of the Preference Shares) may from time to time: (i) advise or engage in business with the issuers of or obligors in respect of a Preference Share Underlying, Preference Share Underlying Components or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index regarding transactions to be entered into by them; (ii) engage in transactions involving a Preference Share Underlying, Preference Share Underlying Components or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index for their proprietary accounts, for other accounts under their management or to facilitate client orders; (iii) carry out hedging activities related to the Preference Share-Linked Notes by purchasing or entering into derivative transactions relating to the Preference Share Underlying, Preference Share Underlying Components or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index; (iv) publish research reports relating to a Preference Share Underlying, certain Preference Share Underlying Components or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index; or (v) acquire non-public information about a Preference Share Underlying, Preference Share Underlying Component or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index. Any such activity by the Issuer or its affiliates (as applicable) may have a negative effect on the value of such Preference Share Underlying, Preference Share Underlying Components and therefore on the value of any Preference Share-Linked Notes to which they relate.



In addition, the conditions of the Preference Shares may provide for (a) the early redemption of the Preference Shares, and/or (b) a lesser amount being payable in respect of the Preference Shares, if the value of the Preference Share Underlying or a Preference Share Underlying Component exceeds, falls below, is equal to or does not stay within pre-determined reference levels ("**Threshold Events**") resulting in the Preference Share-Linked Notes also being redeemed early or a lesser amount being payable in respect of the Preference Share-Linked Notes, as the case may be. The activities described in the preceding paragraph may cause such Threshold Events to be triggered, which could potentially have a negative impact on the value of any Preference Share-Linked Notes to which they relate and Noteholders may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Preference Share Underlying or Preference Share Underlying Component that may occur following such redemption.

Certain affiliates of the Issuer or the Issuer itself may: (i) be the counterparty to the hedge of the Issuer's obligations under an issue of the Preference Share-Linked Notes; (ii) be the Calculation Agent responsible for making determinations and calculations in connection with the Preference Share-Linked Notes; or (iii) publish research reports which express opinions or provide recommendations that are inconsistent with purchasing or holding the Preference Share-Linked Notes referencing the Preference Share Underlying or Preference Share Underlying Components. Accordingly, there is a risk that certain conflicts of interest may arise both among the Issuer or these affiliates and between the interests of the Issuer or these affiliates and the interests of Noteholders.

Furthermore, HSBC Bank plc is the Issuer and HSBC Bank plc or HSBC Continental Europe is the Calculation Agent in respect of Preference Share Linked Notes and HSBC Continental Europe also acts as calculation agent in respect of the Preference Shares (the "**Preference Share Calculation Agent**"). HSBC Bank plc and HSBC Continental Europe are both members of the HSBC group of companies. As a result of this relationship, potential conflicts of interest may arise for HSBC Bank plc and HSBC Continental Europe in acting in their respective capacities. Subject to any relevant regulatory obligations, the Issuer and the Preference Share Calculation Agent owe no duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder.

The Preference Share Issuer may also rely on other HSBC entities (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant HSBC entities or other service providers fail to perform any obligations, this may adversely affect the value of the Preference Shares and potentially the amounts payable under the Notes.

In addition to providing calculation agency services to the Preference Share Issuer, HSBC Continental Europe or any of its affiliates may perform further or alternative roles relating to the Preference Share Issuer and any series of Preference Shares including, but not limited to, being involved in arrangements relating to any Preference Share Underlying or Preference Share Underlying Component (for example as a calculation agent). Further, HSBC Continental Europe or any of its affiliates (including HSBC Bank plc) may contract with the Preference Share Issuer and/or enter into transactions, including hedging transactions, which relate to the Preference Share Issuer, the Preference Shares or any Preference Share Underlying or Preference Share Underlying Component or component share of any Preference Share Underlying or Preference Share Underlying Component which is an equity index and, as a result, HSBC Continental Europe may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

**(13) Risks relating to Commodity/Commodity Index-Linked Notes and Warrants**

***Factors affecting the performance of both Commodities and Commodity Indices***

Commodities comprise physical commodities, which need to be stored and transported, and commodity contracts, which are agreements either to buy or sell a set amount of a physical commodity at a predetermined price and delivery period (which is generally referred to as a delivery month), or to make and receive a cash payment based on changes in the price of the physical commodity.

Commodity contracts may be traded on regulated specialised futures exchanges (such as futures contracts) or may be traded directly between market participants "over-the-counter" (such as swaps and forward contracts) on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation.

The performance of commodity contracts are correlated with, but may be different to, the performance of physical commodities. Commodity contracts are normally traded at a discount or a premium to the spot prices of the physical commodity. The difference between the spot prices of the physical commodities and the futures prices of the commodity contracts, is, on one hand, due to adjusting the spot price by related expenses (warehousing, transport, insurance, etc.) and, on the other hand, due to different methods used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets.

The performance of a commodity, and consequently the corresponding commodity contract, is dependent upon various factors, including supply and demand, liquidity, weather conditions and natural disasters, direct investment costs, location and changes in tax rates as set out in more detail below. Commodity prices are more volatile than other asset categories, making investments in commodities riskier and more complex than other investments.

- (i) *Supply and demand* - The planning and management of commodities supplies is very time consuming. This means that the scope for action on the supply side is limited and it is not always possible to adjust production swiftly to take account of demand. Demand can also vary on a regional basis. Transport costs for commodities in regions where these are needed also affect their prices. The fact that some commodities take a cyclical pattern, such as agricultural products which are only produced at certain times of the year, can also result in major price fluctuations.
- (ii) *Liquidity* - Not all commodities markets are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants in the commodities markets means that speculative investments can have negative consequences and may distort prices.
- (iii) *Weather conditions and natural disasters* - Unfavourable weather conditions can influence the supply of certain commodities for the entire year. This kind of supply crisis can lead to severe and unpredictable price fluctuations. Diseases and epidemics can also influence the prices of agricultural commodities.
- (iv) *Direct investment costs* - Direct investments in commodities involve storage, insurance and tax costs. Moreover, no interest or dividends are paid on commodities. The total returns from investments in commodities are therefore influenced by these factors.
- (v) *Governmental programmes and policies, national and international political, military and economic events and trading activities in commodities and related contracts* - Commodities are often produced in emerging market countries, with demand coming principally from industrialised nations. The political and economic situation is however far less stable in many emerging market countries than in the developed world. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect purchaser confidence, which can as a consequence affect commodity prices. Armed conflicts can also impact on the supply and demand for certain commodities. It is also possible for industrialised nations to impose embargos on imports and exports of goods and services. This can directly and indirectly impact commodity prices. Furthermore, numerous commodity producers have joined forces to establish organisations or cartels in order to regulate supply and influence prices.
- (vi) *Changes in tax rates* - Changes in tax rates and customs duties may have a positive or a negative impact on the profitability margins of commodities producers. When these costs are passed on to purchasers, these changes will affect prices.

These factors may affect in varying ways the value of a Note or Warrant linked to a Commodity or a Commodity Index.

#### ***Factors affecting the performance of Commodity Indices***

Commodity Indices track the performance of a synthetic production-weighted basket of commodity contracts on certain physical commodities. The level of a Commodity Index replicates an actual investment in commodity contracts, and therefore goes up or down depending on the overall performance of this weighted basket of commodity contracts. Although Commodity Indices track the performance of the commodity markets, in a manner generally similar to the way in which an index of equity securities tracks

the performance of the share market, there are important differences between a commodity index and an equity index. First, an equity index typically weights the shares in the index based on market capitalisation, while the commodities included in a Commodity Index are typically, though not always, weighted based on their world production levels and the dollar value of those levels with the exception of any sub-index of a Commodity Index based upon such sub-index. Second, unlike shares, commodity contracts expire periodically and, in order to maintain an investment in commodity contracts, it is necessary to liquidate such commodity contracts before they expire and establish positions in longer-dated commodity contracts. This feature of a Commodity Index, which is discussed below – see the risk factor "*Exposure to "Rolling" and its impact on the performance of a Commodity Index*", has important implications for changes in the value of a Commodity Index. Finally, the performance of a Commodity Index is dependent upon the macroeconomic factors relating to the commodities that underpin the commodities contracts included in such Commodity Index, such as supply and demand, liquidity, weather conditions and natural disasters, direct investment costs, location and changes in tax rates – see the risk factor, "*Factors affecting the performance of both Commodities and Commodity Indices*". The performance of commodity contracts in one sector may offset the performance of commodity contracts in another sector.

While holding an inventory of physical commodities may have certain economic benefits (for example, a refinery could use a reserve of crude oil for the continuation of its operations), it also poses administrative burdens and costs, including those arising from the need to store or transport physical commodities. These requirements and costs may prove unattractive to investors who are interested solely in the price movement of commodities. Commodity contracts permit an investor to obtain exposure to the prices of commodities without directly incurring these requirements and costs. However, an investor in commodity contracts, or in an index of commodity contracts, can be indirectly exposed to these costs, which may be reflected in the prices of the commodity contracts and therefore in the level of a Commodity Index. In addition, the fact that commodity contracts have publicly available prices allows calculation of an index based on these prices. The use of commodity contracts, therefore, allows the index sponsor, to separate the exposure to price changes from the ownership of the underlying physical commodity, and thus allow participation in the upside and downside movement of commodity prices independently of the physical commodity itself.

***Exposure to risk that if the price of the underlying physical commodities increases, the level of the Commodity Index will not necessarily also increase***

If the price of the underlying physical commodities increases, the level of the Commodity Index will not necessarily also increase, for two reasons. The redemption amount payable on Notes or the settlement amount of the Warrants that reference a Commodity Index is linked to the performance of such Commodity Index, which in turn tracks the performance of the basket of commodity contracts included in such Commodity Index, rather than individual physical commodities themselves. Changes in the prices of commodity contracts should generally track changes in the prices of the underlying physical commodities, but, as described above, the prices of commodity contracts might from time to time move in ways or to an extent that differ from movements in physical commodity prices. Therefore, the prices of a particular commodity may go up but the level of the Commodity Index may not change in the same way. Second, because commodity contracts have expiration dates – i.e. dates upon which trading of the commodity contract ceases, there are certain adjustments that need to be made to the Commodity Index, in order to retain an investment position in the commodity contracts. These adjustments, which are described below and primarily include the mechanic of "rolling" may have a positive or negative effect on the level of the Commodity Index. This feature of a Commodity Index is discussed below – see the risk factor "*Exposure to "Rolling" and its impact on the performance of a Commodity Index*". As a result, these adjustments may, in certain instances, cause a discrepancy between the performance of the Commodity Index, and the performance of the commodity contracts underlying such Commodity Index. Accordingly, purchasers of Notes or Warrants that reference Commodity Indices may receive a lower payment upon redemption of such Notes or settlement of such Warrants than such purchaser would have received if he or she had invested directly in commodities underlying such Commodity Indices, or a Note whose redemption amount or Warrants whose settlement amount was based upon the spot price of physical commodities or commodity contracts that were scheduled to expire on the maturity date of the Notes or the expiry date of the Warrants.

***Exposure to "Rolling" and its impact on the performance of a Commodity Index***

(i) "*Rolling*"

Since any commodity contract has a predetermined expiration date on which trading of the commodity contract ceases, holding a commodity contract until expiration will result in delivery

of the underlying physical commodity or the requirement to make or receive a cash settlement. **"Rolling"** the commodity contracts means that the commodity contracts that are nearing expiration (the **"near-dated commodity contracts"**) are sold before they expire and commodity contracts that have an expiration date further in the future (the **"longer-dated commodity contracts"**) are bought. This would allow an actual investor to maintain an investment position without receiving delivery of physical commodities or making or receiving a cash settlement. As Commodity Indices replicate an actual investment in commodity contracts, it takes into account the need to roll the commodity contracts included in such Commodity Index. Specifically, as a near-dated commodity contract approaches expiration, the Commodity Index is calculated as if the near-dated commodity contract is sold and the proceeds of that sale are used to purchase a longer-dated commodity contract of equivalent value in the delivery month applicable for such commodity contract included in such Commodity Index.

(ii) *"Backwardation"*

When the price of the near-dated commodity contract is greater than the price of the longer-dated commodity contract, the market for such contracts is referred to as in *"backwardation"*. If the rolling process occurs when the price of a commodity contract is in backwardation, this results in a greater quantity of the longer-dated commodity contract being acquired for the same value. Rolling contracts in a backwardated market can (putting aside other considerations) create a "roll yield".

(iii) *"Contango"*

When the price of the near-dated commodity contract is lower than the price of the longer-dated commodity contract, the market for such contracts is referred to as in *"contango"*. If the rolling process occurs when the price of a commodity contract is in contango, this results in a smaller quantity of the longer-dated commodity contract being acquired for the same value. Rolling contracts in a contango market can (putting aside other considerations) result in negative "roll yields" which could adversely affect the level of a Commodity Index tied to that contract.

(iv) *"Rolling" can affect a Commodity Index in two ways.*

Firstly, if the Commodity Index, synthetically owns more commodity contracts as a result of the rolling process, albeit at a lower price (backwardation), the gain or loss on the new positions for a given movement in the prices of the commodity contracts will be greater than if the Commodity Index, had owned the same number of commodity contracts as before the rolling process. Conversely, if the Commodity Index, synthetically owns fewer commodity contracts as a result of the rolling process, albeit at a higher price (contango), the gain or loss on the new positions for a given movement in the prices of the commodity contracts will be less than if the Commodity Index, had owned the same number of commodity contracts as before the rolling process. These differentials in the quantities of contracts sold and purchased may have a positive or negative effect on the level of the Commodity Index (measured on the basis of its dollar value).

Secondly, in a contango market, and in the absence of significant market changes, the prices of the longer-dated commodity contracts which the Commodity Index, synthetically buys and holds are expected to, but may not, decrease over time as they near expiry. The expected decrease in price of these longer-dated commodity contracts as they near expiry can potentially cause the level of the Commodity Index, to decrease. Conversely, in a backwardated market, and in the absence of significant market changes, the prices of the longer-dated commodity contracts are expected to, but may not, increase over time as they near expiry. The expected increase in price of these longer-dated commodity contracts as they near expiry can potentially cause the level of the Commodity Index to increase.

(v) *The effects of "Rolling" may be mitigated.*

The trend in prices of the commodity contracts may mitigate the effects of rolling. Also, as the Commodity Index includes many different types of commodity contracts, each of those commodity contracts may be in a different type of market, either backwardation or contango, and therefore may offset any losses and gains attributable to rolling.

***Market Disruption Events relating to Commodity/Commodity Index-Linked Notes and Warrants***

If a Market Disruption Event occurs then:

- (i) the Calculation Agent will determine if such event has a material effect on the Notes and Warrants and, if so, will calculate the relevant Interest Amount and/or make another relevant calculation using, in lieu of a published price for the relevant Commodity or Commodity Index, the price for that Commodity or Commodity Index as at the time specified on the relevant Pricing Date, as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Commodity Index and any other information that in good faith it deems relevant; or
- (ii) unless Delayed Redemption on the Occurrence of a Market Disruption Event is specified as being applicable in the relevant Pricing Supplement, on giving notice to holders, the Issuer will redeem, the Notes or terminate the Warrants, and pay in respect of each Note or Warrant an amount equal to the fair market value of such Notes or Warrants less any Associated Hedging Costs, all as determined by the Calculation Agent; or
- (iii) where Delayed Redemption on the Occurrence of a Market Disruption Event is specified as being applicable in the relevant Pricing Supplement, the Calculation Agent will calculate the fair market value of each Note or Warrant, taking into account the Market Disruption Event less any Associated Hedging Costs (the "**Calculated Market Disruption Amount**") as soon as practicable following the occurrence of the Market Disruption Event (the "**Calculated Market Disruption Amount Determination Date**") and, on the Maturity Date or Expiry Date (as applicable), shall redeem each Note or terminate the Warrants at an amount calculated by the Calculation Agent equal to the Calculated Market Disruption Amount plus interest accrued (if any) from and including the Calculated Additional Market Disruption Amount Determination Date to but excluding the Maturity Date or Expiry Date (as applicable) at a rate equal to Issuer's funding cost at such time. Consequently the occurrence of a Market Disruption Event in relation to a Commodity or Commodity Index may have an adverse effect on the value or liquidity of the Notes and Warrants.

***Additional Factors Relating to Market Disruption Events***

If an issue of Notes and Warrants includes provisions dealing with the occurrence of a Market Disruption Event on a Pricing Date or any other relevant date and the Calculation Agent determines that a Market Disruption Event has occurred or exists on such Pricing Date or any other relevant date, any consequential postponement of the Pricing Date or any other relevant date or any alternative provisions for valuation provided in any Notes and Warrants may have an adverse effect on the value and liquidity of such Notes and Warrants. The occurrence of such a Market Disruption Event to any Commodity or Commodity Index comprising a basket may also have such an adverse effect on Notes and Warrants related to such basket.

**(14) Risks relating to Interest Rate-Linked Notes and Warrants and Inflation Rate-Linked Notes and Warrants*****Volatility***

Interest rates and inflation rates may be volatile and unpredictable. Investors should be aware of the possibility of significant changes in interest rates and inflation rates resulting in a decrease in the value of interest payments and/or the principal payable on the Notes at redemption or Warrants at expiry or exercise. As a consequence the market value of the Notes or Warrants may also fall.

***Interest income risk***

In relation to certain types of Interest Rate-Linked Notes and Warrants and Inflation Rate-Linked Notes and Warrants, interest only accrues on days on which the interest related Reference Asset fixes within a predetermined range set out in the Pricing Supplement. If the interest-related Reference Asset does not fix within such range on one or more days during the term of the Notes or Warrants, then the return on the Notes or Warrants may be lower than traditional fixed rate securities, or even zero. Holders should note that no interest accrues on days when the interest-related Reference Asset fixes outside of the range.

*Specific risks relating to Inflation Rate-Linked Notes and Warrants*

Where Notes or Warrants reference an inflation index, the Notes or Warrants will be exposed to the performance of such inflation index which may be subject to fluctuations that may not correlate with changes in interest rates, currencies or other indices and may not correlate with the rate of inflation experienced in the jurisdiction of the Noteholders or Warrantholders. Any payments made under the Notes or Warrants may be based on a calculation made by reference to an inflation index for a month which is several months prior to the date of payment and therefore could be substantially different from the level of inflation at the time of payment on the Notes or Warrants.

Broadly speaking, in an inflationary environment amounts payable will be adjusted up and in a deflationary environment amounts payable will be adjusted down. In a deflationary environment, the amount of interest payable (if applicable) might be lower than the fixed rate that would have been applicable before such adjustment and the redemption amount or the amount payable in respect of expiry or exercise may be reduced.

*Alternative valuation following disruption events in respect of inflation indices*

Upon the occurrence of certain events in relation to an inflation index, for example the level of the inflation index has not been published or the inflation index is discontinued or is rebased or materially modified – then, depending on the particular event, the Issuer or Calculation Agent may:

- determine the level of the inflation index;
- determine a successor to the original inflation index;
- make changes to the level of the rebased index; or
- make adjustments to the inflation index and/or the terms of the Notes or Warrants by reference to equivalent adjustments made in respect of the Related Bond specified in the terms and conditions of the Notes or Warrants or the Fallback Bond selected by the Calculation Agent.

Any such event or determination may have an adverse effect on the value of the Notes or Warrants.

If the inflation index is rebased or materially modified, and no action is taken in respect of the Related Bond or Fallback Bond, the Calculation Agent may make changes to the level of the rebased index or make adjustments to the inflation index and/or the terms of the Notes or Warrants. Such consequential action by the Calculation Agent may have a negative effect on the value of the Notes or Warrants.

If, on any day on which a valuation is to be made, the level of the inflation index has not been published, and no action to determine a substitute level of the inflation index has been taken in respect of the Related Bond or Fallback Bond, the Calculation Agent shall determine a substitute level of the inflation index calculated by reference to the latest published level of the inflation index, and such level may differ from the index level (if any) published or announced after the relevant valuation date. Such event may have an effect on the valuation of the Notes or Warrants and on the interest (if applicable) and/or the amounts payable in respect of redemption, expiry or exercise. If an inflation index has been discontinued and no successor index has been determined in respect of the Related Bond or Fallback Bond, but the sponsor of the inflation index has specified a replacement inflation index, the Calculation Agent may specify such replacement inflation index to be the Successor Index in respect of the Notes or Warrants. Failing that, the Calculation Agent will determine an appropriate alternative index, and such index will be deemed a "**Successor Index**". Such events may have an effect on the valuation of the Notes or Warrants and on the interest (if applicable) and/or the amounts payable in respect of redemption, expiry or exercise.

*Early redemption or termination of the Notes or Warrants and reinvestment risk following such early redemption or termination*

If the Calculation Agent determines that an inflation index has been discontinued and there is no appropriate alternative successor index, the Calculation Agent may redeem the Notes or terminate the Warrants prior to their scheduled redemption date or expiry date (as applicable) in accordance with the terms and conditions of the Notes or Warrants.

**(15) Risks relating to Currency-Linked Notes and Warrants*****Volatility of exchange rates***

Exchange rates can be volatile and unpredictable. Investors should be aware of the possibility of significant changes in rates of exchange between the Specified Currency and Reference Currencies, the Denomination Currency and the Settlement Currency and the Settlement Currency and Alternative Payment Currency (as applicable) may result in a decrease in the value of interest payments and/or the principal payable on the Notes at maturity or early redemption or the payments on Warrants at expiry or exercise. As a consequence, the market value of the Notes or Warrants may also fall.

***FX Disruption Event***

Investors in the Notes or Warrants should be aware that, following the occurrence of a FX Disruption Event (as defined in the Conditions) the Issuer may elect (a) to redeem the Notes or terminate the Warrants (as applicable) against payment of the Early Redemption Amount, which (in the case of Warrants and Notes other than Alternative General Conditions Notes) may be an amount determined by the Calculation Agent to be the fair market value of the Notes or Warrants less the cost to the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements and in any case, such amount may be less than any amount received at maturity or expiry or exercise and may result in a loss to the investors or (b) (i) (in the case of Warrants and Notes other than Alternative General Conditions Notes) instruct the Calculation Agent to make such adjustments to the Conditions of the Notes or Warrants as it determines to be necessary or desirable to reflect any market practice which develops in respect of the FX Disruption Event or (ii) (in the case of Alternative General Conditions Notes) instruct the Calculation Agent to make such adjustment(s) to the Conditions as it determines to be necessary or desirable to reflect or account for the FX Disruption Event with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant FX Disruption Event.

If, by reason of an FX Disruption Event, the Issuer is unable to settle payments under the Notes or Warrants in the Settlement Currency the Issuer may settle payments by payment of the Alternative Payment Currency Equivalent (which will be an amount in USD or such other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement). Also, if the Notes are redeemed early or the Warrants are terminated early, investors will forego any future performance in the underlying currency.

***Notes linked to an index, formula or other underlying and multi-currency and Dual Currency Notes***

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated ("**Dual Currency Notes**"). Prospective investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iii) they may lose all or a substantial portion of their principal and/or interest payments;
- (iv) the relevant currencies may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices; and
- (v) the timing of changes in a relevant currency may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the relevant currency, the greater the effect on yield.

**(16) Risks relating to Credit-Linked Warrants to which Part F – Product Supplement for Credit-Linked Warrants applies*****General***

The Issuer may issue Warrants where the amount (if any) payable on exercise is dependent upon whether certain events ("**Credit Events**") are determined (by an ISDA Credit Derivatives Determinations Committee or the Calculation Agent) to have occurred in respect of one or more entities (together

"Reference Entities" and each a "Reference Entity") and, if so, on the value of certain specified assets of such Reference Entity(ies). In this respect the Warrants provide investors with a return linked to the credit of the Reference Entity or Reference Entities, as well as the credit risk of the Issuer in performing its obligations under the Warrants.

An investor's exposure to the credit of the Reference Entity(ies) shall be, unless otherwise stated in the relevant Pricing Supplement, to the full extent of their investment in the Warrants and will not provide protection of investment. *The terms of the Warrants are designed to reflect the credit exposure of a buyer of credit protection in respect of each Reference Entity and accordingly in certain circumstances (including if (i) the Warrants terminate early for reasons other than a Credit Event, for example illegality, (ii) during the life of the Warrants no Credit Event occurs or (iii) if the Cash Settlement Amount in respect of any Credit Event is zero) the Warrants may expire worthless.*

Prospective investors in any Warrants should be aware that (i) they will receive no return by way of interest or other periodic payments, (ii) payment of any cash amount due on exercise of their Warrants may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. It is the responsibility of investors to ensure that their accounting, regulatory and all other treatments of the Warrants are consistent with the conditional nature of their entitlement to receive payments under the Warrants.

The market price of the Warrants may be volatile and will be affected by factors that interrelate in complex ways, including amongst other things, the Issuer's creditworthiness, the time remaining to final expiration of the Warrants and the creditworthiness of the Reference Entity, which in turn may be affected by the economic, financial and political events in one or more jurisdictions. It is important for investors to understand that the effect of one factor may offset the increase in the market price of the Warrants caused by another factor, and that the effect of one factor may exacerbate the decrease in the market price of the Warrants caused by another factor. For example, an increase in the creditworthiness of a Reference Entity may more than offset any increase in the Issuer's creditworthiness. The market price of the Warrants may be zero.

The Additional Terms and Conditions relating to Credit-Linked Warrants in Part F of this Offering Memorandum contains Additional Terms and Conditions for Credit Linked Warrants with terms based on the 2014 ISDA Credit Derivatives Definitions (the "**2014 ISDA Definitions**").

Any references in this sub-section (16) to ISDA will include any other entity which succeeds to or is performing functions previously undertaken by ISDA in relation to Credit Derivatives Determinations Committees and references to Credit Derivatives Determinations Committees in relation to ISDA will include any successor thereto. The Calculation Agent may make such adjustments to the Credit Linked Conditions and the relevant Pricing Supplement as it determines appropriate to account for any other entity so succeeding to or performing functions previously undertaken by ISDA.

The Calculation Agent may exercise its right to deliver a Credit Event Notice even if the relevant Credit Event is no longer continuing and Warrantholders will have no right to compel the exercise of this right or to control the timing of a Credit Event Determination Date. Notwithstanding this, in most cases a Credit Event can only be triggered (whether by a Credit Derivatives Determinations Committee determination or the Calculation Agent) if the relevant event occurred within a 60 calendar day look-back period. These provisions mean that there is a time limit on the ability to act on a Credit Event.

*In the event that a Credit Event occurs but the Calculation Agent does not exercise its discretion to deliver the notices which result in a Credit Event Determination Date and a Credit Event Determination Date does not otherwise arise as a result of a Credit Derivatives Determinations Committee determination, no amounts will be payable under the Warrants in respect of that Credit Event. In such circumstances investors in Warrants linked to a basket of Reference Entities will lose that portion of their investment exposed to the relevant Reference Entity and investors in Warrants linked to a single Reference Entity will lose their entire investment and their Warrants will expire worthless.*

The Calculation Agent is the Issuer and accordingly conflicts of interest arise with respect to the exercise of such discretion – see also "*Conflicts of Interest*" below.

Not all Credit Events are triggered by events which are easily ascertainable and disputes can and have arisen as to whether a specific event did or did not constitute a Credit Event. Under the terms of the Warrants,



subject to certain Credit Derivatives Determinations Committee determinations, the Calculation Agent's determination will be binding on the Issuer and Warrantheolders and may be different from the view of Warrantheolders, other financial institutions and/or commentators.

The Issuer may determine that certain terms of the Warrants (for example the applicable Credit Events, Deliverable Obligations and Obligations) be those set in the Credit Derivatives Physical Settlement Matrix ("**Physical Settlement Matrix**") for the Transaction Type(s) specified in the Pricing Supplement for the Reference Entity(ies), rather than being specified in the Pricing Supplement. The Physical Settlement Matrix sets out a number of terms which, depending on the Transaction Type specified, will apply to standard credit derivatives transactions if incorporated into the documentation for those transactions and is published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto). If applicable to the Warrants, the version of the Physical Settlement Matrix which will apply will be that dated the date specified in the relevant Pricing Supplement.

***Settlement on a Credit Event and Credit Event Determination Date***

If a Credit Event occurs, the value of obligations of the relevant Reference Entity, which will affect the Cash Settlement Amount (if any) due on the related exercise of the Warrants if a Credit Event Determination Date occurs, may fluctuate during the period between the Credit Event Determination Date and settlement of the Warrants.

Any Cash Settlement Amount will be calculated by reference to (amongst other things) the "Auction Final Price" determined pursuant to an ISDA auction relating to obligations of the relevant Reference Entity of appropriate seniority (see further "*Risks relating to Auction Settlement of Credit Linked Warrants*" below) or, depending upon the circumstances, the value (described as the "**Final Price**") of one or more Valuation Obligations of the relevant Reference Entity. In such circumstances the Issuer will select the relevant Valuation Obligations in its sole and absolute discretion irrespective of their market value or liquidity and will not be obliged to consider the interests of Warrantheolders or any recovery of their investment and/or increase of their return.

***If a Credit Event and Credit Event Determination Date occur but the Cash Settlement Amount is zero, no payment will be due from the Issuer to Warrantheolders on the related exercise of the Warrants. In such circumstances investors in Warrants linked to a basket of Reference Entities will lose that portion of their investment exposed to the relevant Reference Entity and investors in Warrants linked to a single Reference Entity will lose their entire investment and their Warrants will expire worthless.***

Investors in the Warrants are accordingly exposed to the credit risk of the Reference Entity(ies). If a Credit Event Determination Date occurs, investors' exposure to the credit performance of the Reference Entity(ies) may not correspond to actual market losses on any such Reference Entity. The maximum loss to an investor in the Warrants is 100 per cent. of their initial investment.

***Credit Deterioration Requirement***

Investors should note that a deterioration in the creditworthiness or financial condition of a Reference Entity will not be required for the purposes of determining a Failure to Pay Credit Event unless "2019 Narrowly Tailored Credit Event Provisions" and "Credit Deterioration Requirement" are each specified as applicable in respect of such Reference Entity in the relevant Pricing Supplement.

***Increased credit risk is associated with Basket Credit Linked Warrants***

If "Unwind Costs" are specified as applicable in the Pricing Supplement for Basket Credit Linked Warrants then, if a Credit Event Determination Date occurs in respect of a Reference Entity in the basket and the hedging costs arising in relation to the Issuer's and/or any of its affiliates' hedging arrangements in connection with the related exercise and settlement of the Warrants exceed the losses in connection with such Credit Event Determination Date (being the Reference Entity Notional Amount, reflecting the Warrants' exposure to the relevant Reference Entity, multiplied by one minus the Auction Final Price or the Final Price, as applicable), such shortfall (and any such shortfalls in respect of any other Credit Event Determination Dates) will be deducted in the calculation of any Cash Settlement Amounts in respect of any future Credit Event Determination Dates until such shortfall has been met. Therefore, investors' exposure to each Reference Entity may exceed the exposure that they might incur in respect of having entered into a

standard single name credit default swap as protection seller in respect of each Reference Entity and investors may lose the entire amount invested.

#### ***Index Basket Credit Linked Warrants***

For Index Basket Credit Linked Warrants, the Reference Obligations as of the issue date of the Warrants will be those set out in each relevant Index Annex, being the list for each relevant Markit iTraxx® Index (in the case of Warrants linked to one or more iTraxx Indices) and/or each relevant Markit CDX™ Index (in the case of Warrants linked to one or more CDX Indices) with the relevant Annex Date specified in the relevant Pricing Supplement, as published by the relevant Index Publisher, being Markit Group Limited as of the date of this Offering Memorandum). Notwithstanding "Successors" below, determinations by each relevant Index Sponsor (being Markit Indices Limited in the case of Warrants linked to one or more iTraxx Indices and Markit North America, Inc. in the case of Warrants linked to one or more CDX Indices, in each case as of the date of this Offering Memorandum) with respect to replacement Reference Obligations and/or Successors, will apply for the purposes of the Warrants. In addition, if a Credit Derivatives Determinations Committee Successor determination is publicly announced prior to the Trade Date but following the relevant "Roll Date" (in the case of Warrants linked to one or more iTraxx Indices) or "Effective Date" (in the case of Warrants linked to one or more CDX Indices) specified in an Index Annex, such Successor will apply for the purposes of the Warrants, notwithstanding such announcement occurred prior to the Trade Date.

#### ***Successors***

A Reference Entity may be replaced as Reference Entity by one or more Successor(s). For these purposes the relevant Succession Date must occur within a 90 calendar day look-back period, other than in the case of a universal succession, where the Succession Date must have occurred on or after 1 January 2014. These provisions mean that there is a time limit on the ability to act on a succession and that it is possible that the Warrants could be affected by a succession that took place prior to the Trade Date.

The Calculation Agent may, if it determines appropriate, select an alternative Transaction Type for any Successor to a Reference Entity and adjust such of the Conditions, the Credit Linked Conditions and/or the relevant Pricing Supplement as it determines appropriate to reflect such new Transaction Type and determine the effective date of any such change and adjustment.

In addition, where more than one Successor to a Reference Entity has been identified the Calculation Agent shall adjust such of Conditions, the Credit Linked Conditions and/or the relevant Pricing Supplement as it shall determine to be appropriate (including, without limitation, the relevant Reference Entity Notional Amount and (if applicable) the relevant Transaction Type) to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment.

#### ***Settlement suspension***

The Credit Linked Conditions also provide that if, following the determination of a Credit Event Determination Date but prior to a cut-off date, there is a DC Credit Event Meeting Announcement, the Calculation Agent may at its option determine that the applicable timing requirements of the Credit Linked Conditions and the definitions of Cash Settlement Date and Valuation Date and any other Credit Linked Condition as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period of suspension, a "**Suspension Period**") until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal (with no action being taken in connection with the settlement of the Warrants during such Suspension Period). At that point, the relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary.

In the event of any such Suspension Period, the Calculation Agent may make (i) such consequential or other adjustment(s) or determination(s) to or in relation to the Credit Linked Conditions as may be desirable or required either during or following any relevant Suspension Period to account for or reflect such suspension and (ii) determine the effective date of such adjustment(s) or determination(s).

#### ***Amendment of Credit Linked Conditions in accordance with market convention***

The Calculation Agent may from time to time amend any provision of the Credit Linked Conditions in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or

desirable from the perspective of the Issuer, the Calculation Agent or any party to the hedging arrangements relating to the Issuer's obligations under the Warrants (i) to incorporate and/or reflect further or alternative documents or protocols from time to time published by or on behalf of ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the Credit Derivatives Determinations Committees, including without limitation, in relation to settlement, credit events and successors and/or (ii) to reflect or account for market practice for credit derivative transactions.

***ISDA Credit Derivatives Definitions***

Whilst there are many similarities between the terms used in this Offering Memorandum (in particular, in Part F - Additional Terms and Conditions relating to Credit-Linked Warrants) and the terms used in the 2014 ISDA Definitions, there are many substantial differences and a prospective investor should understand that the complete terms and conditions of the Warrants are as set out in the relevant sections of the Offering Memorandum and the relevant Pricing Supplement and that the 2014 ISDA Definitions are not incorporated by reference herein. Consequently, investing in Credit Linked Warrants is not necessarily equivalent to investing in a credit default swap that incorporates the 2014 ISDA Definitions.

While ISDA has published and, where appropriate, supplemented the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2014 ISDA Definitions and the terms applied to credit derivatives generally, including Credit Linked Warrants are subject to further evolution. Past events have shown that the view of market participants may differ as to how sets of ISDA Definitions operate or should operate. As a result of the continued evolution of the market, the Credit Linked Warrants may not conform to future market standards. Such a result may have a negative impact on the Credit Linked Warrants and there can be no assurances that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer or the Warranholders.

***Risks relating to Auction Settlement of Credit Linked Warrants***

Where an Auction Final Price Determination Date occurs in respect of Credit Linked Warrants, the Auction Final Price will be determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms, a form of which will be published on <https://www.cdsdeterminationscommittees.org/> (or any successor website thereto) from time to time and may be amended from time to time. The Auction Final Price determined pursuant to an auction may vary from the market value that would otherwise have been determined in respect of the relevant Reference Obligation.

The Issuer and the Warranholders may have little or no influence in outcome of any such auction. However, there is a possibility that the Issuer or the Calculation Agent (or one of their affiliates) would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids, offers and physical settlement requests with respect to the relevant Deliverable Obligations. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), neither the Issuer nor the Calculation Agent (or any of their affiliates) shall be under any obligation to consider the interests of any Warranholder.

***No representation by Issuer, Calculation Agent and affiliates***

None of the Issuer, the Calculation Agent nor any of their respective affiliates makes any representation whatsoever with respect to any Reference Entity, Reference Obligation(s) or other underlying obligation(s).

***Dealings by Issuer, Calculation Agent and affiliates***

The Issuer, the Calculation Agent and any of their respective affiliates may deal in Reference Obligation(s) or other underlying obligation(s) of any Reference Entity and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, any Reference Entity, any affiliate of any Reference Entity, and/or any other person or entity having obligations relating to any Reference Entity and may act with respect to such business in the same manner as each of them would if the Warrants had not been issued, regardless of the effect any such action

might have on any Reference Entity, Reference Obligation(s) or other underlying obligation(s) or the Warrantheolders or otherwise (including, without limitation, any action which might reduce the likelihood of a Credit Event occurring).

***No disclosure of information***

The Issuer, the Calculation Agent and any of their respective affiliates may, whether by virtue of the types of relationships described herein or otherwise, on the issue date of any Warrants or at any time thereafter, be in possession of information in relation to any Reference Entity, Reference Obligation(s) or other underlying obligation(s) thereof that is or may be material in the context of the issue of Warrants and that may or may not be publicly available or known to Warrantheolders. There is no obligation on the part of the Issuer, the Calculation Agent or any such affiliates to disclose to the Warrantheolders any such relationship or information (whether or not confidential).

***Conflicts of interest***

The Calculation Agent (which may be HSBC Bank plc or HSBC Continental Europe) and the Issuer will be entitled to make certain determinations and actions and exercise certain discretions under the Credit Linked Conditions including (*inter alia*) as to whether an event constituting a Credit Event has occurred and, in connection with certain types of Restructuring Credit Event, whether to partially exercise the Warrants and in certain circumstances as to the exercise of the Movement Option (which will determine whether an Auction Final Price determined according to an auction procedure set out in Transaction Auction Settlement Terms for which the permitted obligations differ from those otherwise contemplated under the Warrants (and if applicable the relevant Transaction Auction Settlement Terms), or a Final Price, is used in the calculation of the Cash Settlement Amount), any of which may affect whether there are any payment(s) under the Warrants and the level of any such payment. A number of these determinations, discretions and actions are those which would typically be exercisable under market standard credit default swap transactions by the buyer of credit protection, which in the case of the Warrants, is the position of the Warrantheolders. The Issuer and its affiliates may also be a Quotation Dealer from which the Calculation Agent may request quotations for the purposes of determining a Final Price, which may affect the level of any Cash Settlement Amount payable under the Warrants. As a result, conflicts of interest exist between (i) the Issuer and the Calculation Agent and (ii) the Warrantheolders. None of HSBC Bank plc, HSBC Bank Middle East Limited or HSBC Continental Europe, whether in its capacity as Calculation Agent or Issuer, acts as fiduciary for or as an adviser to any of the Warrantheolders in any respect.

***No post-issuance information***

The Issuer will not provide investors with any post-issuance information regarding any Reference Entity, Reference Obligation(s) or other underlying obligation(s). In addition, prospective investors should understand that historical performance of a Reference Entity, Reference Obligation or other underlying obligation should not be viewed as predictive of future results.

***Currency risk***

Exchange rates can be volatile and unpredictable. Investors should be aware of the possibility of significant changes in rates of exchange between (i) the Settlement Currency, (ii) the currency of any relevant underlying obligation(s) of a Reference Entity and (iii) the relevant local currency of the investor's domicile.

**(17) Risks relating to Credit-Linked Notes to which Part G – Product Supplement for Credit-Linked Notes applies**

***General***

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon whether certain events ("**Credit Events**") are determined (by an ISDA Credit Derivatives Determinations Committee or the Calculation Agent) to have occurred in respect of one or more entities (together "**Reference Entities**" and each, a "**Reference Entity**") and, if so, unless the Notes are "zero recovery" or "fixed recovery" Notes on the value of certain specified assets of such Reference Entity(ies) or, where, if such events have occurred, the Issuer's obligation is to deliver certain specified assets upon redemption of the Notes. In this respect, the Notes provide investors with a return linked to the credit of the Reference Entity or Reference Entities, as well as the credit risk of the Issuer in performing its obligations under the Notes, and will not provide protection of principal or a guarantee of interest.

Prospective investors in any such Notes should be aware that depending on the terms of the Credit-Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected, and (iii) they may lose all or a substantial portion of their investment. It is the responsibility of investors to ensure that their accounting, regulatory and all other treatments of the Notes are consistent with the conditional nature of their entitlement to receive payments under the Notes.

The market price of such Notes may be volatile and will be affected by factors that interrelate in complex ways, including amongst other things, the Issuer's creditworthiness, the time remaining to the redemption date of the Notes and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions. It is important for investors to understand that the effect of one factor may offset the increase in the market price of the Notes caused by another factor, and that the effect of one factor may exacerbate the decrease in the market price of the Notes caused by another factor. For example, a drop in the creditworthiness of a Reference Entity may more than offset any increase in the Issuer's creditworthiness. The market price of the Notes may be zero.

The Additional Terms and Conditions relating to Credit Linked Notes in Part G of this Offering Memorandum contains Additional Terms and Conditions for Credit-Linked Notes with terms based on the 2014 ISDA Credit Derivatives Definitions (the "**2014 ISDA Definitions**").

Any references in this sub-section (17) to ISDA will include any other entity which succeeds to or is performing functions previously undertaken by ISDA in relation to Credit Derivatives Determinations Committees and references to Credit Derivatives Determinations Committees in relation to ISDA will include any successor thereto. The Calculation Agent may make such adjustments to the Credit Linked Conditions and the relevant Pricing Supplement as it determines appropriate to account for any other entity so succeeding to or performing functions previously undertaken by ISDA.

The Issuer's obligations in respect of Credit-Linked Notes are irrespective of the existence or amount of the Issuer's and/or any affiliates' credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

The holders of Credit-Linked Notes will be exposed to the credit of one or more Reference Entities, which exposure shall be, unless otherwise stated in the relevant Pricing Supplement or the Notes are "fixed recovery" Notes, to the full extent of their investment in such Notes. Upon the occurrence of any of the default events comprising a Credit Event with respect to any Reference Entity, the Noteholders may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of such Reference Entity. However, the holding of a Note is unlikely to lead to outcomes which exactly reflect the impact of investing in an obligation of a Reference Entity, and losses could be considerably greater than would be suffered by a direct investor in the obligations of a Reference Entity and/or could arise for reasons unrelated to such Reference Entity. Noteholders should also note that a Credit Event may occur even if the obligations of a Reference Entity are unenforceable or their performance is prohibited by any applicable law or exchange controls.

The Calculation Agent may exercise its right to deliver a Credit Event Notice even if the relevant Credit Event is no longer continuing and Noteholders will have no right to compel the exercise of this right or to control the timing of a Credit Event Determination Date. Notwithstanding this, in most cases a Credit Event can only be triggered (whether by a Credit Derivatives Determinations Committee determination or the Calculation Agent) if the relevant event occurred within a 60 calendar day look-back period. These provisions mean that there is a time limit on the ability to act on a Credit Event and that it is possible that the Notes could be affected by a Credit Event that took place prior to the Trade Date.

Not all of the Credit Events require an actual default with respect to the Reference Entity's obligations. Thus Noteholders may bear losses based on a deterioration in the credit of a Reference Entity short of default. Also, not all Credit Events are triggered by events which are easily ascertainable and disputes can and have arisen as to whether a specific event did or did not constitute a Credit Event. Under the terms of the Notes, subject to certain Credit Derivatives Determinations Committee determinations, the Calculation Agent's determination will be binding on the Issuer and Noteholders and may be different from the view of Noteholders, other financial institutions and/or commentators.

The Issuer may determine that certain terms of the Notes (for example the applicable Credit Events, Deliverable Obligations and Obligations) be those set in the Credit Derivatives Physical Settlement Matrix

("Physical Settlement Matrix") for the Transaction Type(s) specified in the Pricing Supplement for the Reference Entity(ies), rather than being specified in the Pricing Supplement. The Physical Settlement Matrix sets out a number of terms which, depending on the Transaction Type specified, will apply to standard credit derivatives transactions if incorporated into the documentation for those transactions and is published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto). If applicable to the Notes, the version of the Physical Settlement Matrix which will apply will be that dated the date specified in the relevant Pricing Supplement.

***Redemption following a Credit Event Determination Date***

The Notes will redeem following a Credit Event Determination Date, which requires the occurrence of a Credit Event in respect of a Reference Entity and either a DC Credit Event Announcement of the delivery of a Credit Event Notice. The principal amount payable on such redemption may be below the nominal amount of the Notes and interest-bearing Credit-Linked Notes may cease to bear interest on or prior to the related Credit Event Determination Date.

If cash settlement or auction settlement applies, the amount (if any) due on redemption of the Notes will be calculated by reference to:

- (i) with respect to cash settlement, the value of one or more Valuation Obligations of the relevant Reference Entity, in which case the Issuer will select the relevant Valuation Obligations in its sole and absolute discretion irrespective of their market value or liquidity and will not be obliged to consider the interests of Noteholders or mitigate their losses; and
- (ii) with respect to auction settlement, the "Auction Final Price" determined pursuant to an ISDA auction relating to obligations of the relevant Reference Entity of appropriate seniority (see further "*Risks relating to Auction Settlement of Credit Linked Notes*" below).

The value of obligations of the relevant Reference Entity which will affect the amount (if any) due on such redemption may substantially decrease in value during the period between the Credit Event Determination Date and settlement of the Notes.

Where physical settlement is intended to apply, unless the Issuer does not deliver a Notice of Physical Settlement following the occurrence of a Credit Event because it determines that it would not have any relevant assets to deliver or that all of the relevant assets would be impossible, illegal or impractical to deliver (in which case auction or cash settlement will apply as above), the occurrence of a Credit Event in relation to any Reference Entity from time to time may result in the redemption of the Notes by delivery of certain direct or indirect obligations of the affected Reference Entity and/or obligations received under certain transactions which may be entered into by the Issuer and/or its affiliates in connection with the Issuer's obligations under the Notes, which obligations are likely to have a market value which is substantially less than their par amount (and may substantially decrease in value during the period between the occurrence of the Credit Event and settlement of the Notes), and interest-bearing Credit-Linked Notes may cease to bear interest on or prior to the Credit Event Determination Date. Where the Notes provide for physical settlement and the Issuer delivers a Notice of Physical Settlement, the Calculation Agent may nonetheless determine that the specified assets to be delivered are either (a) assets which, for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans), are impossible, illegal or impractical to deliver on the specified settlement date, or (b) assets which the Issuer and/or any affiliate has not received under the terms of any transaction entered into by the Issuer and/or such affiliate in connection with the Issuer's obligations under the Notes. Any such determination may delay settlement in respect of the Notes (in the case of paragraph (b)) and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount (if any) which, in either case, may adversely affect the value of the Notes and the amount payable on redemption of the Notes. In this respect investors should note that neither the Issuer nor its affiliates are under any obligation to acquire any assets for delivery under the Notes and if no such assets are held for these purposes the Notes will be redeemed by payment of a cash amount (if any).

Where the Notes are "fixed recovery" Notes, only cash settlement can apply and, if a Credit Event Determination Date occurs, the Notes will redeem at an amount less than the nominal amount or at zero, and interest-bearing Credit-Linked Notes may cease to bear interest on or prior to the Credit Event Determination Date. The amount payable on redemption will be dependent upon the fixed Final Price

specified in the relevant Pricing Supplement. If that fixed Final Price is lower than the price that could have been determined pursuant to the auction (as described under "*Risks relating to Auction Settlement of Credit-Linked Notes*" below) or on valuation of the Valuation Obligation(s), as applicable, had auction settlement or cash settlement as described above have applied to the Notes, the redemption amount will be lower than would otherwise have been the case.

Where the Notes are "zero recovery" Notes, the occurrence of a Credit Event Determination Date will result in cancellation of the Notes at zero. No amounts of principal will be payable under the Notes and interest-bearing Credit-Linked Notes may cease to bear interest on or prior to the Credit Event Determination Date.

Investors in the Notes are accordingly exposed, as to both principal and (if applicable) interest, to the credit risk of the Reference Entity. If a Credit Event Determination Date occurs, investors' exposure to the credit performance of the Reference Entity(ies) may not correspond to actual market losses on any such Reference Entity. The maximum loss to an investor in the Notes is 100 per cent. of their initial principal investment, together with (if applicable) any accrued interest amounts.

#### ***Credit Event Maturity Settlement Notes***

Credit-Linked Notes in relation to which Credit Event Maturity Settlement is applicable will not as a result of the occurrence of a Credit Event redeem earlier than the Scheduled Maturity Date, notwithstanding that this may occur a significant time following the occurrence of the relevant Credit Event. Following the occurrence of a Credit Event investors may therefore not receive any interest on their investment for a substantial period of time (unless interest is specified to accrue up to the Scheduled Maturity Date for the Credit Linked Notes notwithstanding the occurrence of a Credit Event) and may miss the opportunity to invest the amount payable on redemption, that would otherwise have been received earlier, in other assets or investments.

#### ***A Credit Event may occur prior to the Trade Date***

As mentioned above, holders of the Notes may suffer a loss of some or all principal amount of the Notes in respect of one or more Credit Events that occur prior to the Trade Date or the Issue Date. Neither the Calculation Agent nor the Issuer nor any of their respective affiliates has any responsibility to inform any Noteholder, or avoid or mitigate the effects of a Credit Event that has taken place prior to the Trade Date or the Issue Date.

#### ***Credit Deterioration Requirement***

Investors should note that a deterioration in the creditworthiness or financial condition of a Reference Entity will not be required for the purposes of determining a Failure to Pay Credit Event unless "2019 Narrowly Tailored Credit Event Provisions" and "Credit Deterioration Requirement" are each specified as applicable in respect of such Reference Entity in the relevant Pricing Supplement.

#### ***Increased credit risk is associated with Basket Credit-Linked Notes***

Where the Notes are Basket Credit-Linked Notes, the Notes may be subject to redemption in part upon the occurrence of a Credit Event Determination Date in relation to a Reference Entity in the basket, on the basis of the proportional weighting of such Reference Entity. The credit risk to Noteholders may be further increased as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks.

Investors' exposure to the credit performance of the Reference Entities may not correspond to actual market recovery on such Reference Entities.

Following a partial redemption, principal repayments on the Notes will, and interest on the Notes may, be calculated by reference to the Adjusted Credit Outstanding Nominal Amount. As at the Issue Date the Adjusted Credit Outstanding Nominal Amount is an amount equal to the Aggregate Principal Amount. If a Credit Event Determination Date occurs in respect of a Reference Entity in the basket, then the Adjusted Credit Outstanding Nominal Amount will be reduced by (i) an amount equal to a predefined portion of the Aggregate Principal Amount (reflecting the Notes' exposure to such Reference Entity) and (ii) if "Unwind Costs" are specified as applicable in the relevant Pricing Supplement, then for (A) "zero recovery" Notes, the hedging costs arising in relation to the Issuer's and/or any of its affiliates' hedging arrangements in connection with the partial redemption of the Notes or (B) any other types of Note, if such hedging costs

exceed the relevant Recovery Value (if auction settlement or cash settlement applies) or the market value of the relevant Initial Deliverable Obligations (if physical settlement applies), such excess. Therefore, investors' exposure to each Reference Entity may exceed the exposure that they might incur in respect of having entered into a standard single name credit default swap as protection seller in respect of each Reference Entity and investors may lose the entire principal amount invested.

#### ***Index Basket Credit Linked Notes***

For Index Basket Credit Linked Notes, the Reference Obligations as of the issue date of the Notes will be those set out in each relevant Index Annex, being the list for each relevant Markit iTraxx® Index (in the case of Notes linked to one or more iTraxx Indices) and/or each relevant Markit CDX™ Index (in the case of Notes linked to one or more CDX Indices) with the relevant Annex Date specified in the relevant Pricing Supplement, as published by the relevant Index Publisher, being Markit Group Limited as of the date of this Offering Memorandum). Notwithstanding "Successors" below, determinations by each relevant Index Sponsor (being Markit Indices Limited in the case of Notes linked to one or more iTraxx Indices and Markit North America, Inc. in the case of linked to one or more CDX Indices, in each case as of the date of this Offering Memorandum) with respect to replacement Reference Obligations and/or Successors, will apply for the purposes of the Notes. In addition, if a Credit Derivatives Determinations Committee Successor determination is publicly announced prior to the Trade Date but following the relevant "Roll Date" (in the case of Notes linked to one or more iTraxx Indices) or "Effective Date" (in the case of linked to one or more CDX Indices) specified in an Index Annex, such Successor will apply for the purposes of the Notes, notwithstanding such announcement occurred prior to the Trade Date.

#### ***Successors***

A Reference Entity may be replaced as Reference Entity by one or more Successor(s). For these purposes the relevant Succession Date must occur within a 90 calendar day look-back period, other than in the case of a universal succession, where the Succession Date must have occurred on or after 1 January 2014. These provisions mean that there is a time limit on the ability to act on a succession and that it is possible that the Notes could be affected by a succession that took place prior to the Trade Date.

The Calculation Agent may, if it determines appropriate, select an alternative Transaction Type for any Successor to a Reference Entity and adjust such of the Conditions, the Credit Linked Conditions and/or the relevant Pricing Supplement as it determines appropriate to reflect such new Transaction Type and determine the effective date of any such change and adjustment.

In addition, where more than one Successor to a Reference Entity has been identified the Calculation Agent shall adjust such of Conditions, the Credit Linked Conditions and/or the relevant Pricing Supplement as it shall determine to be appropriate (including, without limitation, the relevant Reference Entity Notional Amount and (if applicable) the relevant Transaction Type) to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment.

#### ***Maturity Date extension, interest postponement and settlement suspension***

Investors should note that the maturity of the Notes may be extended beyond the Scheduled Maturity Date in circumstances where a Potential Credit Event or a Credit Event has or may have occurred or may occur in relation to a Reference Entity and the Credit Event Determination Date has not yet occurred. As a result, payment to the Noteholders of any principal and interest amounts may be delayed for a significant period of time even in circumstances where it transpires no Credit Event has occurred.

The Credit Linked Conditions also provide that (other than in respect of "zero recovery" Notes) if, following the determination of a Credit Event Determination Date but prior to a cut-off date, there is a DC Credit Event Meeting Announcement, the Calculation Agent may at its option determine that the applicable timing requirements of the Credit Linked Conditions and the definitions of Credit Event Redemption Date, Credit Event Payment Date, Valuation Date, Maturity Date, Physical Settlement Period and PSN Cut-off Date and any other Credit Linked Condition as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period of suspension, a "**Suspension Period**") until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal (with no action being taken in connection with the settlement of the Notes during such Suspension Period). At that point, the relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary.



In the event of any such Suspension Period, the Calculation Agent may make (i) such consequential or other adjustment(s) or determination(s) to or in relation to the Credit Linked Conditions as may be desirable or required either during or following any relevant Suspension Period to account for or reflect such suspension and (ii) determine the effective date of such adjustment(s) or determination(s).

***Amendment of Credit Linked Conditions in accordance with market convention***

The Calculation Agent may from time to time amend any provision of the Credit Linked Conditions in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable from the perspective of the Issuer, the Calculation Agent or any party to the hedging arrangements relating to the Issuer's obligations under the Notes (i) to incorporate and/or reflect further or alternative documents or protocols from time to time published by or on behalf of ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the Credit Derivatives Determinations Committees, including without limitation, in relation to settlement, credit events and successors and/or (ii) to reflect or account for market practice for credit derivative transactions and/or (iii) reflect or account for any hedging disruption event which, in the context of physical settlement of the Notes, results in the Issuer not receiving obligations that would otherwise have been delivered to the Noteholders.

***ISDA Credit Derivatives Definitions***

Whilst there are many similarities between the terms used in this Offering Memorandum (in particular, in Part G - Additional Terms and Conditions relating to Credit-Linked Notes) and the terms used in the 2014 ISDA Definitions, there are many substantial differences and a prospective investor should understand that the complete terms and conditions of the Notes are as set out in the relevant sections of this Offering Memorandum and the relevant Pricing Supplement and that the 2014 ISDA Definitions are not incorporated by reference herein. Consequently, investing in Credit-Linked Notes is not necessarily equivalent to investing in a credit default swap that incorporates the 2014 ISDA Definitions.

While ISDA has published and, where appropriate, supplemented the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2014 ISDA Definitions and the terms applied to credit derivatives generally, including Credit-Linked Notes are subject to further evolution. Past events have shown that the view of market participants may differ as to how sets of ISDA Definitions operate or should operate. As a result of the continued evolution of the market, the Credit-Linked Notes may not conform to future market standards. Such a result may have a negative impact on the Credit-Linked Notes and there can be no assurances that changes to the terms applicable to credit derivatives generally will be predicable or favourable to the Issuer or the Noteholders.

***Risks relating to Auction Settlement of Credit-Linked Notes***

Where an Auction Final Price Determination Date occurs in respect of Credit-Linked Notes, the Auction Final Price will be determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms, a form of which will be published on <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) from time to time and may be amended from time-to-time. The Auction Final Price determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the relevant Reference Obligation.

The Issuer and the Noteholders may have little or no influence in outcome of any such auction. However, there is a possibility that the Issuer or the Calculation Agent (or one of their affiliates) would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids, offers and physical settlement requests with respect to the relevant Deliverable Obligations. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), neither the Issuer nor the Calculation Agent (or any of their affiliates) shall be under any obligation to consider the interests of any Noteholder.

***No representation by Issuer, Calculation Agent and affiliates***

None of the Issuer, the Calculation Agent nor any of their respective affiliates makes any representation whatsoever with respect to any Reference Entity, Reference Obligation(s) or other underlying obligation(s).

***Dealings by Issuer, Calculation Agent and affiliates***

The Issuer, the Calculation Agent and any of their respective affiliates may deal in Reference Obligation(s) or other underlying obligation(s) of any Reference Entity and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, any Reference Entity, any affiliate of any Reference Entity, and/or any other person or entity having obligations relating to any Reference Entity and may act with respect to such business in the same manner as each of them would if the Notes had not been issued, regardless of whether any such action might have an adverse effect on any Reference Entity, Reference Obligation(s) or other underlying obligation(s) or the Noteholders or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event).

***No disclosure of information***

The Issuer, the Calculation Agent and any of their respective affiliates may, whether by virtue of the types of relationships described herein or otherwise, on the issue date of any Notes or at any time thereafter, be in possession of information in relation to any Reference Entity, Reference Obligation(s) or other underlying obligation(s) thereof that is or may be material in the context of the issue of Notes and that may or may not be publicly available or known to Noteholders. There is no obligation on the part of the Issuer, the Calculation Agent or any such affiliates to disclose to the Noteholders any such relationship or information (whether or not confidential).

***Conflicts of interest***

The Calculation Agent (which may be HSBC Bank plc or HSBC Continental Europe) and Issuer will be entitled to make certain determinations and actions and exercise certain discretions under the Credit Linked Conditions including (*inter alia*) as to whether an event constituting a Credit Event has occurred. The Issuer and its affiliates may also be a Quotation Dealer from which the Calculation Agent may request quotations for the purposes of determining the price of the Valuation Obligation(s) of a Reference Entity following the occurrence of a Credit Event, which may affect the level of any cash amount payable under the Notes in relation to such Credit Event. As a result, conflicts of interest exist between (i) the Issuer and the Calculation Agent and (ii) the Noteholders. None of HSBC Bank plc, HSBC Bank Middle East Limited or HSBC Continental Europe, whether in its capacity as Calculation Agent or Issuer acts as fiduciary for or as an adviser to any of the Noteholders in any respect.

***No post-issuance information***

The Issuer will not provide investors with any post-issuance information regarding any Reference Entity, Reference Obligation(s) or other underlying obligation(s). In addition, prospective investors should understand that historical performance of a Reference Entity, Reference Obligation or other underlying obligation should not be viewed as predictive of future results.

***Currency risk***

Exchange rates can be volatile and unpredictable. Investors should be aware of the possibility of significant changes in rates of exchange between (i) the Settlement Currency, (ii) the currency of any relevant underlying obligation(s) of a Reference Entity, and (iii) the relevant local currency of the investor's domicile.

**(18) Risks relating to Fund-Linked Notes and Warrants to which Part H – Product Supplement for Fund-Linked Notes and Warrants applies*****No ownership rights***

The Fund-Linked Notes or Warrants do not represent any actual holdings in the Reference Fund that the Issuer or any of its affiliates may have. The Noteholders and Warrantholders will have no direct interest or right in the shares or other units comprised in any of the Reference Fund. The Issuer shall be under no

obligation to make or hold, directly or indirectly, investments in the Reference Fund. The Noteholder or Warrantholder will not hold any direct or indirect interest in the Reference Fund and prospective investors should be aware that an investment in the Fund-Linked Notes or Warrants is not the same as an investment in the Reference Fund and does not confer any legal or beneficial interest in the Reference Fund or any voting rights, rights to receive dividends or other rights that a holder of the shares or other units comprised in any such Reference Fund would have.

### ***Information***

No investigation has been made of the financial condition or creditworthiness of any Reference Fund in connection with the issue of any Fund-Linked Notes or Warrants. Investors in the Fund-Linked Notes or Warrants should obtain and evaluate the same information concerning each Reference Fund as they would if they were investing directly in such Reference Fund. In addition, investors should understand that the historical performance of the Reference Fund should not be viewed as predictive of future results.

### ***Actions or omissions of the Reference Fund or others***

The Issuer may, from time to time, be affiliated with, or act as a service provider to the Reference Fund(s), or their respective investment managers, investment advisers or trustees. However, the Issuer has no ability to control or predict the actions of the Reference Fund(s). In certain circumstances, the actions or omissions of the relevant Reference Fund or others outside the control of the Issuer, may adversely affect the rights of the Noteholders and Warrantholders and/or the value of the Fund-Linked Notes and Warrants, including actions that may give rise to an adjustment to, or early redemption of, the Fund-Linked Notes or Warrants.

### ***Performance of Reference Fund***

No representation or warranty, whether implied or otherwise, is given by the Issuer as to the past, present or future performance of the Reference Fund(s). The Issuer does not provide any advice, information or credit analysis with respect to the Reference Fund(s) or any underlying assets of the Reference Fund(s). In particular, this Offering Memorandum does not constitute investment advice. The Issuer does not assume any obligation to or relationship of agency or trust with any investor, purchaser or prospective investor or purchaser of the Notes. The past performance of assets, investment funds or other investment companies managed by the investment manager or the investment adviser of the Reference Fund(s) is not necessarily a guide to the future performance of the Reference Fund(s).

### ***The Fund Manager is Not Involved in the Notes***

The fund manager of the Reference Fund is not involved in the issuance or offering of the Notes or Warrants and has no obligation with respect to the Notes or Warrants, including any obligation to consider the interest of any investor in the Notes or Warrants for any reason. The fund manager of the Reference Fund is not involved with the administration, marketing or trading of the Notes or Warrants and has no obligation with respect to any amount to be paid to the investors for or in respect of the Notes or Warrants.

### ***Reference Fund Disruption Event***

Investors in the Fund-Linked Notes or Warrants are subject to the risk that a Reference Fund Disruption Event may occur in relation to a Reference Fund. A Reference Fund Disruption Event may occur in respect of Notes or Warrants if, as determined by the Calculation Agent: the date on which a Reference Fund is scheduled to determine the net asset value of such Reference Fund is postponed; the reporting of such net asset value is postponed; or payment in respect of any redemption is postponed.

If the Calculation Agent determines that a Reference Fund Disruption Event has occurred, the Calculation Agent may postpone the Valuation Date to a later date which is not a Disrupted Day, **provided that** the Valuation Date will not be postponed beyond the date specified in the relevant Pricing Supplement as the "**Cut-off Valuation Date**". If the Calculation Agent postpones the Valuation Date, the due dates for any payments or delivery in respect of the Notes or Warrants (including, without limitation, the maturity date or cash settlement date) may also be postponed.

### ***Additional Disruption Events***

Investors should note that Additional Disruption Events may occur in relation to the relevant Notes or Warrants in certain circumstances described in the Conditions. If any Additional Disruption Event occurs

in relation to the relevant Notes or Warrants, the Issuer may declare a valuation date and designate an early redemption date in respect of the Notes or a termination date in respect of the Warrants (as applicable) and the Noteholders or Warrantholders will receive an early redemption amount or termination amount (as applicable) based on the determinations made by the Calculation Agent.

The following Additional Disruption Events may be specified to be applicable in the relevant Pricing Supplement:

- **"Change in Law"** may occur where the Issuer determines (i) it is or will become unlawful, illegal or otherwise prohibited for it to hedge its obligations under the Notes and Warrants or such hedging arrangements may be materially adversely affected, or (ii) it has become illegal or inadvisable to, or there has been a material increase to the Issuer in the cost of holding such assets, each due to a change in law;
- **"Hedging Disruption"** may occur if it is or has become not reasonably practicable, or it has otherwise become undesirable for the Issuer (having used commercially reasonable efforts to do so) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the Issuer's obligations in respect of the Notes and Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s)
- **"Increased Cost of Hedging"** may occur where the Issuer would incur a materially increased cost, other than as a consequence of deterioration in its own creditworthiness, in hedging its obligations under the Notes and Warrants;

Upon the occurrence of such an early redemption prior to the originally scheduled maturity date of the relevant Notes or of a termination date prior to the originally scheduled exercise dates or expiry dates of the relevant Warrants, Noteholders or Warrantholders may suffer a loss of some or of all of their investment and will forego any future performance in the relevant Reference Fund that may occur following such redemption or termination.

#### ***Extraordinary Fund Events***

In respect of Fund-Linked Notes and Warrants, one of the following events may occur in relation to one or more Reference Funds to which the Note or Warrant is linked:

- (i) any breach or violation of the provisions of the Reference Fund prospectus or any other documents in relation to the Reference Fund;
- (ii) (i) the non-execution or partial execution by the Reference Fund for any reason of a subscription or redemption order in respect of any units in the Reference Fund given by a Hypothetical Investor (as defined in the Terms and Conditions of the Fund Linked Notes and the Terms and Conditions of Fund Linked Warrants) (whether or not in accordance with the relevant fund prospectus), (ii) the Reference Fund suspends or refuses transfers of any of its units, (iii) the Reference Fund imposes in whole or in part any restriction, charge or fee in respect of a redemption or subscription of its units by the Issuer or exercises its right to claw back the proceeds already paid on redeemed units if in any case it could, in the determination of the Calculation Agent, have an adverse impact on the Issuer's or any of its designated affiliates', as applicable, rights or obligations in relation to its hedging activities in relation to the Notes or Warrants, or (iv) a mandatory redemption, in whole or in part, of the units is imposed by the Reference Fund on any one or more holders of units at any time for any reason;
- (iii) such Reference Fund or any Reference Fund Service Provider (i) ceases trading and/or, in the case of a Reference Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable); (ii) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any

bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (v) above;

- (iv) there exists any litigation against the Reference Fund or any service provider in respect thereof which could materially affect the value of the units in the Reference Fund or the rights or remedies of any investor in such units, as determined by the Calculation Agent;
- (v) (i) a service provider in respect of the Reference Fund ceases to act in such capacity in relation to the Reference Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Reference Fund and/or any service provider in respect of the Reference Fund to meet or maintain any obligation or undertaking under the fund prospectus or any other relevant fund document which failure is reasonably likely to have an adverse impact on the value of the units in the Reference Fund or on the rights or remedies of any investor in such units;
- (vi) a material modification, or any announcement regarding a potential future material modification, of the investment programme, investment objectives, investment policies, investment strategy, investment process or investment guidelines of the Reference Fund;
- (vii) the failure by the Reference Fund to comply with its reporting obligations in accordance with its agreements with the Issuer or any of its designated affiliates (as applicable);
- (viii) a material modification (other than any modifications referred to in (v) above) of the Reference Fund or the occurrence of a change or any event materially affecting the Reference Fund;
- (ix) a material modification of the type of assets in which the Reference Fund invests or the trading practices of the relevant fund which, in the determination of the Calculation Agent, has or is likely to have a material effect on any hedging arrangements entered into by the Issuer or any of its designated affiliates (as applicable) in respect of these Notes or Warrants;
- (x) the Reference Fund or service provider in respect thereof has its authorisation or registration cancelled by any applicable regulatory authority;
- (xi) (i) an allegation of criminal or fraudulent activity is made in respect of the Reference Fund, or any service provider in respect thereof, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred or (ii) the Reference Fund or a service provider in respect thereof (A) becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of the Reference Fund, investment adviser, manager or administration agent; (B) commits an act which constitutes fraud or criminal activity in the performance of its obligations in respect of the Reference Fund; (C) makes any material misrepresentation under any document in respect of the relevant fund or (D) announces its intention to cease the business of investment management;

- (xii) any relevant activities of or in relation to the Reference Fund or a service provider in respect thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction, (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Reference Fund or a service provider in respect thereof or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Reference Fund is required by a competent authority to redeem any units, (iv) the Issuer or any of its designated affiliates (as applicable) is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any units in the Reference Fund held in connection with any hedging arrangements relating to the Notes and Warrants and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Reference Fund or any service provider in respect thereof that is reasonably likely to have an adverse impact on the value of the units in the Reference Fund or other activities or undertakings of the Reference Fund or on the rights or remedies of any investor in such units, including the Issuer;
- (xiii) the creation by the Reference Fund of any illiquid share class or unit howsoever described;
- (xiv) the currency denomination of the units in the Reference Fund is amended from that set out in the fund prospectus or any other relevant fund document so that the NAV per unit is no longer calculated in the same currency as it was as at the Trade Date;
- (xv) if applicable, the Reference Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;
- (xvi) if the Reference Fund comprises multiple classes or series (howsoever described in the fund prospectus or any other relevant fund document) of shares or units, and the Calculation Agent determines (in good faith and a commercially reasonable manner) at any time, taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the fund prospectus or any other relevant fund document), that such other class or series has or may have an adverse effect on the hedging activities of the Issuer or any of its designated affiliates (as applicable) in relation to the Notes and Warrants;
- (xvii) (i) the Calculation Agent determines, at any time, that the NAV per unit is inaccurate, or (ii) the reported net asset value of the units in the Reference Fund misrepresents the net asset value of such units;
- (xviii) any material modification of the method of calculating the NAV per unit;
- (xix) any change in the periodicity of the calculation or the publication of the NAV per unit;
- (xx) any change in the length of notice periods for redemptions or transfers in relation to the Reference Fund;
- (xxi) a Reference Fund Disruption Event (as defined in the Terms and Conditions of the Fund-Linked Notes and the Terms and Conditions of the Fund-Linked Warrants) has occurred and is continuing for at least three consecutive Reference Fund Valuation Days (as defined in the Terms and Conditions of the Fund Linked Notes and the Terms and Conditions of the Fund-Linked Warrants);
- (xxii) the exposure (expressed as percentage) of the Reference Fund to securities with a credit quality (based upon the lowest credit ratings from S&P, Moody's and Fitch when available) below B, B2 or B for S&P, Moody's and Fitch respectively exceeds 35 per cent.; the aggregated level of leverage (expressed as percentage) of the Reference Fund exceeds 20 per cent.;
- (xxiii) the Calculation Agent determines that, over any period not exceeding twelve months, the total net value of the assets of the Reference Fund has decreased by 30 per cent. (either due to redemptions, a decrease in value of such assets or otherwise); or
- (xxiv) the Calculation Agent determines that, over any period not exceeding twelve months (ending on the immediately preceding date on which the Reference Fund Adviser published the total value of the assets it managed), the total value of the assets managed by the Reference Fund Adviser

(including the Reference Fund) has decreased by 50 per cent. (either due to redemptions, a decrease in value of such assets or otherwise).

Following the occurrence of such event ("**Extraordinary Fund Event**"), the Calculation Agent may make certain adjustments to or substitutions for the affected Reference Fund, Reference Fund unit and/or any other terms and conditions of the Notes and other terms and conditions of the Warrants as the Calculation Agent may determine in good faith and in a commercially reasonable manner, or the Calculation Agent may determine in good faith and in a commercially reasonable manner that the relevant Notes and Warrants shall be terminated upon payment to the holders thereof of the Fair Market Value of such Notes and Warrants (taking into account the redemption proceeds (if any) which a Hypothetical Investor would have received in relation to the relevant fund (in accordance with the Conditions)), each of which may result in a loss to such holders.

#### ***Tax and Currency Risk***

The tax status of Reference Funds in those jurisdictions in which they conduct their business and/or any change in taxation rules or treatment in such jurisdictions could affect the value of the assets of such Reference Funds or the ability of Reference Funds to achieve their investment objectives. Consequently this could adversely affect the value of the Notes and Warrants linked to such Reference Funds. In addition, remittance of income and capital gains generated by underlying investments of Reference Funds in certain countries may be dependent on there being liquidity in the relevant local currency and the absence of foreign exchange controls which inhibit or prevent the repatriation of such gains. In any such circumstances, the value of the notional shares of Reference Funds may be adversely affected and as a result the relevant Reference Funds and the value of the Notes and Warrants may be adversely affected.

#### ***Class of Investments***

Prospective purchasers or investors should note that Reference Funds may have legal or other discretions in relation to their investments and no assurance can be given that the exercise of such discretions will achieve the investment objectives of such Reference Funds. Therefore, there is a risk that return on an investment in Reference Funds may not be achieved. This would have an adverse effect on the value of the Notes and Warrants and any amounts payable thereunder. The Reference Fund(s) may make investments which are subject to legal or other restrictions on transfer or for which no liquid market exists, in which case market prices will tend to be more volatile.

#### ***Investment Risk***

There can be no assurance that any Reference Fund will achieve its investment objectives. The investment income of each Reference Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Reference Funds' investment income may be expected to fluctuate in response to changes in such expenses or income and this may have an adverse effect on the value of the Notes and Warrants and any amounts payable thereunder.

#### ***High yield***

Some Reference Funds may invest in high yield securities. High yield securities are typically medium or lower rated securities and are sometimes referred to as "**junk bonds**". Such securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. The risk of loss due to default by issuers of high yield securities is significantly greater because lower rated and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In addition, Reference Funds which invest in such securities may find it more difficult to sell high yield securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore, such Reference Funds may experience difficulty in valuing certain securities at certain times. Prices realised upon the sale of such lower rated (or unrated) securities, under these circumstances, may be less than the prices used in calculating the value of such Reference Funds. All such risks could adversely affect the value of Notes and Warrants linked to Reference Funds which invest in high yield securities.

#### ***Reference Funds with One or More Currency Hedged Share Classes***

Certain share classes in a Reference Fund may hedge their currency exposure using forward FX contracts and spot FX contracts. All gains, losses and expenses arising from hedging transactions for a particular

share class are attributed only to that share class and should generally be borne only by the investors in that share class. However, in respect of certain Reference Funds there is no legal segregation of share class such that there is a risk that, if the assets notionally allocated to a currency hedged share class are insufficient to meet the losses arising from its hedging transactions (in addition to other fees and expenses attributable to such share class), the losses arising from such the hedging transactions could affect the net asset value per share of one or more other share classes of the same Reference Fund.

***Provision of information***

None of the Issuer or any of its affiliates is under any obligation to provide information in respect of any Reference Fund underlying the Notes or Warrants (including any information relating to the creditworthiness of such Reference Funds) or monitor whether or not any event or circumstance in respect of any Reference Funds underlying the Notes and Warrants has occurred. The Issuer may have acquired, or during the term of the Notes or Warrants may acquire, non-public information with respect to one or more Reference Funds. The Issuer is not under any obligation to make such information available to holders of such Notes and Warrants. Therefore, an investor in the Notes or Warrants should obtain and evaluate information concerning the relevant Reference Funds as it would if it were investing directly in such Reference Funds.

***Additional considerations/ risk factors set out in offering documents relating to Reference Funds***

Investors in Fund-Linked Notes and Warrants should note that there may be particular investment considerations and risk factors set out in the offering documentation relating to the Reference Funds and are advised to read and consider such offering documentation in making an investment decision to invest in such Notes or Warrants. Such information is not incorporated by reference and does not form part of this Offering Memorandum.

**(19) Risks relating to Pass-through Notes to which Part I – Product Supplement for Emerging Market Pass-through Notes applies**

***Credit Risk***

The Pass-through Notes are credit linked securities and will provide investors with a return linked to the credit of the Issuer and the Reference Entity(ies) and will not provide protection of principal or a guarantee of interest. The investors are exposed to the credit risk of the Issuer and the Reference Entity(ies).

In relation to the Reference Entity(ies), payments of interest and principal under the Pass-through Notes will only be made to the extent a corresponding payment of interest or principal would have actually been received by the Notional Holder of the Reference Obligation Principal Amount of the Reference Obligation(s). To the extent that there is any shortfall in any such payment, investors will receive a correspondingly smaller amount and could receive zero.

In addition, if a Credit Event occurs, then the Pass-through Notes may be redeemed early by Physical Settlement or Cash Settlement under Part I - Additional Terms and Conditions relating to Emerging Market Pass-through Notes, as described below (in the risk factor titled "*The Pass-through Notes can be redeemed by physical delivery of the Reference Obligation(s) or payment of a Cash Settlement Amount*").

***General Emerging Markets Risk***

The Pass-through Notes are linked to securities issued by the government of an emerging market. Investors in emerging markets or securities linked to emerging markets should be aware that these markets are subject to greater risks than well-developed western markets, including in some cases significant legal and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. As a rule, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

***Possible Negative Effects on the Pass-through Notes***

There may be a high degree of uncertainty and volatility associated with obligors from emerging market countries (including the Reference Entity(ies)) and the performance and payment under the Pass-through Notes may be directly impacted by certain political, economic and legal events and conditions. The price



of the Reference Obligation(s) (which are linked to an emerging market country) may therefore be volatile and investment in the Pass-through Notes (which are credit-linked and market-linked to such Reference Obligation(s)) will involve additional risks and special considerations not typically associated with investing in Pass-through Notes which are linked to other more established economies. Such risks may include:

- (a) restrictions on foreign investment and on repatriation of capital invested in emerging markets;
- (b) currency exchange rate fluctuations;
- (c) potential price volatility and lesser liquidity of securities traded in emerging markets;
- (d) social, economic and political risks, including the risk of nationalisation or expropriation of assets, diplomatic developments, war, revolution, confiscatory taxation, taxation of income earned in foreign nations or other taxes or restrictions imposed with respect to investment in foreign nations;
- (e) lower levels of disclosure and regulation in foreign securities markets than in similar markets in developed countries;
- (f) risks related to custodial arrangements and delays or other factors in the settlement of securities transactions; and
- (g) accounting, auditing, financial and other reporting standards in emerging markets are not equivalent to those in more developed markets.

There may be a high degree of government regulation in such markets. Action by governments may directly affect foreign investment in companies in those countries and may also have a significant indirect effect on the price which may be achieved on the realisation of investments, all of which may affect the value of the Pass-through Notes.

The value of Pass-through Notes which are linked to such Reference Entity(ies) which is an emerging market country (or incorporated in an emerging market country) may be directly affected by changes in government policies, taxation, restrictions on foreign investment and on foreign currency convertibility and repatriation, and other developments in the legal, regulatory and political climate which may occur without advance notice or retrospectively. Governments of some emerging market countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In some cases, the government owns or controls many companies, including some of the largest in the country. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the prices and yields of securities linked to such emerging market countries.

#### ***Early Redemption Events and Credit Events***

If an Early Redemption Event or Credit Event has occurred in respect of the Reference Entity(ies), the Issuer may elect to redeem the Pass-through Notes by way of either Physical Settlement or Cash Settlement on the Physical Settlement Date or the Cash Settlement Date, as applicable. In particular, Noteholders should note that the Issuer's obligations to pay amounts in respect of interest on the Pass-through Notes and to redeem the Pass-through Notes at their principal amount are subject to the condition precedent that the Issuer has not elected to redeem the Pass-through Notes and, if the Issuer has elected to redeem the Pass-through Notes, then (1) no further amounts in respect of interest will be payable in respect of the Pass-through Notes and (2) the Issuer will not redeem the Pass-through Notes at their principal amount and the sole obligation of the Issuer with regard to redemption of the Pass-through Notes will be as set out in the Conditions and the Part I - Additional Terms and Conditions relating to Emerging Market Pass-through Notes.

The Issuer shall be under no obligation to elect to redeem the Pass-through Notes and no delay in giving, or omission to make, such election shall prejudice the Issuer's right to make such election.

***The Pass-through Notes can be redeemed by physical delivery of the Reference Obligation(s) or payment of a Cash Settlement Amount***

If an Early Redemption Event or Credit Event occurs, the Pass-through Notes may, at the option of the Issuer, be redeemed by delivery of the Reference Obligation(s) to the Noteholders, which may have a value at such date substantially less than the par value of the Pass-through Notes and could be zero. The Cash Settlement Amount will be an amount equal to a Noteholder's *pro rata* share of an amount equal to the product of (i) the Reference Obligation Principal Amount and (ii) the Final Price, less certain taxes, costs and expenses, converted into the Settlement Currency(ies) in accordance with the Part I - Additional Terms and Conditions relating to Emerging Market Pass-through Notes. Such amount could be significantly less than the par value of the Pass-through Notes and could be zero.

***Risks relating to Pass-through Notes generally***

Prospective investors in the Pass-through Notes should be aware that (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of the Reference Obligation(s) may occur at a different time than expected, and (iii) they may lose all or a substantial portion of their investment. It is the responsibility of investors to ensure that their accounting, regulatory and all other treatments of the Pass-through Notes are consistent with the conditional nature of their entitlement to receive payments under the Pass-through Notes.

The Part I - Additional Terms and Conditions relating to Emerging Market Pass-through Notes contain terms based on the 2014 ISDA Credit Derivatives Definitions. Investors should not assume that because these terms are similar to the 2014 ISDA Credit Derivatives Definitions that they are the same. Investors should therefore take appropriate care when reading the Part I - Additional Terms and Conditions relating to Emerging Market Pass-through Notes.

The Issuer's obligations in respect of Pass-through Notes are irrespective of the existence or amount of the Issuer's and/or any affiliates' credit exposure to the Reference Entity(ies) and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

The holders of the Pass-through Notes will be exposed to the credit of the Reference Entity(ies), which exposure shall to the full extent of their investment in such Pass-through Notes. Upon the occurrence of any of the default events comprising a Credit Event with respect to the Reference Entity(ies), the Noteholders may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of such Reference Entity(ies). However, the holding of a Note is unlikely to lead to outcomes which exactly reflect the impact of investing in an obligation of the Reference Entity(ies), and losses could be considerably greater than would be suffered by a direct investor in the obligations of such Reference Entity(ies) and/or could arise for reasons unrelated to such Reference Entity(ies). Noteholders should also note that a Credit Event may occur even if the obligations of such Reference Entity(ies) are unenforceable or their performance is prohibited by any applicable law or exchange controls.

Not all of the Credit Events require an actual default with respect to the Reference Entity(ies)'s obligations. Thus Noteholders may bear losses based on a deterioration in the credit of such Reference Entity(ies) short of default. Also, not all Credit Events are triggered by events which are easily ascertainable and disputes can and have arisen as to whether a specific event did or did not constitute a Credit Event.

***Payments on the Pass-through Notes calculated by reference to a Notional Holder***

Prospective purchasers of the Pass-through Notes should be aware that payments of interest (if applicable) and principal in relation to the Pass-through Notes are calculated on the basis of the amounts received in the Reference Obligation Currency(ies) by a Notional Holder of the Reference Obligation Principal Amount of the Reference Obligation(s). Amounts received by Noteholders are therefore dependent on where the Notional Holder is (notionally) domiciled and may be less than the Noteholder would receive if it were to hold the Reference Obligation(s) directly.

***No representation by Issuer, Calculation Agent and affiliates***

None of the Issuer, the Calculation Agent nor any of their respective affiliates makes any representation whatsoever with respect to any Reference Entity(ies) and/or any Reference Obligation(s).

***No disclosure of information***

The Issuer, the Calculation Agent and any of their respective affiliates may, whether by virtue of the types of relationships described herein or otherwise, on the Issue Date of the Pass-through Notes or at any time thereafter, be in possession of information in relation to the Reference Entity(ies) or the Reference Obligation(s) that is or may be material in the context of the issue of Pass-through Notes and that may or may not be publicly available or known to Noteholders. There is no obligation on the part of the Issuer, the Calculation Agent or any such affiliates to disclose to the Noteholders any such relationship or information (whether or not confidential).

***No post-issuance information***

The Issuer will not provide investors with any post-issuance information regarding the Reference Entity(ies) or the Reference Obligation(s). In addition, prospective investors should understand that historical performance of such Reference Entity(ies) or the Reference Obligation(s) should not be viewed as predictive of future results.

**(20) Additional risks relating to Alternative General Conditions Notes*****The Issuer may redeem the Notes if the economic balance is significantly altered***

The Issuer may redeem the Notes upon the occurrence of events that are not attributable to the Issuer, but that have as a consequence that the economic balance between the Issuer and the Noteholders as at the Issue Date is significantly altered. This would include, without limitation, circumstances where such economic balance is altered as a consequence of actions being taken by a regulator, additional or increased solvency or regulatory capital requirements being imposed on the Issuer, nationalisation and similar circumstances. The Early Redemption Amount payable by the Issuer in such circumstances may be less than the amount invested in the Notes or what would have been received under the Notes if the Notes had not been so redeemed and investors will forego any further interest payments (if any) in respect of the Notes.

***Noteholders may receive a Monetisation Amount if they do not elect to receive the applicable Early Redemption Amount***

The applicable Pricing Supplement may specify that, in the event of an early redemption of the Notes, the Monetisation Option will apply. In that case, the notice of early redemption will specify the applicable Early Redemption Amount as well as the Monetisation Amount. Noteholders that do not elect to receive the Early Redemption Amount in accordance with the procedure set out in the notice of early redemption will not receive the Early Redemption Amount on the date fixed for redemption, but will receive the Monetisation Amount (on the original Maturity Date of the relevant Notes) and will not receive any interest or other amounts between the date fixed for redemption and the payment of the Monetisation Amount on the original Maturity Date.

**(21) Risks relating to Green Notes*****The use of proceeds of the Notes may not meet investor expectations or requirements.***

In relation to Tranches of Notes which are specified in the relevant Pricing Supplement as being "Green Notes" (hereinafter referred to as "**Green Notes**"), HSBC Holdings plc and its subsidiary undertakings (the "**HSBC Group**") will exercise its judgement and sole discretion in determining the businesses and projects that satisfy certain eligibility requirements that purport to promote green initiatives ("**Green Assets**") to which an amount equivalent to the net proceeds of the issuance of the Green Notes (the "**Proceeds**") will be allocated, as described in "*Part A – Green Notes*" below. If the use of the proceeds of the Notes is a factor in an investor's decision to invest in the Notes, they should consider the disclosure in "*Part A - Green Notes*" below and in the relevant Pricing Supplement relating to any specific Tranche of Notes and consult with their legal or other advisers before making an investment in the Notes. There is no contractual obligation to allocate the Proceeds or to provide annual progress reports- as described in "*Part A - Green Notes*" below and/or in the relevant Pricing Supplement. HSBC Group's failure to so allocate or report, the failure of any of the businesses and projects to which the Proceeds are allocated to meet a specific framework or the failure of external assurance providers to opine on the Green Assets conformity with a specific framework, will not constitute an Event of Default (as defined in the terms and conditions of the Notes) with respect to the Notes and may affect the value of the Notes and/or have adverse consequences

for certain investors with portfolio mandates to invest in Green Notes, which may in turn affect the liquidity of the Notes. Furthermore, any such failure will not lead to an obligation of the Issuer to redeem such Notes.

The Green Notes will be subject to the bail-in power and in general to the powers that may be exercised by the relevant UKRA, to the same extent and with the same ranking as any other equivalent Notes which are not Green Notes. As such, the proceeds of the issuance of any Green Notes will be fully available to cover any and all losses arising on the balance sheet of the Issuer regardless of their "green" or any such other equivalent label and whether such losses stem from "green" assets or other assets of the Issuer without any such label.

No assurance can be given that the Green Notes or any Green Assets will meet investor expectations or requirements regarding "green" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy**") or Regulation (EU) 2020/852 as it forms part of the domestic law of the UK by virtue of the EUWA), or that any adverse environmental and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any of the businesses and projects to which the Proceeds are allocated, which may affect the value of the Notes. Legal or regulatory definitions or market views as to what constitutes a "green" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or any such other equivalent label may vary. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any of the businesses and projects to which the Proceeds are allocated will meet any or all investor expectations regarding such "green" or other equivalently-labelled performance objectives. The HSBC Green Bond Framework (as defined in "*Part A - Green Notes*" below) may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Memorandum. The HSBC Green Bond Framework does not form part of, nor is incorporated by reference, in this Offering Memorandum.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the HSBC Group) which may be made available in connection with the issue of the Notes and in particular with any of the businesses and projects to which the Proceeds are allocated to fulfil any environmental and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Offering Memorandum. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold the Notes. Any such opinion or certification is only current as at the date that opinion was initially issued. The criteria and/or considerations which form the basis of any opinion or certification may change at any time and any opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. The providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight.

***There is no direct financial link between Green Notes and Green Assets, Green Notes are not linked to the performance of the Green Assets and do not benefit from any arrangements to enhance the performance of the Green Assets or any contractual rights derived solely from the intended use of proceeds of such Green Notes***

There is no direct financial link between the Green Notes and any Green Assets. The performance of the Green Notes is not linked to the performance of the relevant Green Assets or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Green Notes and the Green Assets. Consequently, neither payments of principal and/or interest on the Green Notes nor any rights of Noteholders shall depend on the performance of the relevant Green Assets or the performance of the Issuer in respect of any such environmental or similar targets. Holders of any Green Notes shall have no preferential rights or priority against any Green Assets nor benefit from any arrangements to enhance the performance of the Green Notes.

See also the risk factor "*The Issuer gives no representation or assurance as to the environmental impact of any Reference Asset*".

***The listing of any Notes on any dedicated 'green', or other equivalently-labelled segment of any stock exchange or securities market is subject to change and may not meet investor expectations or requirements***

If a Tranche of Notes is at any time listed or admitted to trading on any dedicated "green", "environmental", or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any projects or uses, the subject of or related to, any of the businesses and projects to which the Proceeds are allocated. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of a Tranche of Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes, and any failure to obtain or maintain such listing may affect the value of the Notes.

**PART A -  
INCORPORATION BY REFERENCE**

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Memorandum:

- (a) the HBEU 2022 Form 20-F, save for the sections entitled "Report of Independent Registered Public Accounting Firm to the Board of Directors and Shareholder of HSBC Bank plc", "Financial Statements" and "Notes on the Financial Statements" that fall within pages 114 to 179;
- (b) the audited consolidated financial statements of HBEU, the independent auditor's report thereon and the notes thereto, in respect of the financial year ended 31 December 2022, as set out on pages 105 to 190 of the HBEU annual report and accounts for the year ended 31 December 2022 published on 21 February 2023 (the "**2022 HBEU Annual Report and Accounts**") submitted to and filed with Euronext Dublin, and the notes to such audited consolidated financial statements of HBEU that are identified as '(Audited)' and are presented within the section of the 2022 HBEU Annual Report and Accounts entitled "Risk", which section is set out on pages 26 to 93 of the 2022 HBEU Annual Report and Accounts.;
- (c) the audited consolidated financial statements of HBEU, the independent auditor's report thereon and the notes thereto, in respect of the financial year ended 31 December 2021, as set out on pages 99 to 178 of the HBEU annual report and accounts for the year ended 31 December 2021 published on 21 February 2022 (the "**2021 HBEU Annual Report and Accounts**") submitted to and filed with the Euronext Dublin, and the notes to such audited consolidated financial statements of the HBEU that are identified as '(Audited)' and are presented within the section of the 2021 HBEU Annual Report and Accounts entitled "Report of the Directors", within pages 21 to 96 of the 2021 HBEU Annual Report and Accounts.;
- (d) the 2022 Annual Report and Accounts of HBME and its subsidiaries for the year ended 31 December 2022 (the "**2022 HBME Annual Report and Accounts**");
- (e) the 2021 Annual Report and Accounts of HBME and its subsidiaries for the year ended 31 December 2021 (the "**2021 HBME Annual Report and Accounts**");
- (f) the English translation of HBCE's *Document d'enregistrement universel et rapport financier annuel 2022* filed with the *Autorité des marchés financiers* on 22 February 2023, which includes the HBCE consolidated annual financial statements for the year ended 31 December 2022 (the "**HBCE 2022 Universal Registration Document**");
- (g) the English translation of HBCE's *Document d'enregistrement universel et rapport financier annuel 2021* filed with the *Autorité des marchés financiers* on 23 February 2022, which includes the HBCE consolidated annual financial statements for the year ended 31 December 2021 (the "**HBCE 2021 Universal Registration Document**") and, together with the 2022 HBME Annual Report and Accounts, 2021 HBME Annual Report and Accounts, HBCE 2022 Universal Registration Document and the information incorporated by reference from the 2022 HBEU Annual Report and Accounts and the 2021 HBEU Annual Report and Accounts in this Offering Memorandum, the "**Financial Information**");
- (h) the registration document of HBEU dated 31 May 2023 and filed with Euronext Dublin (the "**HBEU Registration Document**");
- (i) the Terms and Conditions of the Notes contained at pages 21 to 65 and the Terms and Conditions of the Warrants contained at pages 66 to 95 in the base prospectus of HBEU dated 1 August 2005 (the "**2005 Conditions**");
- (j) the Terms and Conditions of the Notes contained at pages 55 to 97 and the Terms and Conditions of the Warrants contained at pages 346 to 379 in the base prospectus of HBEU dated 2 August 2006 (the "**2006 Conditions**");
- (k) the Terms and Conditions of the Notes contained at pages B1 to B-26 and D-16 to D-66 and the Terms and Conditions of the Warrants contained at pages C-1 to C-15 and D-150 to D-170 in the base prospectus of HBEU dated 2 August 2007 (the "**2007 Conditions**");

**Part A – Incorporation by Reference**

- (l) the Terms and Conditions of the Notes contained at pages B-1 to B-28, D-18 to D-43 and H-11 to H-12, and the Terms and Conditions of the Warrants contained at pages C-1 to C-16 and D-74 to D-94, in the base prospectus of HBEU dated 31 July 2008 (the "**2008 Conditions**");
- (m) the Terms and Conditions of the Notes contained at pages B-1 to B-29, D-18 to D-44, H-10 to H-11 and J-14 to J-17, and the Terms and Conditions of the Warrants contained at pages C-1 to C-17, D-76 to D-96 and I-9 to I-131, in the base prospectus of HBEU dated 30 July 2009 (the "**2009 Conditions**");
- (n) the Terms and Conditions of the Notes contained at pages B-1 to B-31, D-21 to D-53, H-10 to H-11 and J-15 to J-18 and the Terms and Conditions of the Warrants contained at pages C-1 to C-19, D-111 to D-134 and I-9 to I-76, in the base prospectus of HBEU dated 27 July 2010 (the "**2010 Conditions**");
- (o) the Terms and Conditions of the Notes contained at pages B-1 to B-32, D-55 to D-109, H-10 to H-41 and I-5 to I-61 and the Terms and Conditions of the Warrants contained at pages C-1 to C-19 and D-135 to D-150, in the base prospectus of HBEU dated 27 July 2011 (the "**2011 Conditions**");
- (p) the Terms and Conditions of the Notes contained at pages B-1 to B-47, D-12 to D-87, F-5 to F-33, G-11 to G-35, H-5 to H-31 and I-4 to I-193 and the Terms and Conditions of the Warrants contained at pages C-1 to C-28, D-88 to D-120, F-34 to F-52, G-11 to G-13, G-36 to G-45 and H-32 to H-45, in the base prospectus of HBEU dated 19 June 2012 (the "**2012 Conditions**");
- (q) the Terms and Conditions of the Notes contained at pages B-1 to B-36, B-53 to B-61, D-3 to D-35, E-3 to E-11, F-5 to F-33, F-54 to F-86, F-111 to F-138, F-161 to F-170 and the Terms and Conditions of the Warrants contained at pages C-1 to C-23, C-35 to C-40, D-66 to D-90 and E-29 to E-37, in the Offering Memorandum of HBEU dated 18 June 2013 (the "**2013 Conditions**");
- (r) the Terms and Conditions of the Notes contained at pages B-1 to B-37, B-54 to B-62, D-1 to D-34, E-3 to E-11, F-2 to F-31, F-52 to F-88, F-111 to F-144, F-168 to F-196 and the Terms and Conditions of the Warrants contained at pages C-1 to C-23, C-25 to C-40, D-67 to D-92 and E-29 to E-37, in the Offering Memorandum of HBEU dated 18 June 2014 (the "**2014 Conditions**");
- (s) the Terms and Conditions of the Notes contained at pages B-1 to B-39, B-59 to B-69, D-1 to D-34, E-3 to E-11, F-2 to F-31, F-52 to F-88, F-111 to F-144, F-168 to F-196, G-2 to G-72, and the Terms and Conditions of the Warrants contained at pages C-1 to C-23, C-35 to C-40, D-67 to D-92 and E-29 to E-37, in the Offering Memorandum of HBEU dated 12 June 2015 (the "**2015 Conditions**");
- (t) the Terms and Conditions of the Notes contained at pages B-1 to B-40, B-60 to B-70, D-1 to D-35, E-4 to E-12, G-2 to G-75, G-105 to G-113 and the Terms and Conditions of the Warrants contained at pages C-1 to C-26, C-41 to C-48, D-71 to D-98, E-34 to E-42 and F-2 to F-54 in the Offering Memorandum of HBEU dated 10 June 2016 (the "**2016 Conditions**");
- (u) the Terms and Conditions of the Notes contained at pages B-1 to B-46, B-68 to B-79, D-4 to D-38, E-4 to E-12, G-5 to G-94, H-4 to H-14, I-5 to I-14 and the Terms and Conditions of the Warrants contained at pages C-1 to C-24, C-38 to C-46, D-76 to D-101, E-34 to E-42, F-5 to F-59 in the Offering Memorandum of HBEU dated 9 June 2017 (the "**2017 Conditions**");
- (v) the Terms and Conditions of the Notes contained at pages B-1 to B-54, D-3 to D-36, E-3 to E-11, G-4 to G-80, H-2 to H-12, I-5 to I-14 and the Terms and Conditions of the Warrants contained at pages C-1 to C-30, D-76 to D-101, E-36 to E-44, F-5 to F-57, H-35 to H-45 in the Offering Memorandum of HBEU dated 6 June 2018 (the "**2018 Conditions**");
- (w) the Terms and Conditions of the Notes contained at pages B-91 to B-154, B-178 to B-242, D-1 to D-38, D-78 to D-109, E-3 to E-11, G-4 to G-83, H-3 to H-13, I-4 to I-13 and the Terms and Conditions of the Warrants contained at pages C-1 to C-29, D-135 to D-163, E-36 to E-44, F-4 to F-56, H-37 to H-47 in the Offering Memorandum of HBEU dated 6 June 2019 (the "**2019 Conditions**");
- (x) the Terms and Conditions of the Notes contained at pages B-91 to B-154, B-178 to B-242, D-1 to D-38, D-78 to D-109, E-3 to E-11, G-4 to G-83, H-3 to H-13, I-4 to I-13 and the Terms and

Conditions of the Warrants contained at pages C-1 to C-29, D-135 to D-163, E-36 to E-44, F-4 to F-56, H-37 to H-47 in the Offering Memorandum of HBEU dated 6 June 2019 as supplemented by the supplement dated 27 June 2019 (the "**2019 Conditions, as supplemented**");

- (y) the Terms and Conditions of the Notes contained at pages B-117 to B-182, B-206 to B-270, D-1 to D-37, D-78 to D-110, E-3 to E-11, G-4 to G-86, H-4 to H-14, I-5 to I-14 and the Terms and Conditions of the Warrants contained at pages C-1 to C-31, D-138 to D-166, E-37 to E-45, F-4 to F-59, H-38 to H-48 in the Offering Memorandum of HBEU and HBME dated 3 June 2020 (the "**2020 Conditions**");
- (z) the Terms and Conditions of the Notes contained at pages B-120 to B-187, B-214 to B-280, D-1 to D-37, D-79 to D-111, E-4 to E-12, G-5 to G-86, H-4 to H-14, I-5 to I-14 and the Terms and Conditions of the Warrants contained at pages C-1 to C-32, D-140 to D-168, E-39 to E-47, F-4 to F-60, H-40 to H-50 in the Offering Memorandum of HBEU and HBME dated 2 June 2021 (the "**2021 Conditions**")
- (aa) the 2021 Conditions as amended and/or supplemented as set out under the Supplementary Listing Particulars dated 10 December 2021 (the "**2021 Amended Conditions**"); and
- (bb) the Terms and Conditions of the Notes contained at pages B-139 to B-209, B-237 to B-306, B-333 to B-396, D-4 to D-41, D-86 to D-118, E-4 to E-12, G-5 to G-87, H-4 to H-14, I-5 to I-14 and the Terms and Conditions of the Warrants contained at pages C-1 to C-33, D-149 to D-177, E-40 to E-48, F-5 to F-61, H-42 to H-52 in the Offering Memorandum of HBEU, HBCE and HBME dated 1 June 2022 (the "**2022 Conditions**"),

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained in any document subsequently incorporated by reference and in respect of which a supplement to this Offering Memorandum is prepared modifies or supersedes such statement. Any documents incorporated by reference in the HBEU Registration Document, HBCE 2022 Universal Registration Document or the Financial Information do not form part of this Offering Memorandum. To the extent that only certain parts of the above documents are specified to be incorporated by reference herein, the non-incorporated parts of such documents are either not relevant for investors or covered elsewhere in this Offering Memorandum.

Each Issuer will at its registered office make available for inspection during normal business hours, upon reasonable notice, and free of charge, upon oral or written request, a copy of this Offering Memorandum (or any document incorporated by reference in this Offering Memorandum and any future filings or financial statements published by such Issuer). Written or oral requests for inspection of such documents should be directed to the specified office of the Principal Paying Agent or the Principal Warrant Agent. Additionally, this Offering Memorandum and all the documents incorporated by reference herein (aside from (a) - (h) above) will be available for viewing at [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes' or, in the case of items listed at (a) – (h) above, 'Investors', 'Results and announcements', 'All reporting'). The HBEU 2022 Form 20-F has also been filed with the SEC and is available in electronic form at <https://www.sec.gov/Archives/edgar/data/1140465/000114046523000029/hbeu-20221231.htm>. This Offering Memorandum will also be available for viewing at [www.about.hsbc.fr/investor-relations/debt-issuance](http://www.about.hsbc.fr/investor-relations/debt-issuance). For the avoidance of doubt, any websites referred to in this Offering Memorandum or any information appearing on such websites and pages do not form part of this Offering Memorandum.



**PART A -  
HSBC BANK PLC**

A description of HBEU is set out in the section entitled "*The Issuer and its Subsidiary Undertakings*" on pages 4 to 9 of the HBEU Registration Document (as defined in the section headed "*Part A - Incorporation by Reference*" above).

**PART A -  
HSBC BANK MIDDLE EAST LIMITED**

**History and Development of HBME**

HBME is a company limited by shares incorporated in the DIFC in Dubai, UAE under registration number 2199. The liability of its members is limited. It has its head office and registered office at Level 4, Gate Precinct Building 2, DIFC, P.O. Box 30444, Dubai, UAE and its telephone contact number is +971 4 562 3465. HBME is lead regulated by the DFSA and, when issuing Notes and Warrants through one of its branches, is also regulated for those purposes by the relevant local regulators of the relevant branch.

HBME was originally established as The Imperial Bank of Persia in the UK in September 1889. In the early 1940s, HBME pioneered banking in the Middle East, with the sector going on to play a vital role in the development of the oil industry in the region. Branches were opened in Kuwait (1942), Bahrain (1944), Dubai (1946), Muscat (1948) and elsewhere in the Middle East. In 1959, HBME became a member of the HSBC Group when it was acquired by The Hongkong and Shanghai Banking Corporation Limited.

HBME relocated its place of incorporation to Jersey, Channel Islands on 1 July 2003, where it was incorporated as a private limited company. The shareholder of HBME passed a special resolution on 5 October 2004 to re-register it as a public company with limited liability under the Companies (Jersey) Law 1991, as amended, for an unlimited duration. This re-registration was registered with the Registrar of Companies of the Jersey Financial Services Commission on 7 October 2004. HBME's head office and place of incorporation was moved from Jersey to the DIFC on 30 June 2016 and a certificate of continuance for HBME as a company limited by shares was issued by the DIFC Registrar of Companies on the same day.

HBME is now a wholly-owned, indirectly held (via an intermediate holding entity), subsidiary of HSBC Holdings plc (via an intermediate holding entity, HSBC Middle East Holdings B.V. ("**HMEH**")), and thereby a member of the HSBC Group. HBME is widely represented in the MENAT region with its head office and place of incorporation located in the DIFC, branches in the UAE, the Abu Dhabi Global Market (the "**ADGM**"), the State of Qatar, the State of Kuwait, the Kingdom of Bahrain and Algeria and subsidiary undertakings in the UAE and the Kingdom of Morocco (in liquidation). HBME's equity shares are not listed. Under the terms of the Programme, HBME may from time-to-time issue securities acting through its branches, as specified in the applicable Pricing Supplement. As at 31 March 2023, HBME employed 3,304 staff within its head office and branches, and 32 staff within its subsidiaries.

**Legislation**

Both in its jurisdiction of incorporation and generally, HBME is governed by, and subject to, DIFC Law No. 1 of 2004 (as amended) and the relevant subsidiary regulations of the DFSA.

In relation to securities issued under the Programme, HBME is subject to primary and secondary legislation relating to financial services and banking regulation in the Republic of Ireland, including, amongst others, the listing rules of the Global Exchange Market of Euronext Dublin.

**Principal Business Activities of HBME**

HBME, through its branch network and subsidiary undertakings, provides a range of banking and related financial services in the MENAT region.

HBME offers its products and services to its customers in the MENAT region through its global businesses: Wealth and Personal Banking, Commercial Banking, Global Banking and Markets and Securities Services.

HBME's principal business activities are as follows:

(i) ***Wealth and Personal Banking***

HBME provides a full range of retail banking and wealth products to its customers, who range from personal banking to ultra-high net worth individuals. Typically, customer offerings include retail banking products, such as current and savings accounts, mortgages and personal loans, credit and debit cards, retail insurance, local and international payment services and cash FX. HBME also provides wealth management services, including investment products, life insurance, global

asset management services, investment management and private wealth solutions for customers with more sophisticated and international requirements.

(ii) **Commercial Banking**

HBME offers a broad range of products and services to serve the needs of its commercial customers, including small and medium sized enterprises, mid-market enterprises and corporates. These include credit and lending, international trade and receivables finance, treasury management and liquidity solutions (payments, cash management and commercial cards) and investments. HBME also offers its corporate customers access to products and services offered by its other global businesses, such as Global Banking and Markets, which include foreign exchange products, raising capital on debt and equity markets and advisory services.

(iii) **Markets and Securities Services**

HBME's Markets and Securities Services division enables its corporate and institutional clients to access to financial markets and liquidity, unlock investment opportunities and manage risk. This business line provides: financing solutions; sales, trading and distribution across multiple asset classes; research; clearing and settlement; global and direct custody; and asset servicing.

HBME's hub for treasury services is located in Dubai, UAE and provides support and services to the dealing rooms of its branch network in the MENAT region.

(iv) **Global Banking**

HBME provides tailored financial solutions to major government, corporate and institutional clients worldwide. This business line delivers a full range of banking capabilities, including structured financing, advisory, capital markets, liquidity and cash management services.

(v) **Shariah-compliant Financial Products**

HBME offers certain *Shariah*-compliant financial products to its corporate and institutional client base from its UAE and DIFC operations.

**HSBC Group Operations in the MENAT region**

HBME has special connections with a number of HSBC Group members in the MENAT region, including: HSBC Bank Oman S.A.O.G. ("**HSBC Oman**"), HSBC Bank Egypt S.A.E, HSBC Securities (Egypt) S.A.E., HSBC Electronic Data Service Delivery (Egypt) S.A.E., HSBC Saudi Arabia, Saudi Awwal Bank (formerly The Saudi British Bank), HSBC Private Bank (Suisse) S.A. (DIFC branch), HSBC Middle East Leasing Partnership and HSBC Bank A.S.

HBME continues to play an important role in the community. Throughout 2022, HBME supported communities through its project work and its charitable contributions of around USD 3.75m. Its employees spent over 476 hours volunteering during working time and over 881 hours during their non-working hours on HSBC programmes. Supported projects focused on future skills for young adults and entrepreneurs, next-generation climate solutions to accelerate the transition to net zero and financial inclusion initiatives.

**Organisational Structure**

The HSBC Group is one of the largest banking and financial services organisations in the world, with a market capitalisation of (approximately) US\$126 billion as at 31 December 2022.

As at 31 December 2022, the HSBC Group had total assets of US\$2,966,530 million and total shareholders' equity of US\$187,484 million. For the year ended 31 December 2022, its reported operating profit was US\$14,805 million on total operating income of US\$61,596 million. The HSBC Group is a strongly capitalised banking group with a UK CRR common equity tier 1 ratio of 14.2 per cent. (on a transitional basis, meaning that the transitional provisions set out in Part Ten of the UK CRR (which currently means the phase-in arrangements for the regulatory capital impact of IFRS 9) are applied in calculating the ratio) and a UK CRR common equity tier 1 ratio of 14.2 per cent (on a non-transitional basis, meaning that the transitional provisions set out in Part Ten of the UK CRR are not applied in calculating the ratio), in each case, as at 31 December 2022.

Headquartered in London, the HSBC Group operates through long-established businesses and has an international network of offices in 62 countries and territories. Within these regions, a comprehensive range of banking and related financial services is offered to personal, commercial, corporate, institutional, investment and private banking clients.

The HSBC Group's products and services are delivered to clients through its three global businesses: Wealth and Personal Banking, Commercial Banking and Global Banking and Markets.

Wealth and Personal Banking serves more than 38 million customers globally, 6 million of whom are international, from retail customers to ultra-high net worth individuals and their families. To meet its customers' needs, it offers a full suite of products and services across transactional banking, lending and wealth.

Commercial Banking supports businesses in 54 countries and territories, ranging from small enterprises to large companies operating globally. It helps businesses grow by supporting their financial needs, facilitating cross-border trade and payments, and providing access to products and services. It helps businesses access international markets, provides financial advice and offers access to a full suite of HSBC solutions from across the HSBC Group's other businesses.

Global Banking and Markets supports multinational corporates, financial institutions and institutional clients, as well as public sector and government bodies. It helps facilitate global trade and payments enabling its clients in the East and West to achieve their objectives by accessing the HSBC Group's expertise and geographical reach. The product specialists deliver a comprehensive range of transaction banking, financing, capital markets and advisory, and risk management services.

HBME is the HSBC Group's principal operating subsidiary undertaking in the MENAT region. It is a wholly-owned, indirectly held (via an intermediate holding entity), subsidiary of HSBC Holdings plc. HBME's subsidiary undertakings are:

	<b>Country of Incorporation or registration</b>	<b>HBME's interest in equity capital (per cent.)</b>
HSBC Middle East Asset Company LLC .....	Dubai, UAE	100
HSBC Middle East Securities LLC .....	Dubai, UAE	100
HSBC Bank Middle East Limited Representative Office Morocco S.A.R.L. (in liquidation)	Morocco	100

The countries of operation of HBME's subsidiary undertakings are the same as the countries of their incorporation.

In order to comply with local legal requirements, the ownership of the investment in HSBC Middle East Securities LLC is held 49 per cent. in the name of HBME and 51 per cent. in the personal name of Mr Abdul Wahid Al Ulama as nominee. Under a Memorandum of Understanding, the nominee has transferred his legal and/or beneficial interest in HSBC Middle East Securities LLC to HBME.

In 2017, HSBC Financial Services (Middle East) Limited ("**HFSM**") received conditional approval from the UAE Central Bank to surrender its investment banking licence, following which HFSM was placed into liquidation by its sole shareholder. In 2021, HFSM received confirmation that all conditions have been satisfied and the liquidation process has now closed.

In 2021, HBME increased its ownership share in HSBC Middle East Asset Company LLC to 100 per cent. (from 80 per cent.).

On 9 December 2013, HSBC Insurance Services (Lebanon) SAL, a wholly owned subsidiary of HBME, went into formal liquidation and, as of February 2023, the liquidation process has now closed.

On 3 June 2019, HSBC Bank Middle East Limited Representative Office Morocco SARL went into liquidation following the submission of a formal notification to Bank Al-Maghrib and remains in liquidation.

### Acquisitions / Disposals

HBME has not completed any material acquisitions or disposals since July 2017.

In November 2022, HSBC Oman and Sohar International Bank S.A.O.G. ("**Sohar**") entered into a binding agreement to take the necessary steps towards a merger by incorporation, whereby, upon completion, all the assets and liabilities of HSBC Oman would be transferred to Sohar and HSBC Oman would be dissolved. Whilst the merger received approval from the Central Bank of Oman on 2 February 2023, it remains subject to further regulatory and shareholder approvals. If such approvals are obtained, the merger is expected to complete in the second half of 2023.

HBME has announced its intention to seek regulatory approval to establish a new, wholly owned branch of HBME in Oman, should the merger of HSBC Oman and Sohar receive the necessary regulatory and shareholder approvals.

### Authorised Share Capital

As at 1 June 2023:

- the authorised share capital of HBME was US\$2,251,350,000, divided into: 1,500,000,000 ordinary shares of US\$1.00 each, 1,125,000 class A preference shares of US\$1.00 each, 225,000 class B preference shares of US\$1.00 each and 750,000,000 class C preference shares of US\$1.00 each; and
- the issued share capital of HBME was US\$1,681,755,001, divided into 931,055,001 ordinary shares of US\$1.00 each, 475,000 class A preference shares of US\$1.00 each, 225,000 class B preference shares of US\$1.00 each and 750,000,000 class C preference shares of US\$1.00 each.

### Ratings

As of 1 June 2023, HBME has been assigned the following long-term credit ratings:

- A3 by Moody's Investors Service Limited ("**Moody's**"). This means that Moody's is of the opinion that the obligations of HBME are upper-medium grade and are subject to low credit risk; and
- A+ by Fitch Ratings Limited ("**Fitch**"). This means that Fitch is of the opinion that HBME poses expectations of low credit risk, indicates a strong capacity for payment of financial commitments and this capacity is not significantly vulnerable to foreseeable events.

As of 1 June 2023, HBME has also been assigned the following short-term credit ratings:

- P-2 by Moody's. This means that Moody's is of the opinion that HBME has a strong ability to repay its short-term debt obligations; and
- F1+ by Fitch. This means that Fitch is of the opinion that HBME has the strongest capacity for timely payment of financial commitments and its liquidity profile is particularly strong.

A rating is not a recommendation to buy, sell or hold securities issued by HBME (or beneficial interests therein), does not address the likelihood of timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisations.

### Directors of HBME

The Directors of HBME, their functions in relation to HBME and their principal outside activities (if any) of significance to HBME, are as follows:

Name	Function within HBME	Principal Outside Activities
Abdulfattah Sharaf	Chairman	<ul style="list-style-type: none"> <li>Non-executive director of HSBC Middle East Holdings B.V.</li> </ul>

Name	Function within HBME	Principal Outside Activities
	Non-Independent Non-Executive Director	<ul style="list-style-type: none"> <li>• Director of HSBC Private Bank (Suisse) SA</li> <li>• Non-executive director of Noor Dubai Foundation</li> <li>• Adviser to Mastercard Incorporated</li> <li>• Director of Ishara Art Foundation</li> <li>• Non-executive director of American University of Sharjah</li> <li>• Adviser to the Dubai Chamber of Commerce</li> <li>• Vice Chairman of the UAE Wrestling Federation</li> <li>• Partner in IME Bahrain Co. Ltd. WLL</li> </ul>
Dr. Amina Alrustamani	Independent Non-Executive Director  Deputy Chair	<ul style="list-style-type: none"> <li>• Non-executive director of HSBC Middle East Holdings B.V.</li> <li>• Non-executive director of The Al Jalila Foundation</li> <li>• Executive director with active management role of AW Rostamani Group LLC</li> <li>• Non-executive director of Sandooq Al Watan</li> <li>• Committee member of The Arts Club Dubai</li> <li>• Advisory board member of The Tharawat Family Business Forum</li> <li>• Director on the board of the Dubai Chambers</li> <li>• Non-executive member on the board of trustees of Ajman University</li> <li>• Board member of Al Misr Publishing LLC and Al Nisr Distribution LLC</li> </ul>
Stephen Moss	Chief Executive Officer  Executive Director	<ul style="list-style-type: none"> <li>• Non-executive director of HSBC Middle East Holdings B.V.</li> <li>• Non-executive director of Saudi Awwal Bank (formerly The Saudi British Bank)</li> <li>• Non-independent non-executive director of HSBC Saudi Arabia</li> </ul>

Name	Function within HBME	Principal Outside Activities
		<ul style="list-style-type: none"> <li>• Non-independent non-executive director of HSBC Bank Egypt S.A.E.</li> <li>• Advisory board member of The Hong Kong Red Cross</li> <li>• Director of The Altamayyuz Finance &amp; Accounting Excellence Academy</li> <li>• Director of the Dubai International Chamber</li> <li>• Nominated representative on the US-UAE Business Council</li> </ul>
Neslihan Erkazanci	Chief Financial Officer Executive Director	<ul style="list-style-type: none"> <li>• Non-executive director of HSBC Middle East Holdings B.V.</li> </ul>
John Bartlett	Independent Non-Executive Director  Chairman of the Audit Committee	<ul style="list-style-type: none"> <li>• Non-executive director of HSBC Middle East Holdings B.V.</li> <li>• Director of Barnardo's</li> <li>• Director of The Royal Navy and Royal Marines Charity</li> </ul>
Paul Lawrence	Independent Non-Executive Director  Chairman of the Risk Committee	<ul style="list-style-type: none"> <li>• Non-executive director of HSBC Middle East Holdings B.V.</li> <li>• Chairman of HSBC Bank A.S.</li> <li>• Director of Shawbrook Bank</li> <li>• Chairman of Uley Community Stores Limited</li> </ul>
Muna Al Gurg	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>• Non-executive director of HSBC Middle East Holdings B.V.</li> <li>• Director of The Easa Saleh Al Gurg Group</li> <li>• Director of The Easa Saleh Al Gurg Charity Foundation</li> <li>• Chairperson of The Young Arab Leaders</li> <li>• Director of The Emirates Foundation</li> <li>• Director of Endeavor UAE</li> </ul>
John Raine	Independent Non-Executive Director	<ul style="list-style-type: none"> <li>• Advisor to HSBC Middle East Holdings B.V.</li> <li>• Director of Palmer &amp; Paling Limited</li> <li>• Senior Advisor to The International Institute of Strategic Affairs</li> </ul>

Name	Function within HBME	Principal Outside Activities
		<ul style="list-style-type: none"> <li>• Chairman of the board of trustees of The Taigh Mor Foundation</li> <li>• Governor of The University of Lincoln</li> <li>• Member of the board of trustees of The HALO Trust</li> <li>• Member of the board of trustees of The Gerry Holdsworth Trust</li> <li>• Chairman of The Marshall Commission</li> </ul>
Samir Assaf	Non-Independent Non-Executive Director	<ul style="list-style-type: none"> <li>• Chairman and non-executive director of HSBC Middle East Holdings B.V.</li> <li>• Non-employee adviser to HSBC Holdings plc</li> <li>• Non-executive director of Saudi Awwal Bank (formerly The Saudi British Bank)</li> <li>• Trustee of Alfanar</li> <li>• Member of the board of trustees and strategic board of the Saint-Joseph University (USJ), Beirut, Lebanon</li> <li>• MENA chairman of General Atlantic</li> <li>• Senior adviser to CMA CGM</li> <li>• Board member of Propertyfinder UAE</li> <li>• Member of the HKMA Steering Committee for Hong Kong Branding</li> </ul>
Majed Najm	Non-Independent Non-Executive Director	<ul style="list-style-type: none"> <li>• Non-executive director of HSBC Middle East Holdings B.V.</li> <li>• Chairman of HSBC Saudi Arabia</li> <li>• Adviser to the board of directors of Saudi Awwal Bank (formerly The Saudi British Bank)</li> </ul>

David Dew resigned as a director, effective on 30 September 2022.

Majed Najm was appointed as a director, effective from 14 October 2022, replacing David Dew.

Christopher Spooner resigned as a director, effective on 30 April 2023.

With effect from 1 May 2023, Samir Assaf retired as Chairman and was replaced by Abdulfattah Sharaf as Chairman, effective from 1 May 2023. Samir Assaf remains as a non-independent non-executive director.

Paul Lawrence was appointed as a non-executive director and Chairman of the Risk Committee, effective from 11 May 2023, replacing Christopher Spooner.



The business address for the purposes of correspondence for all the Directors of HBME is Level 4, Gate Precinct Building 2, DIFC, P.O. Box 30444, Dubai, UAE.

**Company Secretary**

The Company Secretary of HBME is Tunde Darvai-Taylor, whose business address for the purposes of correspondence is Level 4, Gate Precinct Building 2, DIFC, P.O. Box 30444, Dubai, UAE.

**Conflicts of Interest**

There are no existing or potential conflicts of interest between any duties owed to HBME by its Directors or by its Company Secretary (as described above) and their private interests and/or other duties, and no such potential conflicts of interest exist to the knowledge of HBME. HBME has procedures in place to manage any such potential conflicts of interest, which may arise from time-to-time.

**Major Shareholders**

The whole of the issued ordinary share capital, class A preference share capital, class B preference share capital and class C preference share capital of HBME is beneficially owned by HMEH. The appointment of auditors and any changes to the Articles of Continuation of HBME require the approval of HBME's shareholders in a general meeting.

**Material Contracts**

There are no material contracts that have been entered into in the ordinary course of HBME's business which could result in any HSBC Group member being under an obligation or entitlement that is material to HBME's ability to meet its obligations to security holders in respect of the securities being issued under the Programme.

**PART A -  
HSBC BANK CONTINENTAL EUROPE**

A description of HBCE is set out in the section entitled Information about the issuer on page 290; "*Business overview*" on pages 5 to 22, page 197, pages 242 to 244, page 253, pages 285 to 288, and pages 297 to 298; "*Organisational Structure*" on pages 3 to 23, pages 276 to 277 and pages 285 to 288; "*Operating and Financial Review*" on pages 14 to 22, 178, 180 and pages 251 to 252; "*Capital Resources*" on pages 88, pages 142 to 144, pages 147 to 149, pages 181 to 182 and page 268; "*Regulatory Environment*" on pages 13 to 14 and pages 155 to 156; "*Trend Information*" on pages 5 to 9; "*Administrative, Management and Supervisory Bodies and Senior Management*" on pages 25 to 31 and page 40; "*Remuneration and Benefits*" on pages 41 to 49, pages 203 to 207 and pages 268 to 269; "*Board Practices*" on pages 24 to 31, pages 34 to 35 and pages 37 to 38; "*Employees*" on pages 43 to 44 and page 203; and "*Major Shareholders*" on pages 25 to 26, pages 290 to 292 and page 294 of HBCE 2022 Universal Registration Document (as defined in the section headed "*Part A - Incorporation by Reference*" above).

**PART A -  
CLEARING AND SETTLEMENT**

Custodial and depository or safekeeping links have been established with the Central Moneymarkets Unit Service (the "CMU"), Euroclear, Euroclear France, Clearstream, Luxembourg, DTC and CREST to facilitate the initial issuance of Notes and Warrants and, in relation to Euroclear, Clearstream, Luxembourg and DTC only, cross market transfers of Notes and Warrants between investors associated with secondary market trading. Transfers within the CMU, Euroclear, Clearstream, Luxembourg, Euroclear France, DTC and CREST will be in accordance with the usual rules and operating procedures of the relevant system..

**CREST**

Please refer to Condition 2(d) of the Notes and Condition 2(d) of the Warrants for information regarding clearing and settlement through CREST.

**Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and interest (if any) with respect to book-entry interests in the Notes and Warrants held through Euroclear and Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent, in the case of Notes, or the Principal Warrant Agent, in the case of Warrants, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

**DTC**

DTC is a limited-purpose trust company organised under the laws of the State of New York and a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organisations. Indirect access to DTC is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the Notes and Warrants holding through DTC will receive, to the extent received by the Principal Paying Agent, in the case of Notes, or the Principal Warrant Agent, in the case of Warrants, all distributions of principal and interest (if any) with respect to book-entry interests in the Notes and Warrants from the Principal Paying Agent through DTC. Distributions in the United States will be subject to relevant US tax laws and regulations.

**CMU**

The CMU, as owned and operated by the Hong Kong Monetary Authority (appointed pursuant to Section 5A of the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong)) or its successors (the "HKMA"), provides for the safe custody and electronic trading of securities which are capable of being cleared, settled and held within the CMU (the "CMU Instruments") between members of the CMU (the "CMU Members").

The CMU is only available to CMU Instruments issued by CMU Members or issued by such person for whom a CMU Member is acting as agent for lodgement. For details on the full range of clearing, settlement and custodian services provided by the CMU, please refer to the CMU Reference Manual (as defined in the Issuing and Paying Agency Agreement).

The CMU also facilitates the distribution of interest, coupon or redemption proceeds (collectively, the "income proceeds") by paying agents (who are CMU Members) to the legal title holders of the CMU Instruments via the CMU corporate action platform. The CMU corporate action platform also allows an issuer (or its agent) to announce any corporate action in respect of the relevant CMU Instruments. For further details, please refer to the CMU Reference Manual.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg, in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

### **Interests in Global Registered Notes and Warrants held through DTC, Euroclear and Clearstream, Luxembourg**

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes or Warrants. Consequently, the ability to transfer interests in a Global Registered Note or Warrant to such persons may be limited. Because DTC, Euroclear and Clearstream, Luxembourg can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Registered Note or Warrant to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The aggregate holdings of book-entry interests in the Notes and Warrants in Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each such institution.

In respect of Registered Notes and Warrants, as necessary, the Registrar will adjust the amounts of Notes and Warrants on the Register for the accounts of (i) Euroclear and Clearstream, Luxembourg and (ii) DTC to reflect the amounts of Notes and Warrants held through Euroclear and Clearstream, Luxembourg and DTC, respectively. Beneficial ownership in Notes or Warrants (as applicable) will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream, Luxembourg and DTC. Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes and Warrants, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes and Warrants. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes and Warrants registered in the name of the common depository (or its nominee) or the Common Safekeeper (or its nominee) for Euroclear and Clearstream, Luxembourg, a nominee for DTC and/or Holders of Notes or Warrants represented by Definitive Registered Notes or Holders of Warrants represented by Definitive Registered Warrants. The Principal Paying Agent, in the case of Notes, or the Principal Warrant Agent, in the case of Warrants, will be responsible for ensuring that payments received by it from the Issuer for Holders of interests in the Notes or Warrants holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear and Clearstream, Luxembourg, as the case may be. The Principal Paying Agent and the Principal Warrant Agent, as the case may be, will also be responsible for ensuring that payments received by it from the Issuer for Holders of interests in the Notes or Warrants holding through DTC are credited to DTC.

The Issuer will not impose any fees in respect of the book-entry interests in the Notes and Warrants; however, Holders of book-entry interests in the Notes or Warrants may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Clearstream, Luxembourg or DTC.

Interests in Unrestricted Global Registered Notes and Warrants and Restricted Global Registered Notes and Warrants will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Notes or Warrants through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Global Registered Notes or Warrants will be credited to Euroclear participants' securities clearance accounts on the business day following the relevant issue date against payment (value such issue date), and to Clearstream, Luxembourg participants' securities custody accounts on the relevant issue date against payment in same day funds. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Notes or Warrants

through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement ("SDFS") system. DTC participant securities accounts will be credited with book-entry interests in the Notes or Warrants following confirmation of receipt of payment to the Issuer on the relevant issue date.

#### **Euroclear France**

Please refer to Condition 2 (*Form, Denomination and Title*) of *Part B3 – Terms and Conditions of the Notes issued by HBCE* for information regarding clearing and settlement through Euroclear France.

#### **Secondary Market Trading in relation to Global Registered Notes and Warrants**

***Trading between Euroclear and/or Clearstream, Luxembourg participants:*** Secondary market sales of book-entry interests in the Notes and Warrants held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes and Warrants through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds (subject, in the case of a transfer of an interest in the Notes or Warrants from accountholders of a beneficial interest in an Unrestricted Global Registered Note or Warrant to an accountholder wishing to purchase a beneficial interest in a Restricted Global Registered Note or Warrant (and *vice versa*), to the certification procedure provided in the Issuing and Paying Agency Agreement).

***Trading between DTC participants:*** Secondary market sales of book-entry interests in the Notes and Warrants between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's SDFS system in same-day funds, if payment is effected in US dollars, or free of payment, if payment is not effected in US dollars. Where payment is not effected in US dollars, separate payment arrangements outside DTC are required to be made with the DTC participants.

***Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser:*** When book-entry interests in Notes and Warrants initially settled in DTC and/or Euroclear/Clearstream, Luxembourg are to be transferred from the account of a DTC participant holding a beneficial interest in a Restricted Global Registered Note or Warrant to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in an Unrestricted Global Registered Note or Warrant (subject to the certification procedures provided in the Issuing and Paying Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian will instruct the Registrar to (i) reduce the amount of Notes and Warrants registered in the name of Cede & Co. and evidenced by the Restricted Global Registered Note and (ii) increase the amount of Notes and Warrants registered in the name of the common depositary (or its nominee) or the Common Safekeeper (or its nominee) for Euroclear and Clearstream, Luxembourg, as evidenced by the Unrestricted Global Registered Note and Warrant. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

***Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser:*** When book-entry interests in the Notes and Warrants initially settled in DTC and/or Euroclear/Clearstream, Luxembourg are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in a Restricted Global Registered Note or Warrant (subject to the certification procedures provided in the Issuing and Paying Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg or the Common Safekeeper (as the case may be) and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg or the Common Safekeeper (as the case may be) will (a) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Notes and Warrants free of payment to the relevant account of the

DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes and Warrants registered in the name of the common depository (or its nominee) or the Common Safekeeper (or its nominee) for Euroclear and Clearstream, Luxembourg as evidenced by the Unrestricted Global Registered Note or Warrant and (ii) increase the amount of Notes and Warrants registered in the name of Cede & Co. as evidenced by the Restricted Global Registered Note or Warrant.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate the transfers of interests in the Notes and Warrants among participants of Euroclear, Clearstream, Luxembourg and DTC, none of Euroclear, Clearstream, Luxembourg or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Principal Paying Agent, the Registrar, any Paying Agent, any Transfer Agent, any Dealer or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg and DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

## PART A - TAXATION

**Transactions involving the Notes and Warrants may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. Potential purchasers who are in any doubt about the tax position of any aspect of transactions involving the Notes and Warrants should consult their own tax advisers.**

*The following sections entitled "United Kingdom Taxation – Notes" and "United Kingdom Taxation – Warrants" provide information only on Notes and Warrants issued by HBEU.*

### **United Kingdom Taxation – Notes**

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest and certain other payments in respect of the Notes. It is based on current law and the published practice of His Majesty's Revenue and Customs ("HMRC"), which may not be binding on HMRC and which may be subject to change, sometimes with retrospective effect. The comments do not deal with any other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Noteholders should be aware that the particular terms of issue of any Series of Notes as specified in the relevant Pricing Supplement may affect the tax treatment of that and other Series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

#### **(A) United Kingdom Withholding Tax**

1. Interest on Notes issued for a term of less than one year (and which are not issued under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax.
2. Notes issued by the Issuer which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (the "**Income Tax Act**") for the purposes of Section 987 of the Income Tax Act) or admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange (within the meaning of Section 987 of the Income Tax Act). Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on such Notes may be made without withholding or deduction for or on account of United Kingdom income tax. Securities will be regarded as "listed on a recognised stock exchange" for this purpose if (and only if) they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part VI of the FSMA) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. Euronext Dublin is a recognised stock exchange for these purposes, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be listed on Euronext Dublin and admitted to trading on its Global Exchange Market.
3. In addition to the exemptions set out in paragraphs 1 and 2 above, interest on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of section 878 of the Income Tax Act and so long as such payments are made by the Issuer in the ordinary course of its business.

4. In all other cases, falling outside the exemptions described in paragraphs 1, 2 and 3 above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty or to any other exemption which may apply.
5. Any payments made by the Issuer under the Deed of Covenant may not qualify for the exemptions from United Kingdom withholding tax described above.

**(B) United Kingdom Withholding Tax - Other Payments**

Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or similar income or royalties for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Pricing Supplement of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to any exemption from withholding which may apply and to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double tax treaty.

**(C) Other Rules Relating to United Kingdom Withholding Tax**

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.
3. Where interest or any other payment has been paid under deduction of United Kingdom income tax, Noteholders or Couponholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to "**interest**" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "**interest**" or "**principal**" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Noteholders or Couponholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law.
5. The above summary under the heading of "*United Kingdom Taxation – Notes*" assumes that there will be no substitution of the Issuer pursuant to Condition 16 (*Meetings of Noteholders, Modifications and Substitution*) of the Notes and does not consider the tax consequences of any such substitution.

**United Kingdom Taxation – Warrants**

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments in respect of the Warrants and of the treatment of Warrants for the purposes of United Kingdom stamp duty and stamp duty reserve tax. It is based on current law and the published practice of HMRC, which may not be binding on HMRC and which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Warrants. The comments in relation to United Kingdom withholding tax relate only to the position of persons who are absolute beneficial owners of the Warrants. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all tax considerations that may be relevant to a prospective purchaser. Warrant holders who are in any doubt as to their tax position should consult their professional advisers. Warrant holders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding*



*or disposal of the Warrants are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Warrants. In particular, Warrant holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Warrants even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

**(A) United Kingdom Withholding Tax**

***Warrants that are not derivatives***

Payments under the Warrants which do not amount to interest, rent or annual payments (and are not treated as, or as if they were, interest, rent or annual payments for United Kingdom tax purposes) may be made without any withholding or deduction for or on account of United Kingdom tax.

***Payments where the Warrants constitute derivative contracts***

The Issuer should not be required to withhold or deduct sums for or on account of United Kingdom income tax from payments under Warrants that are treated as derivative contracts for the purposes of Part 7 of the Corporation Tax Act 2009.

**(B) United Kingdom Stamp Duty and Stamp Duty Reserve Tax**

United Kingdom stamp duty or stamp duty reserve tax may be payable on any issue, transfer or agreement to transfer the Warrants or any interest in the Warrants.

*The following sections entitled "United Arab Emirates (excluding the Dubai International Financial Centre)" and "Dubai International Financial Centre" provide information only on Notes and Warrants issued by HBME.*

**United Arab Emirates (excluding the Dubai International Financial Centre)**

The following summary of the anticipated tax treatment in the UAE in relation to the payments on the Notes and Warrants is based on the taxation law and practice in force at the date of this Offering Memorandum and does not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes and Warrants and the receipt of any payments with respect to such Notes and Warrants under the laws of the jurisdictions in which they may be liable to taxation.

Under current legislation, there is no requirement for withholding or deduction for or on account of UAE (including Abu Dhabi and Dubai) taxation in respect of payments of interest and principal to any holder of the Notes and Warrants. However, pursuant to Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "**Corporate Tax Law**"), corporate tax will apply to taxable persons for financial years beginning on or after 1 June 2023. The Withholding Tax is set to be at 0 per cent. or a different rate pending the relevant ministerial decisions to be published. See further "*Risk Factors - Risks relating to HBME - Tax changes in the UAE may have an adverse effect on HBME*". In the event of the imposition of any such withholding, the Issuer has undertaken to gross-up any payments subject to certain limited exceptions.

With effect from 1 January 2018, the UAE federal government implemented a value-added tax ("**VAT**") regime in the UAE at a rate of 5 per cent. as part of a GCC wide agreement. VAT applies on financial and banking services where they are remunerated by way of explicit fees, explicit premiums, late payment fees and commission charges. Certain financial services are exempt from VAT – however, the exemption is very narrow and limited to interest and margin-based revenues. Under the UAE VAT regime, services provided to clients who are resident outside the of GCC are generally subject to zero per cent. VAT.

All amounts and payments to HBME in relation to Notes and Warrants issued by it are exclusive of any VAT which may be applicable, and accordingly, if VAT is or becomes chargeable on any supply of services or premiums in relation to such Notes or Warrants and the Issuer is required to account to the relevant tax authority for the VAT, the person(s) receiving such supply (which may include the Noteholders or

Couponholders) must pay to the Issuer (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT.

The Constitution of the UAE specifically reserves to the federal government of the UAE the right to raise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries.

### **Dubai International Financial Centre**

Pursuant to Article 24 of Law No. 5 of 2021 (as amended) (concerning Dubai International Financial Centre) (the "**DIFC Law**"), without prejudice to the federal tax legislation in force in the UAE, entities licensed, registered or otherwise authorised to carry on financial services in the Dubai International Financial Centre and their employees shall be subject to a zero rate of income tax for a period of 50 years from 27 April 2021. This zero rate of tax applies to income and capital gains tax as per the DIFC Law. In addition, the zero rate of tax will also extend to repatriation of capital and to transfers of assets or profits or salaries to any party outside the Dubai International Financial Centre. Article 24 of the DIFC Law also provides that it is possible to renew the 50-year period to a similar period upon issuance of a resolution by the Ruler of Dubai. However, pursuant to the Corporate Tax Law that will apply to taxable persons for financial years beginning on or after 1 June 2023, DIFC entities may be subject to corporate tax on their net profits. A rate of 9 per cent. will apply to taxable income exceeding AED 375,000, a rate of zero per cent. will apply to taxable income not exceeding AED 375,000 and a rate of zero per cent. will apply on the qualifying income of free zone entities. However, as at the date of this Offering Memorandum, there are a number of aspects of the Corporate Tax Law that remain to be clarified by the regulatory authorities in order for entities such as HBME to be able to determine their tax status and the amount of tax due under the Corporate Tax Law.

*The following section entitled "French Taxation" provides information only on Notes issued by HBCE.*

### **France**

*The following is a summary of certain French withholding tax considerations pertaining to the Notes that may be relevant to holders that: (i) do not hold their Notes in connection with a business or profession conducted in France through a permanent establishment or a fixed base in France, (ii) do not hold shares of HBCE, and (iii) are neither shareholders nor related parties of HBCE within the meaning of Article 39.12 of the French tax code. Comments which are included herein are reported only for information purposes and do not aim at giving a complete analysis of the tax rules that may affect HBCE, the Notes or investors. This summary is based on the provisions of French tax laws and regulations, as in force and applied by the French tax authorities on the date of this Offering Memorandum, all of which are subject to change, possibly with retrospective effect, or to different interpretations. Accordingly, no opinion is expressed herein with regard to any system of law other than the laws of France as applied by French courts as of the date of this Offering Memorandum. Any investor contemplating acquiring Notes should therefore consult its own tax advisers about the tax consequences that may arise for it as a result of the acquisition, ownership, disposal or redemption of the Notes.*

### ***Payments of interest and other assimilated revenue in respect of the Notes (including those paid upon redemption of the Notes)***

Payments of interest and assimilated revenues made by HBCE with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French tax code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French tax code (a "**Non-Cooperative State**") other than those States or territories mentioned in 2° of 2 bis of the same Article 238-0 A, irrespective of the holder's fiscal domicile or registered headquarters. If such payments are made outside France in a Non-Cooperative State other than those States or territories mentioned in 2° of 2 bis of Article 238-0 A of the French tax code, a 75 per cent. withholding tax is applicable to such payments (subject to certain exceptions and to more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French tax code. The list of Non-Cooperative States is published by a ministerial executive order (*arrêté*) and amended from time to time. The list of Non-Cooperative States other than those mentioned in 2° of 2 bis of Article 238-0 A of the

French tax code was last published on 6 February 2023, and currently includes Anguilla, the Bahamas, the British Virgin Islands, Panama, the Seychelles, the Turks and Caicos Islands and Vanuatu.

Furthermore, according to the third and fourth paragraphs of Article 238 A of the French tax code, interest and assimilated revenues with respect to the Notes will not be deductible from the taxable result of HBCE if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account held in a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and assimilated revenues may be re-characterised as constructive dividends pursuant to Articles 109 *et seq.* of the French tax code, in which case they may be subject to the withholding tax set out under Article 119 bis 2 of the French tax code, at (i) the standard corporate income tax rate set forth in the first sentence of the second paragraph of Article 219-I of the French tax code (i.e. 25 per cent. for fiscal years beginning as from January 1, 2022) for payments benefiting legal persons who are not French tax residents, (ii) a rate of 12.8 per cent. for payments benefiting individuals who are not French tax residents or (iii) a rate of 75 per cent. for payments made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 bis of Article 238-0 A of the French tax code (in each case subject to certain exceptions and to more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French tax code nor, to the extent that the relevant interest and assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion and the related withholding tax set out under Article 119 bis 2 of the French tax code that may be levied as a result of such Deductibility Exclusion will apply in respect of the Notes if HBCE can prove that the main purpose and effect of the issue of the Notes was not that of locating the interest and assimilated revenues in a Non-Cooperative State (the "**Exception**"). Pursuant to the administrative guidelines published by the French tax authorities regarding this legislation (BOI-INT-DG-20-50-30 dated 14 June 2022, § 150 and BOI-INT-DG-20-50-20 dated 24 February 2021, § 290 (the "**BOFIP**")), the Notes will benefit from the Exception without HBCE having to provide any evidence supporting the main purpose and effect of the issue of the Notes, and accordingly will be able to automatically benefit from the Exception (the "**Safe Harbour**"), if the Notes are:

- offered by means of a public offering within the meaning of Article L.411-1 of the French Monetary and Financial Code for which the publication of a prospectus is mandatory or pursuant to an equivalent offer in a state other than a Non-Cooperative State (for this purpose, an "equivalent offering" means any offering requiring the registration or submission of an offering document by or with a foreign securities market authority); and/or
- admitted to trading on a French or foreign regulated market or multilateral financial instruments trading facility provided that such market or facility is not located in a Non-Cooperative State and that such market is operated by a market operator, an investment services provider, or by such other similar foreign entity that is not located in a Non-Cooperative State; and/or
- admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payment systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

The Notes issued by HBCE under this Offering Memorandum qualify as debt securities under French commercial law *provided that* (i) as of the date of their admission to trading, the Notes will be admitted to trading on the Global Exchange Market of the Irish Stock Exchange plc trading as Euronext Dublin and that such market is operated by a market operator which is not located in a Non-Cooperative State and/or (ii) the Notes will be admitted, at the time of their issue, to the operations of Euroclear, Euroclear France and Clearstream, which are securities delivery and payment systems operators within the meaning of Article L. 561-2 of the French Monetary and Financial Code and are not located in a Non-Cooperative State, payments made by HBCE in respect of the Notes to their holders will fall under the Safe Harbour and will thus not be subject to the withholding tax set out under Article 125 A III of the French tax code, as construed by the French tax authorities under the BOFIP. Moreover, under the same conditions, pursuant to the BOFIP and to the extent that the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, interest and assimilated revenues paid by HBCE on the Notes should not be subject to the Deductibility Exclusion and, as a result, should not be subject to the withholding tax set out under Article 119 bis 2 of the French tax code solely on account of their being paid

on an account held in a financial institution established in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

***Withholding Taxes on Payments Made to Individuals Fiscally Domiciled in France***

Pursuant to Article 125 A I of the French tax code, when the paying agent (*établissement payeur*) is established in France and subject to certain exceptions, interest and similar income received by individuals fiscally domiciled (*domiciliés fiscalement*) in France may be subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at an aggregate rate of 17.2 per cent. on such interest and similar income received by individuals fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

***Sale, disposal or redemption of the Notes***

Pursuant to Article 244 bis C of the French tax code, a holder of the Notes who is not a resident of France for French tax purposes and who does not hold its Notes in connection with a permanent establishment or a fixed place of business in France, will not be subject to any income or withholding taxes in France in respect of the gains realised on the sale, exchange or other disposal of Notes.

In addition, no stamp or registration fee or duty or similar transfer taxes will be payable in France in connection with the sale, disposal or redemption of Notes, except in the case of filing with the French tax authorities on a voluntary basis, or except to the extent that the FTT would become applicable – See "*Taxation and other charges in relation to the Notes and Warrants - France – French Financial Transactions Tax*".

*The following sections provide information on Notes issued by any of HBEU, HBME or HBCE and on Warrants issued by either of HBEU or HBME.*

**Other Taxation Matters – Notes and Warrants**

**United States Taxation**

The following summary describes certain of the principal U.S. federal income tax consequences resulting from the purchase, ownership and disposition of Notes that are principal protected and Warrants that require the payment of a substantial exercise price. Investors are directed to review any discussion of Notes that are not principal protected and Warrants that do not require the payment of a substantial exercise price in a relevant supplement to this Offering Memorandum or relevant Pricing Supplement. This summary does not purport to consider all the possible U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes and the Warrants and is not intended to reflect the individual tax position of any beneficial owner of Notes. The summary also does not address any aspect of U.S. federal taxation other than U.S. federal income taxation (such as the estate and gift tax (except to the extent explicitly addressed below) or the Medicare tax on net investment income). The summary is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed U.S. Treasury regulations promulgated thereunder, published rulings by the U.S. Internal Revenue Service ("**IRS**") and court decisions, all as of the date hereof, all of which authorities are subject to change or differing interpretations, which changes or differing interpretations could apply retroactively. This summary is limited to investors who purchase the Notes or the Warrants at initial issuance and hold the Notes or the Warrants as "capital assets" within the meaning of section 1221 of the Code (i.e., generally, property held for investment) and does not purport to deal with investors in special tax situations, such as financial institutions, tax exempt organisations, insurance companies, regulated investment companies, dealers in securities or currencies, persons purchasing Notes or Warrants other than at original issuance, persons holding Notes or Warrants as a hedge against currency risks or as a position in a "straddle," "conversion transaction," or "constructive sale" transaction for tax purposes, persons required to accelerate the recognition of any item of gross income with respect to the Notes or Warrants as a result of such income being recognised on an applicable financial statement, or persons whose functional currency (as defined in section 985 of the Code) is not the U.S. dollar. The summary does not include any description of the tax laws of any state, local or foreign governments that may be applicable to the Notes or the Warrants or the holders thereof.

Prospective purchasers of the Notes or the Warrants should consult their own tax advisers concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes and the Warrants arising under the laws of any other taxing jurisdiction.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Note or a Warrant who or which is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created or organised in or under the laws of the United States or of any state thereof (including the District of Columbia), or (iii) any other person who is subject to U.S. federal income taxation on a net income basis with respect to the Notes or the Warrants. As used herein, the term "**Non-U.S. Holder**" means a beneficial owner of a Note or a Warrant that is not a U.S. Holder. In the case of a holder of Notes or Warrants that is a partnership for U.S. federal income tax purposes, each partner will take into account its allocable share of income or loss from the Notes or Warrants, and will take such income or loss into account under the rules of taxation applicable to such partner, taking into account the activities of the partnership and the partner.

### **Treatment of Notes**

Except as otherwise provided in a supplement to this Offering Memorandum or the Pricing Supplement, the Issuer intends to treat Notes that are principal protected as indebtedness for U.S. federal income tax purposes; however, the IRS is not bound by this determination and the Notes could be recharacterised. Any such recharacterisation could materially affect the timing or character of the income required to be recognised by a U.S. Holder for U.S. federal income tax purposes. Prospective investors are urged to consult with their tax advisers as to the likelihood and likely effect of any such recharacterisation. The remainder of this summary assumes the Notes discussed herein are properly characterised as indebtedness for U.S. federal income tax purposes.

### **U.S. Holders of Notes**

#### ***Payments of Interest***

Except as described below, payments of interest on a Note will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

#### ***Original Issue Discount***

##### *General*

The following summary is a general discussion of the U.S. federal income tax consequences to U.S. Holders of the purchase, ownership and disposition of a Note issued with original issue discount ("**OID**") (a "**Discount Note**"). Special rules apply to OID on a Discount Note that is denominated in a Foreign Currency. See "*— Foreign Currency Notes — OID*".

For U.S. federal income tax purposes, OID is the excess of the stated redemption price at maturity of a Note over its issue price, if such excess equals or exceeds a *de minimis* amount (generally defined as 1/4 of 1-per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity from its issue date). The issue price of each Note in an issue of Notes is the first price at which a substantial amount of such issue of Notes has been sold to the public (ignoring sales to bond houses, broker-dealers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers). The stated redemption price at maturity of a Note generally is the sum of all payments provided for by the Note other than qualified stated interest payments. The term "**qualified stated interest**" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

Payments of qualified stated interest on a Note are taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. A U.S. Holder of a Discount Note having a maturity of more than one year from the date of issue must include OID in income as ordinary interest income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting. In general, the amount of OID included in income by the initial U.S. Holder of a Discount

Note is the sum of the daily portions of OID with respect to such Discount Note for each day during the taxable year on which such U.S. Holder held such Discount Note. The "daily portions" of OID on any Discount Note are determined by allocating to each day in an accrual period a rateable portion of the OID allocable to that accrual period. An "accrual period" may be of any length and the accrual periods may vary in length over the term of the Discount Note as long as (i) each accrual period is no longer than one year, and (ii) each scheduled payment of principal and interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of OID allocable to each accrual period is generally equal to the excess of (i) the product of the Discount Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) over (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount Note at the beginning of the first accrual period is its issue price of the Discount Note. Thereafter, the "adjusted issue price" of a Discount Note is the sum of the issue price of the Discount Note plus the amount of OID previously includible in the gross income of the holder reduced by the amount of any payments previously made on the Discount Note other than payments of qualified stated interest. Under these rules, U.S. Holders generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

#### *Election to Treat all Interest as OID*

A U.S. Holder of a Note may elect to include in gross income all interest that accrues on the Note by using the constant yield method described in "*Original Issue Discount — General*" with certain modifications. The election must be made for the taxable year in which the U.S. Holder acquires the Note and will generally apply only to the Note (or Notes) identified by the U.S. Holder in a statement attached to the U.S. Holder's timely filed U.S. federal income tax return. The election may not be revoked without the consent of the IRS. If a U.S. Holder makes the election with respect to a Note with "amortisable bond premium" (as described in "*Amortisable Bond Premium*"), then the electing U.S. Holder is deemed to have elected to apply amortisable bond premium against interest with respect to all debt instruments with amortisable bond premium (other than debt instruments the interest on which is excludible from gross income) held by the electing U.S. Holder as of the beginning of the taxable year in which any Note (with respect to which the election is made) is acquired and any such debt instrument thereafter acquired. The deemed election with respect to amortisable bond premium may not be revoked without the consent of the IRS.

#### **Variable Rate Debt Instruments**

Generally, Notes that are issued with a variable rate of interest (a "**Floating Rate Note**") are subject to special rules whereby a Floating Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Floating Rate Notes by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date or (ii) 15 per cent. of the total non-contingent principal payments, (b) it does not provide for any stated interest other than stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it provides that a qualified floating rate or objective rate in effect at any time during the term of the Note is set at a current value of that rate (i.e., the value of the rate on any day that is no earlier than three months prior to the first rate day on which the value is in effect and no later than one year following that first day).

A "**qualified floating rate**" is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Floating Rate Notes are denominated. Although a multiple of a qualified floating rate will generally not itself constitute a qualified floating rate, a variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35 will constitute a qualified floating rate. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Floating Rate Notes together will constitute a single qualified floating rate. Two or more qualified floating rates will be conclusively presumed to meet the requirements of the previous sentence if the values of all rates on the issue date are within 25 basis points of each other. A variable rate is not a qualified floating rate if it is subject to certain restrictions (including caps floors, governors, or other similar restrictions) unless such restrictions are fixed throughout

the term of the Floating Rate Note or are not reasonably expected to significantly affect the yield on the Floating Rate Note.

An "**objective rate**" is a rate other than a qualified floating rate that is determined using a single fixed formula and that is based upon objective financial or economic information, other than information that is within the control of the issuer or a related party, or that is unique to the circumstances of the issuer or a related party such as dividends, profits or the value of the issuer's (or related party's) stock (but not the issuer's credit quality). Despite the foregoing, a variable rate of interest on Floating Rate Notes will not constitute an objective rate if it is reasonably expected that the average value of such rate during the first half of the Floating Rate Notes term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Floating Rate Notes' term. A "**qualified inverse floating rate**" is any objective rate where such rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to reflect inversely contemporaneous variations in the qualified floating rate (disregarding any caps, floors, governors or other restrictions that are fixed throughout the term of the Floating Rate Notes or are not reasonably expected to significantly affect the yield on the Floating Rate Notes).

Generally, if a Floating Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the Floating Rate Note's issue date is intended to approximate the fixed rate, then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be. A fixed rate and a variable rate will be conclusively presumed to meet the previous requirements if the value of the variable rate on the issue date of the Floating Rate Notes does not differ from the value of the fixed rate by more than 25 basis points.

If a Floating Rate Note provides for stated interest at a single qualified floating rate or objective rate that is unconditionally payable in cash or in property (other than debt instruments of the issuer) or that will be constructively received by the U.S. Holder at least annually, then (a) all stated interest with respect to the Note is qualified stated interest, (b) the amount of qualified stated interest and the amount of OID, if any, is determined by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Note, and (c) the qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period under the foregoing rules.

If a Floating Rate Note does not provide for stated interest at a single qualified floating rate or objective rate, or at a single fixed rate (other than at a single fixed rate for an initial period of one year or less), the amount of qualified stated interest and OID on the Note are generally determined by (i) determining a fixed-rate substitute for each variable rate provided under the Floating Rate Note (generally, the value of each variable rate as of the issue date or, in the case of an objective rate that is not a qualified inverse floating rate, a rate that reflects the yield that is reasonably expected for the Note), (ii) constructing the equivalent fixed rate debt instrument (using the fixed-rate substitutes described above), (iii) determining the amount of qualified stated interest and OID with respect to the equivalent fixed-rate debt instrument (by applying the general OID rules as described in "*Original Issue Discount — General*"), and (iv) making the appropriate adjustments for actual variable rates during the applicable accrual period.

If a Floating Rate Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate and in addition provides for stated interest at a single fixed rate (other than a single fixed rate for an initial period), the amount of interest and OID is determined as in the immediately preceding paragraph with the modification that the Floating Rate Note is treated, for purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or qualified inverse floating rate, if the Note provides for a qualified inverse floating rate) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Note as of the issue date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for a qualified floating rate (or qualified inverse floating rate) rather than a fixed rate.

## Notes that are Contingent Payment Debt Instruments

### *Interest Accruals on the Notes*

For U.S. federal income tax purposes certain of the Notes may be contingent payment debt instruments ("CPDIs"). A CPDI is any class of Notes which provide for one or more payments, either of interest or principal, that are contingent (usually as to timing of payment or amount of payment). If the Issuer intends to treat a Note as a CPDI, this will be specified in the applicable Pricing Supplement with respect to such Note.

Under Treasury Regulations governing the treatment of CPDIs (the "**CPDI Regulations**"), regardless of a U.S. Holder's regular method of accounting, accruals of income, gain, loss and deduction with respect to a CPDI are determined under the "non-contingent bond method." Under the non-contingent bond method, a U.S. Holder of a CPDI will accrue OID over the term of such Note based on the Note's comparable yield. In general, the comparable yield of a CPDI is equal to the yield at which the Issuer would issue a fixed rate, non-contingent debt instrument with terms and conditions otherwise similar to those of the CPDI, including level of subordination, term, timing of payments, and general market conditions. The applicable Pricing Supplement for any Note that is a CPDI will specify its comparable yield. A U.S. Holder will accrue OID at the comparable yield even if the comparable yield differs from the stated Interest Rate on the CPDI (if any).

The amount of OID allocable to each accrual period will be the product of the "adjusted issue price" of the CPDI at the beginning of each such accrual period and the comparable yield. The "adjusted issue price" of a CPDI at the beginning of an accrual period will equal the issue price *plus* the amount of OID previously includible in the gross income of U.S. Holder *minus* the amount of any Projected Payments (as defined below) with respect to such Note. The amount of OID includible in the income of each U.S. Holder will generally equal the sum of the "daily portions" of the total OID on the CPDI allocable to each day on which a U.S. Holder held such Note. Generally, the daily portion of the OID is determined by allocating to each day in any accrual period a rateable portion of the OID allocable to such accrual period. Such OID is included in income and taxed at ordinary income rates.

The Issuer also is required by the CPDI Regulations to determine, solely for U.S. federal income tax purposes, a projected payment schedule of the projected amounts of payments (the "**Projected Payments**") on any Note that is a CPDI. The schedule must produce the comparable yield. The applicable Pricing Supplement for any Note that is a CPDI will specify the Projected Payments for such Note. Under the non-contingent bond method, the Projected Payments are not revised to account for changes in circumstances that occur while the Notes are outstanding. See "*Adjustments to Interest Accruals*" below.

For U.S. federal income tax purposes, the Issuer's reasonable determination of the comparable yield and schedule of Projected Payments is generally respected and will be binding on the holders of the Notes, unless such holder timely discloses and justifies the use of other estimates to the IRS.

THE COMPARABLE YIELD AND THE SCHEDULE OF PROJECTED PAYMENTS ARE NOT PROVIDED FOR ANY PURPOSE OTHER THAN THE DETERMINATION OF U.S. HOLDERS' INTEREST ACCRUALS AND ADJUSTMENTS THEREOF AND DO NOT CONSTITUTE AN ASSURANCE BY THE ISSUER AS TO THE ACTUAL YIELD OF THE NOTES. THE ISSUER MAKES NO REPRESENTATION AS TO WHAT SUCH ACTUAL YIELD WILL BE, AND THE COMPARABLE YIELD DOES NOT NECESSARILY REFLECT THE EXPECTATIONS OF THE ISSUER REGARDING THE ACTUAL YIELD.

### *Adjustments to Interest Accruals*

If, during any taxable year, the sum of any actual payments with respect to a CPDI for that taxable year (including, in the case of the taxable year which includes the maturity date, the amount of cash received at maturity) exceeds the total amount of Projected Payments for that taxable year, the difference will produce a "Net Positive Adjustment" under the CPDI Regulations, which will be treated as additional interest for the taxable year. If the actual amount received in a taxable year is less than the amount of Projected Payments for that taxable year, the difference will produce a "Net Negative Adjustment" under the CPDI Regulations, which will (i) reduce the U.S. Holder's interest income for that taxable year and (ii) to the extent of any excess after the application of (i), give rise to an ordinary loss to the extent of the U.S. Holder's



interest income on the Notes during prior taxable years (reduced to the extent such interest was offset by prior Net Negative Adjustments).

### **Short-Term Notes**

Generally, an individual or other-cash basis U.S. Holder of Notes having a fixed maturity date not more than 1 year from the date of issue ("**Short-Term Notes**") is not required to accrue OID for U.S. federal income tax purposes unless it elects to do so. An election by a cash basis U.S. Holder applies to all short-term obligations acquired on or after the beginning of the first taxable year to which the election applies, and for all subsequent taxable years unless the consent is secured from the IRS to revoke the election. Accrual-basis U.S. Holders and certain other U.S. Holders, including banks, regulated investment companies, dealers in securities, common trust funds, U.S. Holders who hold Short-Term Notes as part of certain identified hedging transactions, certain pass-through entities and cash-basis U.S. Holders who so elect, are required to accrue OID on Short-Term Notes on either a straight-line basis or, at the election of the U.S. Holder, under the constant yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Notes will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

### **Amortisable Bond Premium**

Generally, a U.S. Holder that purchases a Note for an amount that is in excess of the sum of all amounts payable on the Note after its acquisition date (other than payments of qualified stated interest) will be considered to have purchased the Note with "amortisable bond premium" equal to such excess. A U.S. Holder of such a Note will not be subject to OID and may elect to amortise such premium using a constant yield method over the remaining term of the Note and may offset qualified stated interest otherwise required to be included in respect of the Note with respect to an accrual period by the bond premium allocable to the accrual period. If the bond premium allocable to the accrual period exceeds the qualified stated interest allocable to the accrual period, the excess is treated as a bond premium deduction for the accrual period. However, the amount treated as a bond premium deduction is limited to the amount by which the U.S. Holder's total interest inclusions on the Note in prior accrual periods exceed the total amount treated by the U.S. Holder as a bond premium deduction on the Note in prior accrual periods. If the bond premium allocable to an accrual period exceeds the sum of the qualified stated interest allocable to the accrual period and the amount treated as a bond premium deduction for the accrual period as described above, the excess is carried forward to the next accrual period and is treated as bond premium allocable to that period. Special rules apply for determining the amortisation of bond premium on Notes that are classified as "variable rate debt instruments", Notes that provide for certain alternative payment schedules, and Notes that provide for certain contingencies. Any election to amortise bond premium with respect to any Note (or other general debt obligations) applies to all taxable debt obligations held by the U.S. Holder at the beginning of the first taxable year to which the election applies and to all debt obligations thereafter acquired in such taxable year and all subsequent tax years. The election may not be revoked without the consent of the IRS.

### **Sale, Exchange or Retirement of a Note**

Except as discussed above, upon the sale, exchange or retirement of a Note, a U.S. Holder generally will recognise a taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest, which amounts will be taxable as ordinary income) and such U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal such U.S. Holder's initial investment in the Note increased by any OID included in income, decreased by the amount of any payments that are not qualified stated interest payments and any amortisable bond premium applied to reduce interest income with respect to such Note. Such gain or loss generally will be a long-term capital gain or loss if the Note has been held by such U.S. Holder for more than one year at the time of such sale, exchange or retirement.

Certain of the Notes may be redeemable at the option of the Issuer prior to their stated maturity and/or may be repayable at the option of the holder prior to their stated maturity. Notes containing such features may be subject to the rules that differ from the general rules discussed above. U.S. Holders intending to purchase Notes with such features should consult their own tax advisers regarding the U.S. federal income tax

consequences to them of the purchase, holding and disposition of such Notes, since the OID consequences will depend, in part, on the particular terms and features of such Notes.

### **Foreign Currency Notes**

The following summary relates to Notes that are denominated in a currency or basket of currencies other than the U.S. dollar ("**Foreign Currency Notes**" and "**Foreign Currency**", respectively). It does not apply to U.S. Holders whose functional currency is not the U.S. dollar.

#### ***Payments of Interest in a Foreign Currency***

##### *Cash Method*

A U.S. Holder who uses the cash method of accounting for U.S. federal income tax purposes and who receives a payment of interest on a Note (other than OID) will be required to include as income the U.S. dollar value of the Foreign Currency payment (determined on the date such payment is actually or constructively received) regardless of whether the payment is in fact converted to U.S. dollars at that time, and such U.S. dollar value will be the U.S. Holder's tax basis in such Foreign Currency.

##### *Accrual Method*

A U.S. Holder who uses the accrual method of accounting for U.S. federal income tax purposes, or who otherwise is required to accrue interest prior to receipt, will be required to include as income the U.S. dollar value of the amount of interest income (including OID and reduced by amortisable bond premium to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a Note during an accrual period. The U.S. dollar value of such accrued income will be determined by translating such income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within each taxable year. A U.S. Holder may elect, however, to translate such accrued interest income using the rate of exchange on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, using the rate of exchange on the last day of the first taxable year. If the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. Holder may translate such interest using the rate of exchange on the date of receipt. The above election will apply to other obligations held by the U.S. Holder and may not be revoked without the consent of the IRS. Prior to making such an election, a U.S. Holder of Notes should consult his own tax adviser as to the consequences resulting from such an election with respect to his own particular situation.

A U.S. Holder will recognise exchange gain or loss (which will be treated as ordinary income or loss) with respect to accrued interest income on the date such income is received. The amount of ordinary income or loss recognised will equal the difference, if any, between the U.S. dollar value of the Foreign Currency payment received (determined on the date such payment is received) in respect of such accrual period and the U.S. dollar value of interest income that has accrued during such accrual period (as determined above).

#### ***Purchase, Sale, Exchange and Retirement of Notes***

A U.S. Holder who purchases a Note with previously owned Foreign Currency will recognise ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the Foreign Currency and the U.S. dollar fair market value of the Foreign Currency used to purchase the Note, determined on the date of purchase.

Generally, upon the sale, exchange or retirement of a Note, a U.S. Holder will recognise a taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and such U.S. Holder's adjusted tax basis in the Note. Such gain or loss generally will be a capital gain or loss and will be a long-term capital gain or loss if at the time of sale, exchange or retirement the Note has been held by such U.S. Holder for more than one year. To the extent the amount realised represents accrued but unpaid interest, however, such amounts must be taken into account as ordinary interest income, with the exchange gain or loss computed as described in "*Payments of Interest In a Foreign Currency*" above. If a U.S. Holder receives Foreign Currency on such a sale, exchange or retirement the amount realised will be based on the U.S. dollar value of the Foreign Currency on the date the payment is received or the instrument is disposed of (or deemed disposed of). A U.S. Holder's adjusted tax basis in a Note will equal the cost of the Note to such U.S. Holder, increased by the amounts of any OID previously included in income by the U.S. Holder with respect to such Note and reduced by any amortised acquisition or other premium and any

principal payments received by the U.S. Holder. A U.S. Holder's tax basis in a Note, and the amount of any subsequent adjustments to such holder's tax basis, will be the U.S. dollar value of the Foreign Currency amount paid for such Note, or of the Foreign Currency amount of the adjustment, determined on the date of such purchase or adjustment.

Gain or loss realised upon the sale, exchange or retirement of a Note that is attributable to fluctuations in currency exchange rates will be U.S. source ordinary income or a loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between the U.S. dollar value of the Foreign Currency principal amount of the Note, determined on the date such payment is received or the Note is disposed of, and the U.S. dollar value of the Foreign Currency principal amount of the Note, determined on the date the U.S. Holder acquired the Note. Such Foreign Currency gain or loss will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange or retirement of the Note.

### ***OID***

In the case of a Discount Note, CPDI or Short-Term Note, (i) OID is determined in units of the Foreign Currency, (ii) accrued OID is translated into U.S. dollars as described in "*Payments of Interest In a Foreign Currency — Accrual Method*" above and (iii) the amount of Foreign Currency gain or loss on the accrued OID is determined by comparing the amount of income received attributable to the discount (either upon payment, maturity or an earlier disposition), as translated into U.S. dollars at the rate of exchange on the date of such receipt, with the amount of OID accrued, as translated above.

### ***Amortisable Bond Premium***

Amortisable bond premium on a Note will be computed in the units of the Foreign Currency in which the Note is denominated (or in which the payments are determined). Amortisable bond premium properly taken into account will reduce the interest income in units of the Foreign Currency. Exchange gain or loss is realised with respect to the bond premium with respect to a Note issued with amortisable bond premium by treating the portion of premium amortised with respect to any period as a return of principal. With respect to any U.S. Holder that does not elect to amortise bond premium, the amount of bond premium will constitute a market loss when the bond matures.

### ***Exchange of Foreign Currencies***

A U.S. Holder will have a tax basis in any Foreign Currency received as interest or on the sale, exchange or retirement of a Note equal to the U.S. dollar value of such Foreign Currency, determined at the time the interest is received or at the time of the sale, exchange or retirement. Any gain or loss realised by a U.S. Holder on a sale or other disposition of Foreign Currency (including its exchange for U.S. dollars or other use) will be U.S. source ordinary income or loss.

### **Taxation of U.S. Holders of Warrants**

The discussion below addresses only Warrants requiring the payment of a substantial exercise price that are cash-settled.

### ***Characterisation***

Currently, there are no statutory provisions, regulations, published rulings or judicial decisions addressing or involving the characterisation and treatment, for U.S. federal income tax purposes, of securities with terms substantially the same as the terms of the Warrants. Accordingly, the proper U.S. federal income tax characterisation and treatment of a Warrant is at present uncertain. Prospective investors are urged to consult their tax advisers regarding the U.S. federal income tax consequences of an investment in a Warrant (including alternative characterisations of a Warrant) and with respect to any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction. The Issuer intends to treat the Warrants as cash-settled options for U.S. federal income tax purposes. Alternatively, a Warrant may be classified as a financial contract such as a prepaid forward contract or an equity swap, or as ownership of the Reference Assets. The timing of recognition of income and the amount and character of income recognised by a U.S. Holder that owns a Warrant may vary significantly depending on the tax characterisation of the Warrant.

On 7 December 2007, the IRS released a notice that may affect the taxation of holders of Warrants. According to the notice, the IRS and the U.S. Treasury Department are actively considering whether the

holder of instruments such as Warrants should be required to accrue ordinary income on a current basis, and they are seeking taxpayer comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of Warrants will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The IRS and the U.S. Treasury Department are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals, and whether the special "constructive ownership rules" of Section 1260 of the Code might be applied to such instruments. The Issuer intends to continue treating Warrants for U.S. federal income tax purposes in accordance with the treatment described in this Offering Memorandum unless and until such time as the IRS and the U.S. Treasury Department determine that some alternative treatment is more appropriate. **Prospective investors are urged to consult their own tax advisers concerning the significance, and the potential impact, of the above considerations.**

#### ***Sale, Exchange or Exercise of a Warrant***

Upon the sale or exchange of a Warrant to a person other than the Issuer, or upon an exercise of a Warrant, a U.S. Holder will be required to recognize a taxable gain or loss in an amount equal to the difference between the amount realized upon the sale, exchange or exercise and the U.S. Holder's adjusted tax basis in the Warrant and the exercise price, in the case of an exercise of a Warrant. In general, a U.S. Holder's tax basis for a Warrant is the U.S. dollar value of the amount paid for the Warrant. Such gain or loss would generally be treated as short-term or long-term capital gain or loss, depending on the U.S. Holder's holding period for the Warrant.

#### **Foreign Tax Credit with Respect to Notes**

The total gross amount of interest, OID, plus any additional amounts (pursuant to Condition 8 (*Taxation*) of the Conditions) with respect thereto, will constitute interest income subject to U.S. federal income tax. This amount will be considered income from sources outside the United States.

The amount of foreign tax, if any, withheld on this gross amount will be considered to be a foreign income tax that may either be deducted when computing U.S. federal taxable income, subject to substantial limitations on the deductibility of taxes for non-corporate U.S. Holders, or, subject to limitations personal to the U.S. Holder, claimed as a credit against U.S. federal income tax liability. Recent changes to the foreign tax credit rules that apply to foreign withholding taxes introduced additional requirements and limitations. A U.S. Holder may be required to provide the IRS with a certified copy of the receipt evidencing payment of withholding tax imposed in respect of payments on a Note in order to claim a foreign tax credit in respect of such foreign withholding tax.

Potential purchasers of Notes should carefully consider the applicable Pricing Supplement for information regarding the U.S. federal income tax consequences of payments by the Issuer of other taxes and of additional amounts.

#### **Potential Consequences of a Deemed Exchange**

Under certain circumstances, the modification or application of certain terms of the Notes or Warrants including, in certain circumstances, a substitution of the Issuer or a Benchmark Trigger Event, may result in a deemed exchange of "old" Notes or Warrants for "new" Notes or Warrants for U.S. federal income tax purposes. As a result of the occurrence of such a deemed exchange, a U.S. Holder may recognize gain or loss, treated in the manner described above, under "*Sale, Exchange, or Exercise of a Note*" and "*Sale, Exchange or Exercise of a Warrant*," and "new" Notes or Warrants deemed received in a deemed exchange may be treated as issued with, or with different amount of, OID. The IRS and the U.S. Treasury have issued final regulations, that, in certain circumstances, could reduce the likelihood that a Benchmark Trigger Event would result in a "deemed exchange" of the affected Notes or Warrants. However, there can be no assurance that these regulations will provide any relief from the tax consequences described above if a Benchmark Trigger Event occurs. Prospective U.S. Holders should consult their own tax advisers regarding the application of these rules in their particular circumstances.

### Taxation of Non-U.S. Holders

With respect to the Notes, subject to the discussion below on dividend equivalent payments, FATCA and backup withholding, (a) payment of principal, premium, redemption amount and interest by the Issuer or any paying agent to a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax, **provided that** such Non-U.S. Holder provides the Issuer, when necessary, with appropriate documentation evidencing its status as a Non-U.S. Holder, (b) a gain realised by a Non-U.S. Holder on the sale or redemption of the Notes is not subject to U.S. federal income tax or withholding tax and (c) the Notes are not subject to U.S. federal estate tax if held by an individual who was a Non-U.S. Holder at the time of his death. Special rules may apply in the case of Non-U.S. Holders (i) that are engaged in a U.S. trade or business, (ii) that are former citizens or long-term residents of the United States, "controlled foreign corporations", "passive foreign investment companies", corporations which accumulate earnings to avoid U.S. federal income tax, and certain foreign charitable organisations, each within the meaning of the Code, or (iii) certain non-resident alien individuals who are present in the United States for one hundred and eighty-three days or more during a taxable year. Such persons are urged to consult their U.S. tax advisers before purchasing Notes.

A Non-U.S. Holder generally will not be subject to U.S. federal withholding tax with respect to amounts received, if any, with respect to a Warrant, subject to the discussion below of dividend equivalent payments, FATCA and backup withholding, assuming that: (i) the Warrant is not held in connection with a U.S. trade or business or, in the case of a resident of a country that has an income tax treaty with the United States, such Warrant is not attributable to a permanent establishment (or, in the case of an individual, a fixed place of business) in the United States; (ii) in the case of an individual, the Non-U.S. Holder is not present in the United States for one hundred and eighty-three days or more during a taxable year and certain other conditions are met; and (iii) such Non-U.S. Holder is not subject to the rules applicable to certain former citizens and long-term residents of the United States.

### Withholding on Dividend Equivalent Payments

Section 871(m) of the Code and Treasury regulations promulgated thereunder ("**Section 871(m)**") generally impose a 30 per cent. withholding tax on "dividend equivalents" paid or deemed paid to certain persons with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities (such equities and indices, "**U.S. Underlying Equities**"). A "**dividend equivalent**" is any payment that references a dividend on any U.S. Underlying Equity. Section 871(m) generally applies to instruments that substantially replicate the economic performance of one or more U.S. Underlying Equities, as determined upon issuance, based on tests set forth in the applicable Treasury regulations (such an instrument, a "**Specified Security**").

If a Note or a Warrant is a Specified Security, the relevant Pricing Supplement will specify that the Note is a "Section 871(m) Note" or the Warrant is a "Section 871(m) Warrant" for the purposes of Section 871(m) and also specify the method of Section 871(m) withholding that will be applied to the Note or Warrant.

If "Dividend Withholding" is specified in the relevant Pricing Supplement as being applicable, the Issuer will report the appropriate amount of each payment under the Note or Warrant (including possibly a portion of the payments at maturity of the Note or Warrant) that are attributable to dividends on U.S. Underlying Equities, and the applicable withholding agent is expected to withhold 30 per cent. from such payment unless the payee establishes an exemption from or reduction in the withholding tax. In addition, non-U.S. investors may be subject to U.S. withholding tax on proceeds from the sale of a Note or Warrant, to the extent those proceeds reflect dividends on U.S. Underlying Equities.

If "Issuer Withholding" is specified in the relevant Pricing Supplement as being applicable, the Issuer will withhold 30 per cent. of any dividend equivalent payments payable under the Note or Warrant (including possibly a portion of the payments at maturity of the Note or Warrant). If the terms of the Note or Warrant provide that all or a portion of the dividends on U.S. Underlying Equities are reinvested in the Underlyings during the term of the Note or Warrant, the terms of the Note or Warrant will also provide that only 70 per cent. of a deemed dividend equivalent will be reinvested. The remaining 30 per cent. of such deemed dividend equivalent will be treated, solely for U.S. federal income tax purposes, as having been withheld from a gross dividend equivalent payment due to the investor and remitted to the IRS on behalf of the investor. The Issuer will withhold such amounts without regard to either any applicable treaty rate or the classification of an investor as a U.S. or non-U.S. investor for U.S. federal income tax purposes.

If payments to an investor are subject to withholding tax and the investor believes it is eligible for an exemption from, or reduced rate of, withholding tax, the investor may be able to claim a refund of the amounts over-withheld. The Issuer makes no representation regarding investors' eligibility to claim such a refund, and investors may not be able to obtain an IRS Form 1042 from the Issuer or any custodian that would assist investors in obtaining the refund. Furthermore, the Issuer will not be required to pay any additional amounts as a result of this withholding tax, regardless of which withholding method is applicable to the Notes or Warrants, and regardless of whether the investor may have been eligible for an exemption or reduction in the withholding tax on payments from the applicable withholding agent.

The Section 871(m) regulations require complex calculations to be made with respect to Notes or Warrants linked to U.S. securities and their application to a specific issue of Section 871(m) Notes or Section 871(m) Warrants may be uncertain. Prospective investors should consult their tax advisers on the potential application of Section 871(m) to the Notes or Warrants, including, if applicable, the availability of, and process for, claiming a refund of such withholding tax.

### **Information Reporting and Backup Withholding**

Payments of interest on a Note made within the United States or through certain U.S.-related financial intermediaries, and the proceeds of a taxable exercise or a sale or other disposition of Warrants payable to a U.S. Holder or through certain U.S.-related financial intermediaries, generally are subject to information reporting and to backup withholding, unless, the holder of the Note or Warrant, as applicable, (i) is a corporation or comes within certain other exempt categories listed below, and if required, demonstrates this fact, or (ii) in the case of backup withholding, provides certain information discussed below. For each calendar year in which the Notes or Warrants are outstanding, each DTC participant or indirect participant holding an interest in a Note or a Warrant on behalf of a beneficial owner of a Note or a Warrant, as applicable, and each paying agent making payments in respect of a Registered Note or a Warrant will generally be required to provide the IRS with certain information, including such beneficial owner's name, address, taxpayer identification number (either such beneficial owner's Social Security number, its employer identification number or its IRS individual taxpayer identification number, as the case may be), and the aggregate amount of payments made to such beneficial owner during the calendar year. These reporting requirements, however, do not apply with respect to certain beneficial owners, including corporations, securities broker-dealers, other financial institutions, tax-exempt organisations, qualified pension and profit sharing trusts and individual retirement accounts. In the event that a U.S. beneficial owner of a Note or a Warrant fails to establish its exemption from such information reporting requirements or is subject to the reporting requirements described above and fails to supply its correct taxpayer identification number in the manner required by applicable law, or underreports its tax liability, as the case may be, the DTC participant or indirect participant holding such interest on behalf of such beneficial owner or paying agent making payments in respect of a Note or a Warrant, as applicable, may be required to "backup" withhold a tax on each payment with respect to Notes or Warrants. This backup withholding tax is not an additional tax and may be credited against the beneficial owner's U.S. federal income tax liability if the required information is furnished to the IRS in a timely manner. Compliance with the certification procedures contained in IRS Forms W-8BEN, W-8BEN-E, W-8ECI or W-8EXP as appropriate will establish an exemption from information reporting and backup withholding for those Non-U.S. Holders who are not otherwise exempt recipients.

U.S. Holders should consult their own tax advisers regarding any reporting obligations they may have as a result of their acquisition, ownership or disposition of Notes or Warrants.

### **Reportable Transactions**

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes or the Warrants as a reportable transaction if the loss exceeds US\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes or Warrants constitutes participation in a reportable transaction for the purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of US\$10,000 in the case of a natural person and US\$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Accordingly, if a U.S. Holder realises a loss on any Note or Warrant (or, possibly, aggregate losses from the Notes or Warrants) satisfying the monetary thresholds

discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to the penalties described above. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes and the Warrants.

#### **Additional Reporting Requirements**

Certain U.S. Holders that hold an interest in a "specified foreign financial asset" will be required to attach certain information regarding such assets to their income tax return for any year in which the aggregate value of all such assets exceeds a specified threshold amount. A "specified foreign financial asset" includes any depository or custodial accounts at foreign financial institutions, non-publicly traded debt or equity interest in a foreign financial institution, and to the extent not held in an account at a financial institution, (i) stocks or securities issued by non-U.S. persons; (ii) any financial instrument or contract held for investment that has an issuer or counterparty which is not a U.S. person; and (iii) any interest in a non-U.S. entity. Penalties may be imposed for the failure to disclose such information regarding specified foreign financial assets. U.S. Holders are advised to consult their tax advisers regarding the potential reporting requirements that may be imposed on them with respect to their ownership of the Notes and the Warrants.

#### **Withholding of U.S. tax on account of FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements (each an "**IGA**") with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes and Warrants, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes or Warrants, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes or Warrants, such withholding would not apply prior to the second anniversary of the date on which final regulations defining the term "foreign passthru payments" are published in the U.S. Federal Register, and Notes or Warrants treated as debt for U.S. federal income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under "*Terms and Conditions of the Notes — Further Issues*") or Warrants (as described under "*Terms and Conditions of the Warrants — Further Issues*") that are not distinguishable from previously issued Notes or Warrants are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes or Warrants, including the Notes or Warrants offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes or Warrants. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes or Warrants, no person will be required to pay additional amounts as a result of the withholding.

**PART A -  
CERTAIN ERISA CONSIDERATIONS**

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain restrictions on employee benefit plans that are subject to Title I of ERISA ("**ERISA Plans**") and on persons who are fiduciaries with respect to such ERISA Plans. In accordance with ERISA's general fiduciary requirements, a fiduciary with respect to any such ERISA Plan who is considering the purchase of Notes or Warrants on behalf of such ERISA Plan should determine, to the extent applicable, whether such purchase is permitted under the governing ERISA Plan documents and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Other provisions of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), prohibit certain transactions between an ERISA Plan or other plan subject to Section 4975 of the Code (such plans and ERISA Plans, together "**Plans**") and persons who have certain specified relationships to the Plan (parties in interest within the meaning of Section 3(14) of ERISA or disqualified persons within the meaning of Section 4975 of the Code and collectively, "**Parties in Interest**"). Thus, a Plan fiduciary, to the extent permitted, considering the purchase of Notes or Warrants should consider whether such a purchase might constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code.

The Issuer or dealers selling Notes or Warrants may each be considered a Party in Interest with respect to many Plans. The purchase of Notes or Warrants by a Plan with respect to which any of the Issuer or the dealers selling Notes or Warrants is a Party in Interest may constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. The types of transactions between the Plans and Parties in Interest that are prohibited include: (a) sales, exchanges or leases of property, (b) loans or other extensions of credit and (c) the furnishing of goods and services. Certain Parties in Interest that participate in a non-exempt prohibited transaction may be subject to an excise tax under ERISA or the Code. In addition, the persons involved in the prohibited transaction may have to rescind the transaction and pay an amount to the Plan for any losses realized by the Plan or profits realized by such persons and certain other liabilities could result that have a significant adverse effect on such persons. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, depending in part on the type of Plan fiduciary making the decision to acquire Notes or Warrants and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "**qualified professional asset manager**"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager) issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor its affiliate has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction (in other words, not a fiduciary) and provided further that the Plan pays no more than, and receives no less than, adequate consideration in connection with the transaction). There can be no assurance that any exception or exemption from the prohibited transaction rules will be available with respect to any particular transaction involving Notes or Warrants, or that, if an exemption is available, it will cover all aspects of any particular transaction. Any purchaser that is a Plan should consult with counsel regarding the application of the exemption or any other statutory or administrative exemption.

Governmental plans (as defined in Section 3(32) of ERISA), church plans (as defined in Section 3(33) of ERISA) if no election has been made under Section 410(d) of the Code and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to Section 406 of ERISA or Section 4975 of the Code, may be subject to the provisions of applicable federal, state or local or other laws, rules or regulations ("**Similar Law**") similar to the foregoing provisions of ERISA or the Code. Fiduciaries of such plans ("**Similar Law Plans**") should consider applicable Similar Law when investing in Notes or Warrants.

The Issuer and its directors, officers, employees, agents or affiliates (collectively, the "**Transaction Parties**") have their own interests in the offering and sale of the Notes and Warrants and related transactions, which differ from the interests of any Benefit Plan Investor as defined in Section 3(42) of ERISA who considers acquiring or holding the Notes or Warrants. The existence and nature of such interests have been disclosed. Any person that, for any direct or indirect compensation, makes a suggestion, directly or indirectly, to engage in or refrain from a particular action in connection with the acquisition or holding of a Note or Warrant by any Benefit Plan Investor might be giving "investment advice" so as to become a fiduciary to the Benefit Plan Investor. The Transaction Parties are not authorised to, have not



provided and do not undertake to provide any impartial investment advice or to give advice in any fiduciary capacity to any Benefit Plan Investor or any fiduciary, representative or any of their agents.

Each purchaser or transferee and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Note or Warrant (such as an investment manager), by such purchase or holding of any offered Note or Warrant (or any interest therein) will be deemed to represent (the latter, in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note or Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note or Warrant, either that (A) such purchaser or transferee is not (and for so long as it holds the Note or Warrant or an interest therein will not be), and is not (and for so long as it holds the Note or Warrant or an interest therein will not be) acting on behalf of, a Benefit Plan Investor or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (B) such purchaser or transferee's acquisition, holding and disposition of the Note or Warrant or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following: PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law). Each purchaser and transferee of any Note or Warrant or interest therein that is a Benefit Plan Investor shall be required or deemed to represent and warrant that (x) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or any fiduciary or other person investing on behalf of the Benefit Plan Investor or who otherwise has discretion or control over the investment and management of "plan assets" (a "**Plan Fiduciary**"), on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Note or Warrant, (y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or Warrant and (z) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

The sale of Notes or Warrants to a Plan or a Similar Law Plan is in no respect a representation by the Issuer or any of its affiliates that such an investment meets all relevant legal requirements with respect to investments by Plans or Similar Law Plans generally or any particular Plan or Similar Law Plan, or that such an investment is appropriate for a Plan or a Similar Law Plan generally or any particular Plan or Similar Law Plan.

In addition, the purchaser or transferee of a Note or Warrant may be required to deliver to the Issuer and the relevant dealers a letter, in the form available from the Issuer and dealers, containing certain representations, including those contained in the preceding paragraphs.

**PART A -  
GREEN NOTES**

If the relevant Pricing Supplement specifies that a Series of Notes are "Green Notes" then, unless otherwise specified in the relevant Pricing Supplement, the Issuer intends to allocate an amount equivalent to the net proceeds of the issuance of such Series of Notes to finance or refinance eligible businesses and projects in eligible green sectors (as further described within the applicable framework specified in the relevant Pricing Supplement (the "**Applicable Framework**"), being either the HSBC Green Bond Framework dated 6 November 2015 (the "**HSBC Green Bond Framework**") or such other framework as specified in the relevant Pricing Supplement, which, in each case, will be available on the following webpage: <https://www.hsbc.com/investors/fixed-income-investors/green-and-sustainability-bonds>.

The HSBC Group will track the use of such amount via its internal information systems, and provide a progress report (the "**Progress Report**") on an annual basis (as further described in the Applicable Framework). In addition, a second party opinion has been or will be obtained from an appropriate provider to confirm the validity of the Applicable Framework. The second party opinion will be published on the following webpage: <https://www.hsbc.com/investors/fixed-income-investors/green-and-sustainability-bonds>. For each issuance of Notes that are specified in the relevant Pricing Supplement as being "Green Notes", the HSBC Group will engage an appropriate external provider to provide independent assurance with regards to the relevant Progress Report, on an annual basis as described in the Applicable Framework. The Progress Report and related assurance report will be made available to the public on the following webpage: <https://www.hsbc.com/investors/fixed-income-investors/green-and-sustainability-bonds>.

**PART A -  
GENERAL INFORMATION**

1. The continuation of the Programme and the issue of Notes and Warrants under the Programme by HBEU have been authorised by a resolution of the Board of Directors of HBEU passed on 20 March 2023.
2. The continuation of the Programme and the issue of Notes and Warrants under the Programme by HBME have been authorised by a resolution of the Board of Directors of HBME passed on 12 April 2023.
3. The continuation of the Programme and the issue of French law Notes under the Programme by HBCE have been authorised by a resolution of the Board of Directors of HBCE passed on 20 July 2022.
4. The Notes and Warrants have been accepted for clearance through Euroclear and Clearstream, Luxembourg, and may also be accepted for clearance through CREST, DTC, and any other clearing system specified in the applicable Pricing Supplement relating to the Notes or Warrants. Notes issued by HBCE have been accepted for clearance through Euroclear France. The Common Code, the International Securities Identification Number (ISIN), CUSIP and any other identifier and/or code (as applicable) in relation to the Notes and Warrants of each Series will be set out in the relevant Pricing Supplement. The address of Euroclear Bank S.A./N.V. is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium. French law Notes will be issued in bearer dematerialised form (*au porteur*) and will be inscribed in the books of Euroclear France (acting as central depository) and accepted for clearance through Euroclear France. The address of Euroclear France is 66 rue de la Victoire 75009 Paris, France. The address of Clearstream Banking, S.A. is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CREST is 33 Cannon Street, London EC4M 5SB, UK. The address of DTC is 55 Water Street, New York, New York, NY 10041, United States.
5. Settlement arrangements will be agreed between the relevant Issuer, the relevant Dealer(s) or Manager(s) and the Principal Paying Agent or, as the case may be, the Registrar, the Warrant Registrar, the CREST Registrar or Principal Warrant Agent as applicable.
6. In relation to each Issuer, any transfer of, or payment in respect of, a Note, Warrant, Coupon or Receipt involving (i) any individual or entity ("**Person**") who or which is the subject of United Nations, European Union, Swiss, United Kingdom or United States sanctions (collectively, "**Sanctions**"), (ii) any Person located or resident in or incorporated in or constituted under the laws of any country, region or territory that is the subject of Sanctions, or (iii) any Person owned or controlled by any of the foregoing or by any Person acting on behalf of the foregoing, may be subject to restrictions, including under Sanctions or other similar measures.
7. Generally, any notice, document or information to be sent or supplied by HBEU to its shareholder(s) may be sent or supplied in accordance with the Companies Act 2006 (the "**Companies Act**") (whether authorised or required to be sent or supplied by the Companies Act or otherwise) in hard copy form or in electronic form. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom HBEU is unable effectively to convene a general meeting by notices sent through the post, subject to the Companies Act, a general meeting may be convened by a notice advertised in at least one United Kingdom national newspaper. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the advertisement first appears. In any such case HBEU shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
8. Notices to the Noteholders or Warrantholders are made in accordance with the Conditions of the relevant Notes or Warrants, as applicable.
9. The current auditors of HBME are PricewaterhouseCoopers Limited, DIFC (authorised and regulated by Dubai Financial Services Authority with License no. CL0215) ("**PwC DIFC**") of Al Fattan Currency House, Tower 1, Level 8, Unit 801, DIFC, P.O. Box 11987, Dubai, United Arab Emirates. PwC DIFC has audited the consolidated financial statements of HBME for the years ended 31 December 2021 and 31 December 2022.

10. There has been no significant change in the financial or trading position of HBEU and its subsidiary undertakings nor any material adverse change in the prospects of HBEU since 31 December 2022.
11. There has been no significant change in the financial or trading position of HBME and its subsidiaries nor any material adverse change in the prospects of HBME since 31 December 2022.
12. There has been no significant change in the financial or trading position of HBCE and its subsidiaries nor any material adverse change in the prospects of HBCE since 31 December 2022.
13. Save as disclosed in Note 25 "*Provisions*" on pages 172 to 173, and Note 32 "*Legal proceedings and regulatory matters*" on pages 181 to 183, of the 2022 HBEU Annual Report and Accounts (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which HBEU is aware) during the 12-month period before the date of this Offering Memorandum which may have, or have had in the recent past, significant effects on the financial position or profitability of HBEU and its subsidiary undertakings.
14. Save as disclosed in Note 26 "*Provisions*" on page 37 and Note 35 "*Legal proceedings and regulatory matters*" on pages 70 to 71 of the 2022 HBME Annual Report and Accounts (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which HBME is aware) during the 12-month period before the date of this Offering Memorandum which may have, or have had in the recent past, significant effects on the financial position or profitability of HBME and its subsidiary undertakings.
15. Save as disclosed in Note 27 "*Provisions*" on page 233 and Note 34 "*Legal proceedings and regulatory matters relating to HSBC group entities generally*" on pages 238 to 239 of the HBCE 2022 Universal Registration Document (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which HBCE is aware) during the 12-month period before the date of this Offering Memorandum which may have, or have had in the recent past, significant effects on the financial position or profitability of HBCE and its subsidiary undertakings.
16. For so long as securities issued under this Offering Memorandum by HBEU, HBME or HBCE are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, the physical form of the following documents may be inspected during normal business hours at the registered office of the relevant Issuer:
  - (a) the articles of association of HBEU;
  - (b) the constitutional documents of HBME;
  - (c) the constitutional documents of HBCE; and
  - (d) the Financial Information.
17. The relevant Issuer or Dealer may pay to the distributor(s) (which may include affiliates of such Issuer or Dealer) of Notes or Warrants issued under this Offering Memorandum commissions or fees or may offer such Notes or Warrants to the distributor(s) at a discount to the issue price of such Notes or purchase price of such Warrants. Such commissions, fees or discounts will be as such Issuer or Dealer may agree with the distributor(s) from time to time.
18. The Legal Entity Identifier (LEI) code of HBEU is: MP615ZYZBEU3UXPYFY54.
19. The Legal Entity Identifier (LEI) code of HBME is 549300F99IL9YJDWH369.
20. The Legal Entity Identifier (LEI) code of HBCE is F0HUI1NY1AZMJMD8LP67.

**PART B1 -  
TERMS AND CONDITIONS OF THE NOTES**

*The following is the text of the terms and conditions applicable to the Notes (the "**Conditions**") of each Series issued by HBEU or HBME, for which the Pricing Supplement specifies that "Alternative Note General Conditions" do not apply. These Conditions do not apply to Notes issued by HBCE. These Conditions are completed by the Pricing Supplement and will be incorporated by reference into each Note in global form (subject to the section entitled "Part B4 - Summary of Provisions Relating to the Notes while in Global Form") and which will be endorsed on the Definitive Notes (if any) issued in exchange for Notes in global form representing each Tranche, details of the relevant Tranche being as set out in the relevant Pricing Supplement. The Pricing Supplement in relation to any Tranche 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 Tranche. Terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Part B4 - Summary of Provisions Relating to the Notes while in Global Form" below.*

The Notes are issued by HSBC Bank plc ("**HBEU**") or HSBC Bank Middle East Limited ("**HBME**") pursuant to a programme for the issuance of notes and warrants (the "**Programme**"). HSBC Continental Europe ("**HBCE**") is also an issuer under the Programme (together with HBEU and HBME, the "**Issuers**"). The relevant Pricing Supplement (as defined below) will specify which of HBEU or HBME is the "Issuer" in relation to a particular Series of Notes (as defined below). References to "**Issuer**" in these Conditions, shall mean (i) if the Notes to which these Conditions apply are issued by HBEU, HBEU and (ii) if the Notes to which these Conditions apply are issued by HBME, HBME. HBME may issue Notes either through its head office or, if so specified in the relevant Pricing Supplement, a specified branch. Notes issued by HBEU are constituted by, and have the benefit of, a deed of covenant dated on or about 25 May 2023 (the "**HBEU Deed of Covenant**"). Notes issued by HBME are constituted by, and have the benefit of, a deed of covenant dated on or about 25 May 2023 (the "**HBME Deed of Covenant**"). The Notes also have the benefit of a master note issuance agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 25 May 2023 (as further modified and/or amended from time to time, the "**Master Note Issuance Agreement**") and made between the Issuers, and HSBC Bank plc, The Hongkong and Shanghai Banking Corporation Limited and HSBC Continental Europe (formerly known as HSBC France) as dealers (in this capacity, each a "**Dealer**" and together, the "**Dealers**", which expression shall include any additional or successor Dealer(s)) and an issuing and paying agency agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 25 May 2023 (as further modified and/or amended from time to time, the "**Issuing and Paying Agency Agreement**") and made between the Issuers, HSBC Bank plc and HSBC Continental Europe as calculation agents (HSBC Bank plc or, as the case may be, HSBC Continental Europe being the "**Non-CMU Calculation Agent**" with respect to the Notes as specified in the relevant Pricing Supplement, which expression includes any successor or other Non-CMU Calculation Agent appointed pursuant to the Issuing and Paying Agency Agreement and specified in the relevant Pricing Supplement), HSBC Bank plc and HSBC Bank USA, National Association as transfer agent (HSBC Bank plc or, as the case may be, HSBC Bank USA, National Association being the "**Transfer Agent**", which expression shall include any successor or other Transfer Agent appointed pursuant to the Issuing and Paying Agency Agreement), HSBC Bank plc as the principal paying agent (HSBC Bank plc being the "**Principal Paying Agent**", which expression shall include any successor or other Principal Paying Agent appointed pursuant to the Issuing and Paying Agency Agreement and, together with any additional paying agent appointed pursuant to the Issuing and Paying Agency Agreement or the Computershare Agency Agreement (as defined below), as specified in the relevant Pricing Supplement, the "**Paying Agents**"), HSBC Bank plc as issue agent (HSBC Bank plc being the "**Issue Agent**", which expression shall include any successor or other Issue Agent appointed pursuant to the Issuing and Paying Agency Agreement), The Hongkong and Shanghai Banking Corporation Limited as CMU lodging and paying agent (The Hongkong and Shanghai Banking Corporation Limited being the "**CMU Lodging and Paying Agent**", which expression shall include any successor or other CMU Lodging and Paying Agent appointed pursuant to the Issuing and Paying Agency Agreement), The Hongkong and Shanghai Banking Corporation Limited as CMU calculation agent (The Hongkong and Shanghai Banking Corporation Limited being the "**CMU Calculation Agent**", which expression shall include any successor or other CMU Calculation Agent appointed pursuant to the Issuing and Paying Agency Agreement, and the relevant non-CMU Calculation Agent or CMU Calculation Agent specified in the relevant Pricing Supplement being the "**Calculation Agent**" in relation to the relevant Notes, The Hongkong and Shanghai Banking Corporation Limited as CMU Registrar (The Hongkong and Shanghai Banking Corporation

Limited being the "CMU Registrar", which expression shall include any successor or other CMU Registrar appointed pursuant to the Issuing and Paying Agency Agreement), and HSBC Bank plc and HSBC Bank USA, National Association as registrar (HSBC Bank plc or, as the case may be, HSBC Bank USA, National Association, being the "Registrar", which expression shall include any successor or other Registrar appointed pursuant to the Issuing and Paying Agency Agreement), and the other parties specified therein.

In addition, HBEU has entered into an agreement with Computershare Investor Services PLC dated 23 April 2010 (such agreement, as amended and/or supplemented and/or restated from time to time, the "Computershare Agency Agreement") appointing the latter as registrar and paying agent (the "CREST Registrar", which expression shall include any successor registrar and paying agent) with respect to Uncertificated Registered Notes (as defined below).

All Notes will be issued in series (each, a "Series") and each Series may comprise one or more tranches (each, a "Tranche") of Notes issued on different issue dates. Each Tranche will be the subject of a Pricing Supplement (the "Pricing Supplement"), a copy of which will be attached to or endorsed on or incorporated by reference in each Note of such Tranche. Other than the issue date, the issue price and the date for the first payment of interest, the Notes of each Series will have identical terms and conditions save that a Series may comprise Bearer Notes and Registered Notes and may comprise Notes in more than one denomination. The Notes of each Tranche will have identical terms and conditions save that a Tranche may comprise Bearer Notes and Registered Notes and may comprise Notes of different denominations.

Copies of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the HBEU Deed of Covenant, the HBME Deed of Covenant and the Computershare Agency Agreement are available for inspection by Holders (as defined below) of Notes, and copies of the relevant Pricing Supplement, this Offering Memorandum and any supplement thereto may be obtained by Holders of Notes, other than CMU Notes (as defined below), in each case during normal business hours at the specified office of the Issuer and of the Paying Agent in London or, in the case of Uncertificated Registered Notes, the CREST Registrar, or in the case CMU Notes, the specified office of the CMU Lodging and Paying Agent. The Holders (as defined in Condition 2(b) (*Form, Denomination and Title – Bearer Notes*)) for the time being of Notes (the "Noteholders", which expression shall, in the case of Bearer Notes, include reference to the Holders of the Coupons appertaining thereto) and of any coupons (the "Coupons") or talons (the "Talons") (the "Couponholders") are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the Computershare Agency Agreement, the HBEU Deed of Covenant and the HBME Deed of Covenant."

Words and expressions defined in the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement or the Computershare Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the Computershare Agency Agreement and the relevant Pricing Supplement, the relevant Pricing Supplement will prevail.

1. **Definitions**

As used in these Conditions, the following expressions shall have the following meanings:

"**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the Issue Date of the first Tranche of the Notes of the relevant Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org));

"**Accrual Yield**" means, in the case of Zero Coupon Notes, the percentage rate per annum specified as such in the relevant Pricing Supplement;

"**Administrator/Benchmark Event**" means, in relation to any Series of Notes and an Applicable Benchmark, an event or circumstance which has the effect that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use such Applicable Benchmark to perform its or their obligations under the Notes;

**"Administrator/Benchmark Event Date"** means, in respect of any Administrator/Benchmark Event, the date from which the Applicable Benchmark may no longer be used under any applicable law or regulation by the Issuer or the Calculation Agent;

**"Affected Relevant Benchmark"** means, in relation to any Series of Notes, the Relevant Benchmark affected by a Benchmark Trigger Event;

**"Agents"** means each of the Paying Agents, the Transfer Agent, the Issue Agent, the CMU Lodging and Paying Agent, the Registrar and the CMU Registrar ;

**"Aggregate Outstanding Nominal Amount"** means, in respect of Notes which are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the aggregate outstanding nominal amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes;

**"Alternative Payment Currency"** means the currency, which may be Offshore RMB, specified as such in the relevant Pricing Supplement or, if no such currency is specified, USD;

**"Alternative Payment Currency Equivalent"** means the relevant amount in the Settlement Currency determined by the Calculation Agent converted into the relevant Alternative Payment Currency using the Alternative Payment Currency Exchange Rate for the relevant Alternative Payment Currency Fixing Date;

**"Alternative Payment Currency Exchange Rate"** means:

- (i) the rate of exchange between the Settlement Currency and Alternative Payment Currency (expressed as the number of units of Alternative Payment Currency per one unit of Settlement Currency or as the number of units of Settlement Currency per one unit of Alternative Payment Currency (as applicable)) as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time on the Alternative Payment Currency Fixing Date and as observed by the Calculation Agent;
- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Alternative Payment Cross Currency Rate and the Settlement Currency Exchange Rate, as determined by the Calculation Agent; or
- (iii) such other rate as may be specified in the relevant Pricing Supplement.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Alternative Payment Currency Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent and (a) if Alternative Payment Currency Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate in accordance with the Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Alternative Payment Currency Exchange Rate in accordance with such Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in its discretion; or (b) if such Alternative Payment Currency Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in accordance with sub-paragraphs (X)(A) or (X)(B), as applicable, of Condition 9(f) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

**"Alternative Payment Cross Currency Rate"** means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Alternative Payment Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

**"Alternative Payment Currency Fixing Date"** means:

- (i) the date specified as such in the Pricing Supplement;
- (ii) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate); or
- (iii) otherwise, the fifth day (or such other number of days specified in the relevant Pricing Supplement) prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate).

If such date falls on a day that is a Saturday or Sunday or on which commercial banks are not open for general business and dealings in foreign exchange in the jurisdiction or place specified in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, the Alternative Payment Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction (a "**closed day**"), then:

- (x) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the Alternative Payment Currency Fixing Date shall be the immediately following calendar day that is not a closed day; and
- (y) otherwise, the Alternative Payment Currency Fixing Date shall be the immediately preceding calendar day that is not a closed day;

**"Alternative Payment Currency Fixing Page"** means the Reuters or other screen page specified as such in the relevant Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate by reference to the spot rate prevailing in the international exchange market;

**"Alternative Payment Currency Fixing Time"** means (i) the time and place specified as such in the relevant Pricing Supplement or, such other time and place as the Calculation Agent determines in the case of a successor page to the Alternative Payment Currency Fixing Page specified in the Pricing Supplement or (ii) if no such time and place is specified in the Pricing Supplement, such time and place as the Calculation Agent determines;

**"Alternative Payment Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement or, if the Alternative Payment Currency Jurisdiction is USD, the United States of America;

**"Alternative Payment Settlement Days"** means the number of local banking days specified as such in the relevant Pricing Supplement or if the relevant Pricing Supplement does not specify any Alternative Payment Settlement Days then the Alternative Payment Settlement Days shall be deemed to be 3 local banking days;

**"Alternative Pre-nominated Index"** means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the relevant Pricing Supplement as an "Alternative Pre-nominated Index" and which is not subject to a Benchmark Trigger Event;

**"Applicable Benchmark"** means any of the following:

- (a) a Relevant Benchmark;
- (b) a Reference Rate;
- (c) any index, benchmark or other price source that is referred to in a Relevant Benchmark;
- (d) any rate that applies as a fallback pursuant to Conditions 5(e)(v), 5(e)(vi) or 5(e)(vii);



- (e) an Alternative Pre-nominated Index used pursuant to Condition 15(A) (*Consequences of a Benchmark Trigger Event*); and
- (f) a Replacement Index used pursuant to Condition 15(A) (*Consequences of a Benchmark Trigger Event*);

**"Applicable Fallback Effective Date"** means, in respect of an Applicable Benchmark and an Index Cessation Event or an Administrator/Benchmark Event, the Index Cessation Effective Date or the Administrator/Benchmark Event Date, as applicable;

**"Benchmark Trigger Event"** means:

- (i) in respect of a Series of Notes that references a Relevant Benchmark that is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate:
  - (A) an Index Cessation Event; or
  - (B) an Administrator/Benchmark Event; and
- (ii) in respect of any other Series of Notes, an Administrator/Benchmark Event;

**"Business Centre"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Business Day"** means:

- (i) in relation to a Note in respect of which amounts are payable in euro, a Euro Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Business Centre and on which the relevant Clearing System is open for business; or
- (ii) in relation to any other Note, a day on which commercial banks and foreign exchange markets settle payments generally in each Business Centre and on which the relevant Clearing System is open for business;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred; **provided, however, that:**
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day

falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Amount"** means the amount in the Denomination Currency specified as such in the relevant Pricing Supplement;

**"Clearing System"** means, in relation to a Series of Notes, Euroclear, Clearstream, Luxembourg, the CMU, DTC, CREST and/or any other clearing system specified in the relevant Pricing Supplement in which Notes of the relevant Series are for the time being held, or, in relation to an individual Note, in which that Note is for the time being held;

**"Clearing System Currency Eligibility Event"** means the relevant Clearing System(s) ceases to accept payments in the Settlement Currency;

**"Clearstream, Luxembourg"** means Clearstream Banking S.A.;

**"CMU"** means Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority;

**"CMU Notes"** means notes cleared through the CMU;

**"Combined Global Registered Note"** means a Registered Note in global form eligible for sale in the United States to "qualified institutional buyers" or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers", in each case in reliance on Rule 144A under the Securities Act and to non U.S. persons (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act;

**"Conversion Rate"** means:

- (i) the conversion rate of exchange specified as such in the relevant Pricing Supplement;
- (ii) if such rate is not specified in the relevant Pricing Supplement, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as published on the Conversion Rate Fixing Page at the Conversion Rate Fixing Time on the Conversion Rate Fixing Date and as observed by the Calculation Agent; or
- (iii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the conversion rate of exchange determined in accordance with, or derived from the Denomination Currency Conversion Rate and the Settlement Currency Conversion Rate, as determined by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on a Conversion Rate Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent, and (a) if Conversion Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Conversion Rate in accordance with the Conversion Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Conversion Rate in accordance with such Conversion Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Conversion Rate in its discretion; or (b) if Conversion Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Conversion Rate in accordance with

Condition 9(f) (*Price Source Disruption and FX Disruption*) or Condition 9(g) (*EM Price Source Disruption*) (as applicable) or, if neither Price Source Disruption or EM Price Source Disruption are specified as applicable in the relevant Pricing Supplement, in its discretion;

**"Conversion Rate Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place specified as such in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, Denomination Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

**"Conversion Rate Fixing Date"** means each of the dates specified as such in the relevant Pricing Supplement or if such date is not a Conversion Rate Business Day the immediately following day that is a Conversion Rate Business Day or, if such date is not specified in the relevant Pricing Supplement, the fifth Conversion Rate Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be a Conversion Rate Business Day if the market was not aware of it not being a Conversion Rate Business Day (by means of a public announcement or by reference to other publicly available information) on the Conversion Rate Fixing Date notwithstanding it subsequently ceases to be a Conversion Rate Business Day for any reason or the market subsequently becomes aware that it was not a Conversion Rate Business Day);

**"Conversion Rate Fixing Page"** means the Reuters or other screen page specified as such in the Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Conversion Rate by reference to the spot rate prevailing in the international exchange market;

**"Conversion Rate Fixing Time"** means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Conversion Rate Fixing Page specified in the Pricing Supplement;

**"CREST"** means Euroclear UK & International Limited (formerly known as CRESTCo Limited);

**"Cross Currency"** means the currency specified as such in the relevant Pricing Supplement, or if such currency is not specified in the relevant Pricing Supplement, the Cross Currency shall mean USD;

**"Cross Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in the relevant Pricing Supplement and:

- (i) if **"Actual/Actual"**, **"Actual/Actual (ISDA)"**, **"Act/Act"** or **"Act/Act (ISDA)"** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/Actual (ICMA)"** or **"Act/Act (ICMA)"** is so specified means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual

number of days in such Regular Period and (2) the number of Regular Periods in any one year; and

- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (iii) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vii) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (viii) if "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

"**Deferral Period**" has the meaning ascribed thereto in Condition 9(f) (*Price Source Disruption and FX Disruption*);

"**Denomination Currency**" means the currency of denomination of the Notes specified as such in the relevant Pricing Supplement;

"**Denomination Currency Conversion Rate**" means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Denomination Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

"**Denomination Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**DIFC**" means Dubai International Financial Centre;

"**DTC**" means the Depository Trust Company;

"**Early Redemption Amount**" means, in relation to each Note or Calculation Amount, as applicable, an amount equal to the percentage per Calculation Amount, its Fair Market Value or such other early redemption amount, in each case as specified in the relevant Pricing Supplement

and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"EM Deferral Period"** means, in respect of a Scheduled FX Fixing Date, a period of such number of calendar days as specified in the relevant Pricing Supplement, beginning on and including the relevant Scheduled FX Fixing Date;

**"EMU Event"** means the occurrence of any of the following, as determined by the Calculation Agent, acting in a commercially reasonable manner:

- (i) the withdrawal from legal tender of any currency that, before the introduction of the euro, was lawful currency in one of the member states;
- (ii) the redenomination of any underlying value to which the Notes relate into euro;
- (iii) any change in the currency of denomination of any index;
- (iv) any change in the currency in which some or all the securities or other property contained in any index is denominated;
- (v) the disappearance or replacement of a relevant rate option or other price source for the national currency of any member state, or the failure of the agreed sponsor (or successor sponsor) to publish or display a relevant rate, index, price, page or screen; or
- (vi) the change by any organised market, exchange or clearance, payment or settlement system in the unit of account of its operating procedures to the euro;

**"Euro", "euro" "EUR", "€"** each means the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty;

**"Euro Business Day"** or **"TARGET Business Day"** means a day on which T2 is open for settlement of payments in euro;

**"Euroclear"** means Euroclear Bank S.A./N.V.;

**"exchange date"** shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in the manner specified in Condition 13 (*Replacement, Exchange and Transfer*);

**"Fair Market Value"** means, in relation to any Note, its fair market value immediately prior to the relevant redemption date, as determined by the Calculation Agent in consultation with the Issuer, less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements, and any such calculation of the fair market value shall have the effect of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make payments in respect of the Notes which would, but for any early redemption (in the case of any early redemption of such Notes), have fallen due after the relevant early redemption date. For the purposes of calculating the Fair Market Value following an Event of Default pursuant to Condition 11 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes;

**"Fallback Conversion Rate"** means, on any date, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as determined by the Calculation Agent in good faith and published on the Fallback Conversion Rate Fixing Page at the Fallback Conversion Rate Fixing Time for such date;

**"Fallback Conversion Rate Fixing Page"** means the Reuters or other screen page or the relevant section of the EMTA website specified as such in the Pricing Supplement (or any successor page or website thereof), or if such page or section of the EMTA website is not specified in the relevant

Pricing Supplement or there is no successor page or website, the Calculation Agent will determine the relevant Conversion Rate;

**"Fallback Conversion Rate Fixing Time"** means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Fallback Conversion Rate Fixing Page specified in the Pricing Supplement;

**"Final Redemption Amount"** has the meaning ascribed thereto in Condition 7(a) (*Redemption and Purchase - At Maturity*);

**"Fixed/Floating Rate Notes"** means a Note for which Fixed Rate Note provisions (for an initial period from the Issue Date) and Floating Rate Note provisions (for a subsequent period) are specified in the relevant Pricing Supplement as applicable;

**"Fixed Rate Note"** means a Note which bears interest at a fixed rate and in respect of which Condition 4 (*Fixed Rate Note Provisions*) is applicable;

**"Floating Rate Note"** means a Note which bears interest at a floating rate and in respect of which the relevant provisions of Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions*) are applicable;

**"Floating Rate Option"** means, in relation to a Note to which ISDA Determination applies, a rate or price source specified as such in the relevant Pricing Supplement;

**"FX Cut-off Date"** has the meaning ascribed thereto in Condition 9(f) (*Price Source Disruption and FX Disruption*);

**"FX Disruption Event"** means the occurrence, as determined by the Calculation Agent, of (i) (a) an Inconvertibility, (b) Non-transferability, (c) Illiquidity or (d) any other event affecting the Denomination Currency, Cross Currency, Reference Currency, Settlement Currency or Specified Currency (as applicable) (the **"FX Disruption Relevant Currency"**) which would make it unlawful or impractical in whole or in part (including without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial power) for the Issuer (or the Issuer's affiliate) to pay or receive amounts in the FX Disruption Relevant Currency under or in respect of any hedging arrangement relating to or connected with the FX Disruption Relevant Currency; or (ii) if Offshore RMB is specified as the applicable FX Disruption Relevant Currency, each of the events specified in (i) above, plus an Offshore RMB Disruption;

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the Settlement Currency Jurisdiction or, where the Settlement Currency is specified to be RMB, in mainland China and each Offshore RMB Centre;

**"Government Bonds"** means, in relation to a Series of Notes, bonds or any other debt securities issued by a government, government agency or subdivision or a transnational or supranational organisation as specified in the relevant Pricing Supplement and **"Government Bond"** shall be construed accordingly;

**"Illiquidity"** means where the foreign exchange market in the Settlement Currency Jurisdiction becomes illiquid after the Trade Date and, as a result of which, the Issuer cannot obtain sufficient Settlement Currency in order to satisfy its obligation to pay any amount in respect of the Notes as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation (if practicable) with two Reference Dealers;

**"Inconvertibility"** means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the foreign exchange market in the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental

Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Index Cessation Event"** means, in respect of a Series of Notes that references an Applicable Benchmark which is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate, the occurrence or existence, as determined by the Issuer, of one or more of the following events:

- (a) a public statement or publication of information by or on behalf of the administrator of the Applicable Benchmark announcing that it has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark;
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Applicable Benchmark, the central bank for the currency of the Applicable Benchmark, an insolvency official with jurisdiction over the administrator for the Applicable Benchmark, a resolution authority with jurisdiction over the administrator for the Applicable Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Applicable Benchmark, which states that the administrator of the Applicable Benchmark has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark;
- (c) if the Applicable Benchmark is the Sterling London interbank offered rate, the Swiss Franc London interbank offered rate, the U.S. Dollar London interbank offered rate, the Euro London interbank offered rate or the Japanese Yen London interbank offered rate (each, a **"Specified Rate"**), or is a swap rate which references a swap transaction with a floating leg of a Specified Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Applicable Benchmark announcing that (i) the regulatory supervisor has determined that such Applicable Benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark is intended to measure and that representativeness will not be restored and (ii) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;
- (d) if the Relevant Benchmark is SOR, if SOR for a tenor equal to the relevant Interest Period (the **"relevant tenor"**) is not published by ABS Benchmarks Administration Co Pte. Ltd. (or any successor administrator) (the **"SOR Administrator"**) or an authorised distributor and is not otherwise provided by the SOR Administrator, and as of the day that is two Singapore and London Banking Days (as defined below) preceding the next following Interest Payment Date, the U.S. Dollar London interbank offered rate for the relevant tenor has been permanently discontinued or is Non-Representative (as defined below) and there is either no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is longer than the relevant tenor or no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is shorter than the relevant tenor (and for these purposes (x) the U.S. Dollar London interbank offered rate in a particular tenor shall be **"Non-Representative"** if the regulatory supervisor for the administrator of such rate (i) has determined and announced that such rate in such tenor is no longer representative of the underlying market and economic reality that such rate is intended to measure and representativeness will not be restored and (ii) is aware that certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts have been or are engaged, and (y) a **"Singapore and London Banking Day"** means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Singapore and London); or



- (e) in respect of an Applicable Benchmark which has an Underlying Fallback Rate, a public statement or publication of information by the regulatory supervisor for the administrator of the Underlying Fallback Rate, the central bank for the currency of the Underlying Fallback Rate, an insolvency official with jurisdiction over the administrator for the Underlying Fallback Rate, a resolution authority with jurisdiction over the administrator for the Underlying Fallback Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Underlying Fallback Rate, which states that the administrator of the Underlying Fallback Rate has ceased or will cease to provide the Underlying Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Underlying Fallback Rate (and, for these purposes, an "**Underlying Fallback Rate**" in relation to an Applicable Benchmark shall be such rate (if any) as the Issuer determines is the rate underlying such Applicable Benchmark);

**"Index Cessation Effective Date"** means:

- (a) the first date on which the Applicable Benchmark would ordinarily have been published or provided and is no longer published or provided; or
- (b) in the case of limb (c) of the definition of "Index Cessation Event," the first date on which the Applicable Benchmark would ordinarily have been published or provided and is either:
  - (i) no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark is intended to measure and that representativeness will not be restored, by reference to the most recent statement or publication contemplated in such limb (c), and even if such Applicable Benchmark continues to be published or provided on such date; or
  - (ii) no longer published or provided;

**"Index-Linked Interest Note"** means a Note which bears interest at a rate determined by reference to an index or any other variable as specified in the relevant Pricing Supplement and in respect of which Condition 5(f) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions*) is applicable;

**"Initial Underlying Currency Pair Exchange Rate"** means the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference Currency (as applicable)) specified as such in the relevant Pricing Supplement;

**"Interest Commencement Date"** means the date specified as such in the relevant Pricing Supplement;

**"Interest Determination Date"** means the day determined by the Calculation Agent to be customary for determining the Reference Rate applicable for the relevant Interest Period or as otherwise specified in the relevant Pricing Supplement;

**"Interest Payment Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest

Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"IRC"** means the U.S. Internal Revenue Code of 1986;

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor);

**"ISDA Definitions"** has the meaning given in the relevant Pricing Supplement;

**"Issue Date"** means the date specified as such in the relevant Pricing Supplement;

**"LBMA"** means the London Bullion Market Association or its successor;

**"LBMA Physical Settlement Commodity"** means each commodity specified as such in the relevant Pricing Supplement;

**"LBMA Physical Settlement Disruption Event"** means, as determined by the Calculation Agent, an event which is beyond the control of the Issuer or the transferor of the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes and as a result of which the Issuer or such transferor is unable to effect a relevant delivery;

**"LBMA Physical Settlement Fallback Redemption Amount"** means an amount in the Settlement Currency, US Dollar or such other currency as determined by the Calculation Agent in its sole and absolute discretion in respect of each Note determined by the Calculation Agent, in its sole and absolute discretion, with reference to the price of the LBMA Physical Settlement Commodity to in the spot market on the relevant Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as applicable);

**"LBMA Physical Settlement Market Disruption Event"** means: (i) the material suspension of, or the material limitation imposed on, trading in the LBMA Physical Settlement Commodity on any exchange or principal trading market which the Calculation Agent considers material in relation to the Notes; (ii) the disappearance of, or of trading in the LBMA Physical Settlement Commodity; or (iii) the disappearance or permanent discontinuance or unavailability of the Conversion Rate or Underlying Currency Pair Exchange Rate notwithstanding the status of trading in the LBMA Physical Settlement Commodity;

**"LBMA Transfer Notice"** has the meaning given in Condition 9(i) (*Payments – LBMA Physical Settlement*);

**"local banking day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent, the Paying Agent, or the Registrar or the Transfer Agent to which the relevant Note or Coupon is presented for payment is located;

**"Margin"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Maturity Date"** has the meaning ascribed thereto in Condition 7(a) (*Redemption and Purchase - At Maturity*);

**"Maximum Interest Rate"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Maximum Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Maximum Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

"**Minimum Interest Rate**" means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

"**Minimum Redemption Amount (Call Option)**" means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

"**Minimum Redemption Amount (Put Option)**" means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

"**National Currency Unit**" means the national currency unit of any Participating Member State that becomes a denomination of the euro by reason of Council Regulation (EC) No. 1103/97, Council Regulation (EC) No. 974/98 or any other applicable laws;

"**Non-transferability**" means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to transfer Settlement Currency between accounts inside the Settlement Currency Jurisdiction or from an account inside the Settlement Currency Jurisdiction to an account outside the Settlement Currency Jurisdiction or from an account outside the Settlement Currency Jurisdiction to an account inside the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Offshore RMB**" means RMB that is freely deliverable between accounts in the Offshore RMB Centre in accordance with the law and applicable regulation and guidelines issued by relevant authorities in the Offshore RMB Centre prevailing as of the Trade Date of the Notes;

"**Offshore RMB Centre**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**Offshore RMB Disruption**" means the occurrence of, as determined by the Calculation Agent, an Offshore RMB Inconvertibility, Offshore RMB Non-transferability or Offshore RMB Illiquidity;

"**Offshore RMB Illiquidity**" means the occurrence of any event after the Trade Date that makes it impossible (where it has previously been possible) for the Issuer to obtain a firm quote of an offer price in respect of any amount in Offshore RMB in order to satisfy its obligation to pay an amount under the Notes (the "**Relevant Disrupted Amount**"), in each case on the due date for payment, Valuation Date, Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as the case may be), either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such Relevant Disrupted Amount, in the general Offshore RMB exchange market in each Offshore RMB Centre in order to perform its obligations under the Notes;

"**Offshore RMB Inconvertibility**" means the occurrence of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to convert an amount of Offshore RMB no less than the Relevant Disrupted Amount into or from USD (or, if the Settlement Currency specified in the Pricing Supplement is other than USD, then such Settlement Currency) in the general Offshore RMB exchange market in each Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Offshore RMB Non-Transferability**" means the occurrence in each Offshore RMB Centre of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to transfer Offshore RMB (i) between accounts inside an Offshore RMB Centre, (ii) from an account inside an Offshore RMB Centre to an account outside such Offshore RMB Centre and outside mainland China, or (iii) from an account outside an Offshore RMB Centre and outside mainland China to an account inside such Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation

enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation). For the purpose of Offshore RMB Non-Transferability and Hong Kong as an Offshore RMB Centre only, a segregated Chinese Renminbi fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong;

**"Optional Redemption Date (Call Option)"** means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(c) (*Redemption at the Option of the Issuer*);

**"Optional Redemption Date (Put Option)"** means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(d) (*Redemption at the Option of the Noteholders*);

**"Participating Member States"** means any member state of the European Union which adopts the single currency in accordance with the Treaty;

**"Price Materiality"** means the Calculation Agent has determined that the Conversion Rate differs from the Fallback Conversion Rate by the Price Materiality Threshold Percentage or more (**provided that** if the Calculation Agent is unable to determine the Fallback Conversion Rate, the Calculation Agent may determine in its sole discretion whether a Price Materiality has occurred).

**"Price Materiality Threshold Percentage"** means the percentage specified as such in the Pricing Supplement, or is no such percentage is specified, three per cent.

**"Price Source Disruption"** means, in relation to a Relevant Rate, such Relevant Rate is not available for any reason as determined by the Calculation Agent;

**"Rate of Interest"** means:

- (i) where the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest specified as such in the relevant Pricing Supplement;
- (ii) where the Floating Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with Conditions 5(c) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions – Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA*), 5(d) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions – ISDA Determination*), as applicable or 5(e) (*Floating Rate Note, Index Linked Interest Note and other variable-linked interest Note provisions – Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA*); and
- (iii) where the Index-Linked Interest Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with Condition 5(f) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions - Index-Linked Interest*);

**"Redemption Amount"** has the meaning given in Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"Redenomination Date"** means a date (being, in the case of interest-bearing Notes, a date on which interest in respect of such Notes is payable) which:

- (i) is specified by the Issuer in the notice given to the Noteholders pursuant to Condition 10(a) (*Redenomination - General*); and
- (ii) falls on or after such date as the country of the Settlement Currency becomes a Participating Member State;

**"Reference Bank(s)"** means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Reference Dealers"** means leading dealers in the relevant foreign exchange market, as determined by the Calculation Agent;

**"Reference Currency Exchange Rate"** means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Reference Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

**"Reference Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Reference Rate"** has the meaning given in the relevant Pricing Supplement;

**"Regular Period"** means:

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

**"Related Payment Date"** means any payment date on the Notes on which the amount payable is calculated by reference to the Relevant Rate determined on the related Scheduled FX Fixing Date;

**"Relevant Banking Day"** means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Note for a Registered Note where such request for exchange is made to the Principal Paying Agent or the Transfer Agent, in the place where the specified office of the Principal Paying Agent or, as the case may be, the Transfer Agent is located;

**"Relevant Benchmark"** means, in relation to any Series of Notes:

- (a) each Reference Rate, Floating Rate Option or other interest rate, yield, cost of fund or similar rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Reference Rate or Floating Rate Option);

- (b) each Relevant Rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Relevant Rate);
- (c) each Index specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Index);
- (d) each Commodity Reference Price specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Commodity Reference Price); or
- (e) any other index, benchmark or price source specified in the relevant Pricing Supplement as being applicable to such Notes.

To the extent that any index, benchmark or price source constitutes an Alternative Pre-nominated Index or Replacement Index used pursuant to Condition 15A (*Consequences of a Benchmark Trigger Event*), such index, benchmark or price source, as applicable, shall be a "Relevant Benchmark" from the day on which it is first used;

**"Relevant Benchmark Determination Date"** means, in relation to any Series of Notes and a Relevant Benchmark, a date on which the rate, level or value of such Relevant Benchmark falls to be determined in accordance with the Conditions;

**"Relevant Benchmark Related Payment Date"** means, in relation to any Series of Notes, a Relevant Benchmark and a Relevant Benchmark Determination Date, any payment date under the Notes for which the amount payable is calculated by reference to the Relevant Benchmark as determined on such Relevant Benchmark Determination Date;

**"Relevant Currency"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Currency Business Day"** means, in relation to a Relevant Rate that is the:

- (i) Alternative Payment Currency Exchange Rate or Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate (which is being determined for the purposes of determining the Alternative Payment Currency Exchange Rate), an Alternative Payment Currency Fixing Date;
- (ii) Conversion Rate or Denomination Currency Conversion Rate or Settlement Currency Conversion Rate (which is being determined for the purposes of determining the Conversion Rate), a Conversion Rate Business Day; or
- (iii) Underlying Currency Pair Exchange Rate, Specified Currency Exchange Rate or Reference Currency Exchange Rate, an Underlying Currency Pair Business Day;

**"Relevant Financial Centre Day"** means 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 or centres for the currency in which payment falls to be made (or, where such currency is a National Currency Unit and the Notes have been redenominated into euro pursuant to Condition 10 (*Redenomination*), the former principal financial centre or centres) and in any other place set out in the Pricing Supplement. In the case of payments which fall to be made in euro (save for payments in relation to Notes which have been redenominated into euros pursuant to Condition 10 (*Redenomination*)), a Euro Business Day. The Relevant Financial Centre Days in relation to any Tranche determined in accordance with the above provisions as at the Issue Date shall be specified in the relevant Pricing Supplement;

**"Relevant Financial Centre"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Jurisdiction"** means:

- (a) in relation to any Notes issued by HBEU, the United Kingdom; and

- (b) in relation to any Notes issued by HBME, DIFC and/or UAE, as the case may be;

**"Relevant Nominating Body"** means, in respect of a Relevant Benchmark:

- (a) the central bank for the currency in which the Relevant Benchmark is denominated or any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark; or
- (b) any working group or committee sponsored by, chaired or co-chaired by, or constituted at the request of (i) the central bank for the currency in which the Relevant Benchmark is denominated, (ii) any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark, (iii) a group of those central banks or other supervisors or (iv) the Financial Stability Board or any part thereof;

**"Relevant Rate"** means the Alternative Payment Currency Exchange Rate, Alternative Payment Cross Currency Rate, Conversion Rate, Denomination Currency Conversion Rate, Reference Currency Exchange Rate, Settlement Currency Exchange Rate, Settlement Currency Conversion Rate, Specified Currency Exchange Rate or Underlying Currency Pair Exchange Rate (as applicable);

**"Relevant Reference Asset Fallback Provisions"** means:

- (a) in relation to a Series of Index-Linked Notes where the Affected Relevant Benchmark is an Index, Condition 22(f)(iii) (*Index Cancellation*), as if the relevant Benchmark Trigger Event were an Index Cancellation;
- (b) in relation to a Series of Commodity/Commodity Index-Linked Notes where the Affected Relevant Benchmark is a Commodity Reference Price, Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*), as if the relevant Benchmark Trigger Event were a Disappearance of a Commodity Reference Price;
- (c) in relation to any Series of Notes where the Affected Relevant Benchmark is a Relevant Rate:
- (i) if (A) "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or (B) neither "Price Source Disruption" nor "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, Condition 9(f) (*Price Source Disruption and FX Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption; and
- (ii) if "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, Condition 9(g) (*EM Price Source Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption; and
- (d) in relation to any Series of Notes where the Affected Relevant Benchmark is a Reference Rate, the fallback provisions in respect of such Affected Relevant Benchmark contained in Conditions 5(c) (*Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA*) or 5(e) (*Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA*) (as applicable);

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Pricing Supplement;

**"Replacement Index"** has the meaning given to it in Condition 15A(a)(ii)(A) (*Consequences of a Benchmark Trigger Event*);

"**Renminbi**", "**RMB**" and "**CNY**" all refer to the lawful currency of mainland China;

"**Restricted Global Registered Note**" means a Registered Note in global form issued and sold solely within the United States to "qualified institutional buyers" or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) who are "qualified institutional buyers", in each case in reliance on Rule 144A under the Securities Act;

"**Rule 144A Global Registered Note**" means a Registered Note in global form eligible for sale in the United States to "qualified institutional buyers" or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers", in each case in reliance on Rule 144A under the Securities Act and to non U.S. persons (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act;

"**Scheduled FX Fixing Date**" means any day on which the Calculation Agent is required to determine a Relevant Rate;

"**Settlement Currency**" means the currency specified as such in the relevant Pricing Supplement;

"**Settlement Currency Conversion Rate**" means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

"**Settlement Currency Exchange Rate**" means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

"**Settlement Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**SOR**" means the synthetic rate for deposits in Singapore Dollars known as the Singapore Dollar Swap Offer Rate provided by ABS Benchmarks Administration Co Pte. Ltd., as the administrator of the benchmark (or a successor administrator);

"**Specified Currency**" means the currency specified as such in the relevant Pricing Supplement;

"**Specified Currency Exchange Rate**" means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Specified Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

"**Specified Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**Specified Denomination**" means, with respect to a Note in definitive form, the denomination of such Note;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**Trade Date**" means the date specified as such in the relevant Pricing Supplement;

"**Transfer date**" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer;

"**Transfer Expenses**" means, with respect to any Notes, all stamp, transfer, registration and similar duties and all expenses, scrip fees, levies and registration charges payable on or in respect of or arising on, or in connection with, the purchase or transfer, delivery or other disposition by the



transferor to the order of the relevant Noteholders of any underlying value to which the Notes relate;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**UAE**" means the United Arab Emirates;

"**Underlying Currency Pair Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place as specified in the relevant Pricing Supplement or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Reference Currency Jurisdiction(s), the Specified Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

"**Underlying Currency Pair Exchange Rate**" means:

- (i) the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference Currency (as applicable)) as published on the Underlying Currency Pair Fixing Page at the Underlying Currency Pair Fixing Time on an Underlying Currency Pair Fixing Date and as observed by the Calculation Agent or
- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Specified Currency Exchange Rate and the Reference Currency Exchange Rate, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Underlying Currency Pair Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent, and (a) if Underlying Currency Pair Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate in accordance with the Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Underlying Currency Pair Exchange Rate in accordance with such Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in its discretion; or (b) if such Underlying Currency Pair Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in accordance with sub-paragraph (X)(A) or (X)(B), as applicable, of Condition 9(f) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

"**Underlying Currency Pair Fixing Date**" means each of the dates specified as such in the relevant Pricing Supplement or, if such date is not an Underlying Currency Pair Business Day the immediately following day that is an Underlying Currency Pair Business Day, or if such date is not specified in the relevant Pricing Supplement, the fifth Underlying Currency Pair Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be an Underlying Currency Pair Business Day if the market was not aware of it not being an Underlying Currency Pair Business Day (by means of a public announcement or by reference to other publicly available information) on the Underlying Currency Pair Fixing Date notwithstanding it subsequently ceases to be an Underlying Currency Pair Business Day for any reason or the market subsequently becomes aware that it was not an Underlying Currency Pair Business Day);

"**Underlying Currency Pair Fixing Page**" means the Reuters or other screen page as specified as such in the Pricing Supplement or any successor page thereof or, if not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant

Underlying Currency Pair Exchange Rate by reference to the relevant spot rate prevailing in the international exchange market;

"**Underlying Currency Pair Fixing Time**" means the time and place as specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Underlying Currency Pair Fixing Page specified in the Pricing Supplement;

"**Unscheduled Holiday**" means, in relation to a Relevant Rate, a day, determined by the Calculation Agent, that is not a Relevant Currency Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until on or later than the second Relevant Currency Business Day (or such other number of Relevant Currency Business Days specified in the relevant Pricing Supplement) immediately preceding the Scheduled FX Fixing Date;

"**USD**" means the lawful currency of the United States of America;

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement and in respect of which Condition 6 (*Zero Coupon Notes*) is applicable; and

"**Zero Coupon Note Reference Price**" means the price per Note specified as such in the relevant Pricing Supplement.

2. **Form, Denomination and Title**

(a) ***Form; Certifications***

Notes are issued in bearer form ("**Bearer Notes**"), in registered form ("**Registered Notes**") or in uncertificated registered form ("**Uncertificated Registered Notes**") as set out in the relevant Pricing Supplement. Bearer Notes issued in definitive form are referred to as "**Definitive Notes**". Definitive Notes will be serially numbered. In the case of Registered Notes, a certificate will be issued to each Noteholder in respect of its registered holding. Each such certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") maintained by the Registrar in respect of the Registered Notes. No single Tranche or Series of Notes offered in reliance on Rule 144A may include Bearer Notes.

(b) ***Bearer Notes***

(i) ***Denomination***

Subject to Condition 10 (*Redenomination*), Bearer Notes will be in the denomination(s) specified in the relevant Pricing Supplement. Bearer Notes of one denomination will not be exchangeable after their initial delivery for Notes of any other denomination.

(ii) ***General; Title***

Interest bearing Definitive Notes will, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery Coupons, presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest bearing Definitive Notes will also, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery, a Talon for further coupons and the expression "**Coupons**" shall, where the context so permits, include Talons.

Notes, the principal amount of which is repayable in instalments ("**Instalment Notes**") which are Definitive Notes will have endorsed thereon a grid for recording the repayment of principal or will, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the instalments of principal.

Subject as set out below, title to Bearer Notes will pass by delivery. References herein to the "**Holder**s" of Bearer Notes or of Coupons are to the bearers of such Bearer Notes or such Coupons.

To the extent permitted by law, the Issuer, the Principal Paying Agent, any other Paying Agents, the CMU Lodging and Paying Agent, the Registrar and the CMU Registrar may deem and treat the Holder of any Bearer Note or of any Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of receiving payment on account thereof and for all other purposes.

(c) **Registered Notes**

(i) *Denomination*

Registered Notes will be in the denomination(s) and multiples specified in the relevant Pricing Supplement.

(ii) *General; Title*

Title to Registered Notes passes by registration in the Register. References herein to the "**Holder**s" of Registered Notes are to the persons in whose names such Registered Notes are so registered in the Register.

To the extent permitted by law, the Issuer, the Principal Paying Agent, the CMU Lodging and Paying Agent, any other Paying Agents, the Registrar and the CMU Registrar may deem and treat the person in whose name any Registered Note is registered (and, if more than one, the first named thereof) as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of receiving payment on account thereof and for all other purposes.

(iii) *Regulations concerning transfer and registration of Registered Notes*

All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations (the "**Regulations**") concerning exchange and transfer of Registered Notes scheduled to the Issuing and Paying Agency Agreement. The Regulations may be amended, supplemented or replaced by the Issuer with the prior written approval of the Registrar, or in the case of CMU Notes, the CMU Registrar, but without the consent of the Holders of any Notes. A copy of the current Regulations are available for inspection during usual business hours at the specified office of the Registrar, or in the case of CMU Notes, the CMU Registrar, and/or the Transfer Agents.

(iv) *Rule 144A Legends*

Upon the transfer, exchange or replacement of Registered Notes bearing the private placement legend for the purpose of Rule 144A under the Securities Act in the case of Restricted Global Registered Notes, Rule 144A Global Registered Notes or Combined Global Registered Notes (a "**Rule 144A Legend**"), each as set forth in the form of the relevant Registered Notes, the Registrar shall deliver only Registered Notes that also bear the relevant legend unless there is delivered to the Issuer and to the Registrar such satisfactory evidence, which may include an opinion, reasonably satisfactory to the Issuer, of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States, that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such Registered Notes are not "restricted securities" within the meaning of Rule 144 under the Securities Act.

(d) ***Uncertificated Registered Notes***

The Uncertificated Registered Notes shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Uncertificated Securities Regulations**"). The Uncertificated Registered Notes are participating securities for the purposes of the Uncertificated Securities Regulations. Title to the Uncertificated Registered Notes is recorded on the relevant Operator (as defined below) register of corporate securities. The CREST Registrar on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to the Uncertificated Registered Notes and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer and the CREST Registrar as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**Holder**" and related expressions shall be construed accordingly), and (ii) none of the Issuer and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Notes.

Uncertificated Registered Notes will be in the denomination(s) and multiples specified in the relevant Pricing Supplement.

Title to Uncertificated Registered Notes will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Uncertificated Registered Notes (including transfers of Uncertificated Registered Notes) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

No provision of these Conditions as amended in accordance with the relevant Pricing Supplement shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Notes in uncertificated form, (II) the transfer of title to Uncertificated Registered Notes by means of a relevant system or (III) the Uncertificated Securities Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the relevant Pricing Supplement, so long as the Uncertificated Registered Notes are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Notes shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Notes may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Securities Regulations, and (C) for the avoidance of doubt, the Conditions and the relevant Pricing Supplement in relation to any Uncertificated Registered Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Note.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Uncertificated Securities Regulations and the relevant Operator (as such term is used in the Uncertificated Securities Regulations) is CREST (or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Notes and in accordance with the Uncertificated Securities Regulations). Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Notes in accordance with Condition 14 (*Notices*).

If at any time:

- (i) a Noteholder ceases for any reason to be a member of CREST; or
- (ii) the Uncertificated Registered Notes cease for any reason to be participating securities capable of being held in CREST,

then the Issuer shall, in accordance with the rules and procedures governing CREST, ensure that Registered Notes are issued in exchange for the Uncertificated Registered Notes and that such Registered Notes are registered in such names as the Operator shall notify to the Issuer.

3. **Status**

- (a) The Notes are direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and, at their date of issue, (save for certain obligations required to be preferred by law) with all other unsecured and unsubordinated obligations of the Issuer for the time being outstanding.
- (b) The Notes do not create or transfer in favour of the Noteholder any legal, proprietary, beneficial or other interest in (including, without limitation, voting rights, as applicable) or right to acquire or dispose of any underlying (including, without limitation any reference asset or reference index) or any related purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) as determined in its absolute discretion by the Issuer or an affiliate in order to hedge, individually or on a portfolio basis, a Note ("**Hedging Positions**") and Noteholders shall have no legal, proprietary, beneficial or other interest in any underlying or Hedging Position by virtue of any investment in the Notes.
- (c) The Issuer is not required to hedge the Notes by holding any corresponding Hedging Positions in any underlying and has discretion to decide its hedging strategy.

4. **Fixed Rate Note Provisions**

(a) ***Application***

This Condition 4 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) ***Accrual of interest***

Fixed Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Final Redemption Amount or any other redemption amount, as the case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4 (*Fixed Rate Note Provisions*) (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 relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

(c) ***Fixed Coupon Amount***

Only if Fixed Coupon Amount is specified in the relevant Pricing Supplement, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one denomination (as specified in the relevant Pricing Supplement), shall be the relevant Fixed Coupon Amount in respect of the relevant denomination.

(d) **Calculation of interest amount**

The amount of interest payable in respect of the Notes for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes; or
- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Calculation Amount,

and, in each case, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Settlement Currency (as defined in Condition 1 (*Definitions*)) (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes and "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the amount of interest payable in respect of such Note or, as the case may be, the amount of interest payable in respect of the Aggregate Outstanding Nominal Amount shall be the product of (1) the amount (determined in the manner provided above) of interest payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount (or, in the case of Instalment Notes (as defined in Condition 2(b)(ii) (*Form, Denomination and Title – Bearer Notes – General; Title*)), the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount as reduced in proportion with any reduction of the outstanding nominal amount as may be specified in, or determined in accordance with the provisions of the relevant Pricing Supplement without any further rounding).

5. **Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions**

(a) **Application**

This Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note provisions, the Index-Linked Interest Note provisions or other variable-linked interest Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Accrual of interest**

Floating Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Final Redemption Amount or any other redemption amount, as the case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) (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 relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

(c) ***Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA***

If Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA is specified in the relevant Pricing Supplement as being applicable, then the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis, subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*):

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, and unless otherwise specified in the relevant Pricing Supplement, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time;
  - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Settlement Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Settlement Currency) on the first day of the relevant Interest Period for loans in the Settlement Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time;

**provided, however, that** if the Calculation Agent or the Issuer (in consultation with the Calculation Agent) determines that in its opinion (x) there is no realistic prospect of the Reference Banks providing the quotations specified in (iii)(A) above or (y) any such quotations are unlikely to be representative of an underlying market:

- (A) the Calculation Agent shall not be required to request the quotations specified in (iii)(A) above or to make the determination specified in (iv) above; and
- (B) the Calculation Agent may (in consultation with the Issuer) determine a rate by reference to such other sources and/or methodology as directed by the Issuer acting in good faith and a commercially reasonable manner.

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to (or where the above proviso applies, elects not to) determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions or the relevant Pricing Supplement in relation to any Interest Period: (i) subject to (ii) below, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period; or (ii) if the Notes are Fixed/Floating Rate Notes for which no Rate of Interest has yet been determined under this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*), the Rate of Interest applicable to the Notes during such Interest Period will be the rate applicable to the Notes in respect of the preceding Interest Period for which Condition 4 (*Fixed Rate Note Provisions*) applied.

(d) **ISDA Determination**

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i)
  - (A) the "Floating Rate Option" is as specified in the relevant Pricing Supplement;
  - (B) the "Designated Maturity", if applicable, is a period specified in the relevant Pricing Supplement;
  - (C) the relevant "Reset Date" unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions; and
  - (D) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Pricing Supplement and:
    - (I) if Compounding with Lookback is specified as the Compounding Method in the relevant Pricing Supplement, then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Pricing Supplement;
    - (II) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Pricing Supplement, then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
    - (III) if Compounding with Lockout is specified as the Compounding Method in the relevant Pricing Supplement, then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout



Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;

- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Pricing Supplement and:
    - (I) if Averaging with Lookback is specified as the Averaging Method in the relevant Pricing Supplement, then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in relevant Pricing Supplement;
    - (II) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Pricing Supplement, then (a) Averaging with Overnight Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
    - (III) if Averaging with Lockout is specified as the Averaging Method in the relevant Pricing Supplement, then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
  - (F) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (ii) references in the ISDA definitions to:
    - (A) "Confirmation" shall be references to the relevant Pricing Supplement;
    - (B) "Calculation Period" shall be references to the relevant Interest Period;
    - (C) "Termination Date" shall be references to the final Interest Period End Date; and
    - (D) "Effective Date" shall be references to the Interest Commencement Date;
  - (iii) an "Administrator/Benchmark Event" shall be deemed to have occurred for the purpose of the 2021 ISDA Definitions and this Condition 5(d) if there is an event or circumstance which has the effect that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the Applicable Benchmark (as defined in the 2021 ISDA Definitions) under such interest rate swap transaction to perform its or their obligations under the Notes; and
  - (iv) unless otherwise defined, capitalised terms used in this Condition 5(d) shall have the meaning ascribed to them in the ISDA Definitions,

provided, however, that:

- (1) if in relation to any Interest Period the application of the above provisions does not result in the determination of an ISDA Rate and the Issuer (in consultation with the Calculation Agent) has not determined a Benchmark Trigger Event to have occurred, then (a) the Calculation Agent shall determine the ISDA Rate for such Interest Period having regard to such facts and circumstances as it considers relevant and (b) the Calculation Agent shall not be required to obtain quotations from Reference Banks (as defined in the ISDA Definitions) for purposes of determining the ISDA Rate for such Interest Period notwithstanding that it might otherwise be required to do so as a fallback procedure for the relevant Floating Rate Option pursuant to the ISDA Definitions; and
  - (2) if in relation to any Interest Period the Issuer (in consultation with the Calculation Agent) determines a Benchmark Trigger Event to have occurred, then (a) the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) shall apply and (b) the Calculation Agent shall not be required to obtain quotations from Reference Banks (as defined in the ISDA Definitions) for purposes of determining the ISDA Rate for such Interest Period notwithstanding that it might otherwise be required to do so as a fallback procedure for the relevant Floating Rate Option pursuant to the ISDA Definitions.
- (e) **Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA**
- (i) If Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA is specified in the relevant Pricing Supplement as being applicable, then the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the Relevant Rate, all as determined by the Calculation Agent on the Interest Determination Date for such Interest Period.
  - (ii) If the Notes become due and payable in accordance with Condition 11 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which the Notes became due and payable and the Rate of Interest applicable to the Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.
  - (iii) If "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, all references in these Conditions to interest on the Notes being payable on an Interest Payment Date shall be read as reference to interest on the Notes being payable on an Effective Interest Payment Date instead.
  - (iv) *Definitions*

**"Applicable Period"** means,

    - (A) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, in relation to any Interest Period, the Observation Period relating to such Interest Period; and
    - (B) where "Lag", "Lock-Out" or "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period.

**"d"** means the number of calendar days in the Applicable Period.

**"d<sub>0</sub>"** means the number of Reference Rate Business Days in the Applicable Period.

**"Effective Interest Payment Date"** means each date specified as such in the relevant Pricing Supplement.

**"i"** means a series of whole numbers from one to  $d_0$ , each representing the relevant Reference Rate Business Day in the Applicable Period in chronological order from (and including) the first Reference Rate Business Day in the Applicable Period (each a **"Reference Rate Business Day(i)"**).

**"n<sub>i</sub>"** means, in relation to any Reference Rate Business Day(i), the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day.

**"Non-Reset Date"** means each Reference Rate Business Day(i) in an Applicable Period, the Reference Rate Determination Date in relation to which falls on or after the Rate Cut-Off Date (if any).

**"Observation Period"** means, in relation to an Interest Period, the period from (and including) the date which is "p" Reference Rate Business Days prior to the first day of such Interest Period (and in respect of the first Interest Period, the Interest Commencement Date) and ending on (but excluding) the date which is "p" Reference Rate Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Reference Rate Business Days prior to such earlier date, if any, on which the Notes become due and payable).

**"p"** means the whole number specified as such in the Pricing Supplement representing a number of Reference Rate Business Days.

**"Rate Cut-Off Date"** means:

- (A) where "Lock-Out" is specified as the Observation Method in the relevant Pricing Supplement and "SONIA" is specified as the relevant Reference Rate, in relation to any Interest Period, the Reference Rate Business Day immediately prior to the Interest Determination Date;
- (B) where "Lock-Out" is specified as the Observation Method in the relevant Pricing Supplement and a Reference Rate other than SONIA is specified as the relevant Reference Rate, in relation to any Interest Period, the second Reference Rate Business Day falling prior to the Interest Determination Date;
- (C) where "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, and:
  - (I) "SONIA" is specified as the relevant Reference Rate, the Reference Rate Business Day immediately prior to the Interest Determination Date in relation to the final Interest Period only;
  - (II) a Reference Rate other than SONIA is specified as the relevant Reference Rate, the second Reference Rate Business Day falling prior to the Interest Determination Date; and
- (D) in any other circumstances, no Rate Cut-Off Date shall apply.

**"Reference Rate"** means in relation to any Reference Rate Business Day:

- (A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Sterling Overnight Index Average ("SONIA") rate for such Reference Rate Business Day as provided by the administrator of SONIA (or any successor administrator of such rate) to authorised distributors, or as otherwise published by such authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day;

- (B) where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Secured Overnight Financing Rate ("**SOFR**") as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the next succeeding Reference Rate Business Day for trades made on such Reference Rate Business Day;
- (C) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily euro short-term rate ("**€STR**") for such Reference Rate Business Day as published by the European Central Bank, as administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day;
- (D) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Singapore Overnight Rate Average ("**SORA**") rate for such Reference Rate Business Day as provided by the Monetary Authority of Singapore as the administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day; or
- (E) where "TONA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Tokyo Overnight Average Rate ("**TONA**") rate for such Reference Rate Business Day as provided by the Bank of Japan as the administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day.

**"Reference Rate(i)" or "REF<sub>i</sub>"** means in relation to any Reference Rate Business Day(i), the Reference Rate for the Reference Rate Determination Date in relation to such Reference Rate Business Day(i), *provided that* where either "Lock Out" or "Payment Delay" are specified as the Observation Method in the relevant Pricing Supplement, Reference Rate(i) (or REF<sub>i</sub>) in respect of each Interest Non-Reset Date (if any) in an Applicable Period shall be Reference Rate(i) (or REF<sub>i</sub>) as determined in relation to the Rate Cut-Off Date.

**"Reference Rate Business Day"** means:

- (A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in London;
- (B) where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement, means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association ("**SIFMA**") recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;
- (C) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a Euro Business Day;
- (D) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and

dealings in foreign exchange and foreign currency deposits) in Singapore; or

- (E) where "TONA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in Tokyo.

**"Reference Rate Determination Date"** means, in relation to any Reference Rate Business Day(i):

- (A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the Reference Rate Business Day falling "p" Reference Rate Business Days prior to such Reference Rate Business Day(i); and
- (B) otherwise, such Reference Rate Business Day(i).

**"Relevant Rate"** means with respect to an Interest Period:

- (A) where "Compounded Daily Rate" is specified as the Determination Method in the relevant Pricing Supplement, the rate of return of a daily compound interest investment (with the applicable Reference Rate specified in the Pricing Supplement as reference rate for the calculation of interest) calculated as follows, with the resulting percentage rounded, if necessary, (i) in the case of SONIA, €STR and SORA, to the nearest one ten- thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards and (ii) in the case of SOFR and TONA to the nearest one hundred-thousandth of a percentage point (0.00001%), with 0.000005% being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{REF_i \times n_i}{Y} \right) - 1 \right] \times \frac{Y}{d}$$

- (B) where "Weighted Average Rate" is specified as the Determination Method in the relevant Pricing Supplement the arithmetic mean of Reference Rate(i) for each Reference Rate Business Day during such Applicable Period (each **"Reference Rate Business Day(i)"**), calculated by multiplying the relevant Reference Rate(i) for any Reference Rate Business Day(i) by the number of days such Reference Rate(i) is in effect (being the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Applicable Period.

**"Y"** is the number specified as such in the relevant Pricing Supplement, or if no number is so specified, a number reflecting the denominator for day count fractions customarily used to calculate floating rate interest amounts on instruments denominated in the Specified Currency and with an original maturity equal to that of the Notes, as determined by the Calculation Agent.

- (v) Additional Provisions applicable where "SONIA" or "€STR" is specified as the Reference Rate in the relevant Pricing Supplement:

Subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) (as applicable):

(A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date and neither (A) an Index Cessation Event and an Index Cessation Event Effective Date nor (B) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date, in each case with respect to the Reference Rate, have occurred, Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published or otherwise provided as set out in the relevant definition thereof.

(B) If the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Reference Rate(i), then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv):

(I) Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be deemed to be the Relevant Recommended Rate;

(II) if there is a Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date, but neither the administrator of the Relevant Recommended Rate nor authorised distributors provide or publish the Relevant Recommended Rate in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, then, subject to paragraph (III) below, in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Relevant Recommended Rate prior to the related Reference Rate Determination Date. If there is no last provided or published Relevant Recommended Rate, then in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Reference Rate (without taking into account any deemed changes to the term "Reference Rate" pursuant to Condition 5(e)(v)(B)(I) above) prior to the related Reference Rate Determination Date; and

(III) if:

(x) there is no Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date referred to in the first paragraph of Condition 5(e)(v)(B) above; or

- (y) there is a Relevant Recommended Rate and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Relevant Recommended Rate,

then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be deemed to be the Final Fallback Rate. In respect of any day for which the Final Fallback Rate is required, references to the Final Fallback Rate will be deemed to be references to the last provided or published Final Fallback Rate as at close of business in the RFR Financial Centre on that day.

- (C) Definitions for the purposes of this Condition 5(e)(v) and Condition 5(e)(vii):

**"EDFR"** means, in respect of any relevant day, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem, in respect of that day;

**"EDFR Spread"** means:

- (1) if no Relevant Recommended Rate is recommended before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to the Reference Rate referred to in the first paragraph of Condition 5(e)(v)(B), the arithmetic mean of the daily difference between €STR and EDFR over an observation period of 30 Reference Rate Business Days starting 30 Reference Rate Business Days prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event with respect to the Reference Rate referred to in the first paragraph of Condition 5(e)(v)(B) occurs and ending on the Reference Rate Business Day immediately preceding such day; or
- (2) if an Index Cessation Event or Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs, the arithmetic mean of the daily difference between the Relevant Recommended Rate and EDFR over an observation period of 30 Reference Rate Business Days starting 30 Reference Rate Business Days prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs and ending on the Euro Business Day immediately preceding such day;

**"Final Fallback Rate"** means in respect of any relevant day:

- (1) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the official bank rate as determined by the Monetary Policy Committee of the Bank of England and published by the Bank of England from time to time, in effect on that day; or

- (2) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a rate equal to EDFR in respect of that day, plus the EDFR Spread;

**"RFR Financial Centre"** means:

- (1) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, London; or
- (2) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, Frankfurt; and

**"Relevant Recommended Rate"** means in respect of any relevant day:

- (1) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for SONIA by (i) the administrator of SONIA if the administrator of SONIA is a national central bank, or (ii) if the national central bank administrator of SONIA does not make a recommendation or the administrator of SONIA is not a national central bank, a committee designated for this purpose by one or both of the Financial Conduct Authority (or any successor thereto) and the Bank of England and as provided by the then administrator or provider of that rate, or if that rate is not provided by the then administrator or provider thereof, published by an authorised distributor, in respect of that day;
- (2) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by:
  - (I) the European Central Bank (or any successor administrator for €STR); or
  - (II) a committee officially endorsed or convened by (a) the European Central Bank (or any successor administrator of €STR) and/or (b) the European Securities and Markets Authority,

in each case for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day;

- (3) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for SORA by the Monetary Authority of Singapore or by a committee officially endorsed or convened by the Monetary Authority of Singapore (which rate may be produced by the Monetary Authority of Singapore or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day; or
- (4) where "TONA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan



for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day.

- (vi) Additional Provisions applicable where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement:

Subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) (as applicable):

- (A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date, and:
- (1) where "ARRC Fallbacks" are specified as applicable in the relevant Pricing Supplement, a SOFR Transition Event and a related SOFR Replacement Date have not both occurred; or
  - (2) where "ARRC Fallbacks" are not specified as applicable in the relevant Pricing Supplement, and neither (A) an Index Cessation Event and an Index Cessation Event Effective Date nor (B) an Administrator/Benchmark Event and an Administrator Benchmark Event Date, in each case with respect to SOFR, have occurred,

Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published or otherwise provided as set out in the relevant definition thereof.

- (B) Where "ARRC Fallbacks" are specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines that a SOFR Transition Event and the related SOFR Replacement Date have occurred in relation to the Reference Rate (or any SOFR Replacement Rate previously determined in accordance with this Condition 5(e)(vi)) on the Reference Rate Business Day on which a determination of Reference Rate is due to be made, the SOFR Replacement Rate will replace the then-current Reference Rate for all purposes and in respect of all determinations on such Reference Rate Business Day and (without prejudice to the further operation of this Condition 5(e)(vi)) all subsequent determinations; provided that, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or its designee (in consultation with the Issuer) is unable to or does not determine a SOFR Replacement Rate in accordance with the provisions below prior to 5:00 p.m. (New York time) on the relevant Interest Determination Date, the interest rate for the related Interest Period will be equal to (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period

but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period); provided, however, that if the Notes are Fixed/Floating Rate Notes for which no Rate of Interest has yet been determined under this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*), the Rate of Interest applicable to the Notes during such Interest Period will be the rate applicable to the Notes in respect of the preceding Interest Period for which Condition 4 (*Fixed Rate Note Provisions*) applied.

- (C) If "**ARRC Fallbacks**" are not specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to SOFR, then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv),
- (I) Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be deemed to be the rate (inclusive of any adjustments or spreads) that was recommended as the replacement for SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for SOFR (which rate may be produced by the Federal Reserve Bank of New York or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof, published by an authorised distributor, in respect of that day (the "**Fed Recommended Rate**") as determined in relation to related Reference Rate Determination Date for such Reference Rate Business Day(i);
- (II) if there is a Fed Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to SOFR, but neither the administrator nor authorised distributors provide or publish the Fed Recommended Rate, then, subject to paragraph (III) below, in respect of any day for which the Fed Recommended Rate is required, references to the Fed Recommended Rate will be deemed to be references to the last provided or published Fed Recommended Rate. However, if there is no last provided or published Fed Recommended Rate, then in respect of any day for which the Fed Recommended Rate is required, references to the Fed Recommended Rate will be deemed to be references to the last provided or published SOFR;
- (III) if:
- (x) there is no Fed Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to SOFR; or
- (y) there is a Fed Recommended Rate and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines either that (A)

**Part B1 - Terms and Conditions of the Notes**

both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Fed Recommended Rate,

then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in relation to each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date with respect to SOFR or the Applicable Fallback Effective Date with respect to the Fed Recommended Rate (as applicable) will be the Overnight Bank Funding Rate ("**OBFR**") administered by the Federal Reserve Bank of New York (or a successor administrator), as determined in relation to the related Reference Rate Determination Date for such Reference Rate Business Day(i) but as if references to "Reference Rate Business Day(i)" were to "New York Fed Business Day", but so that in the case of the Applicable Period in which the Applicable Fallback Effective Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the Applicable Fallback Effective Date and (y) the number of New York Fed Business Days in the Applicable Period relating to such Interest Period from (and including) the Applicable Fallback Effective Date (and "i" shall be construed accordingly);

- (IV) if neither the administrator nor authorised distributors provide or publish the OBFR, then, subject to paragraph (V) below, in respect of any day for which the OBFR is required, references to the OBFR will be deemed to be references to the last provided or published OBFR;
- (V) if:
  - (x) there is no Fed Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to SOFR, or there is a Fed Recommended Rate and an Applicable Fallback Effective Date subsequently occurs with respect to it; and
  - (y) there is an OBFR and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator Benchmark Event Date have occurred, in each case with respect to the OBFR, then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in relation to each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date with respect to OBFR (or, if the Applicable Fallback Effective Date with respect to

SOFR or the Applicable Fallback Effective Date with respect to the Fed Recommended Rate (as applicable) is later, the Reference Rate Business Day(i) occurring on or after the Applicable Fallback Rate with respect to SOFR or the Fed Recommended Rate, as applicable) will be the short-term interest rate target set by the Federal Open Market Committee, as prevailing on such Reference Rate Determination Date, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as prevailing on such Reference Rate Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards) (the "**FOMC Target Rate**") determined in accordance with the definition of Reference Rate(i), but as if references to "Reference Rate Business Day(i)" were to "New York City Business Day", but so that in the case of the Applicable Period in which the Applicable Fallback Effective Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the Applicable Fallback Effective Date and (y) the number of New York City Business Days in the Applicable Period relating to such Interest Period from (and including) the Applicable Fallback Effective Date (and "i" shall be construed accordingly); and

- (z) In respect of any day for which the FOMC Target Rate is required, references to the FOMC Target Rate will be deemed to be references to the last provided or published FOMC Target Rate as at close of business in New York City on that day.

- (D) Definitions for purposes of this Condition 5(e)(vi):

"**designee**" means an affiliate or any other agent of the Issuer.

"**Federal Reserve Board**" means the Board of Governors of the U.S. Federal Reserve System.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Reference Rate for the applicable tenor.

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**"New York City Business Day"** a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in New York City.

**"New York Fed Business Day"** means any day except for a Saturday, Sunday or a day on which the Fedwire Securities Services or the Fedwire Funds Service of the Federal Reserve Bank of New York is closed.

**"Reference Time"** with respect to any determination of the Reference Rate means (1) if the Reference Rate is SOFR, the time specified for such determination specified in the definition of the Reference Rate, and (2) if the Reference Rate is not SOFR, the time determined by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer).

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**"SIFMA"** means the Securities Industry and Financial Markets Association or any successor thereto.

**"SOFR Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) as of the SOFR Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (2) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) giving due consideration to any industry-accepted spread adjustments, or method for calculating or determining such spread adjustment, for the replacement of the then-current Reference Rate with the applicable Unadjusted SOFR Replacement for U.S. dollar-denominated floating rate notes at such time.

**"SOFR Replacement Date"** means the earliest to occur of the following events with respect to the then-current Reference Rate (including the daily published component used in the calculation thereof):

- (1) in the case of clause (1) or (2) of the definition of "SOFR Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Reference Rate permanently or indefinitely ceases to provide the Reference Rate (or such component); or

- (2) in the case of clause (3) of the definition of "SOFR Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**"SOFR Replacement Rate"** means the first alternative set forth in the order below that can be determined by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) as of the SOFR Replacement Date:

- (1) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Reference Rate and (ii) the SOFR Replacement Adjustment;
- (2) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment; or
- (3) the sum of: (i) the alternate rate of interest that has been selected by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) as the replacement for the then-current Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Reference Rate for U.S. dollar-denominated floating rate notes at such time and (ii) the SOFR Replacement Adjustment.

**"Corresponding Tenor"** with respect to a SOFR Replacement Rate means a tenor (including overnight) having approximately the same length (disregarding business day adjustments) as the applicable tenor for the then-current Reference Rate.

**"SOFR Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Reference Rate (including the daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Reference Rate (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Reference Rate (or such component); or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate (or such component), the central bank of the currency of the Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate (or such

component) has ceased or will cease to provide the Reference Rate (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Reference Rate (or such component); or

- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate announcing that the Reference Rate is no longer representative.

**"Unadjusted SOFR Replacement"** means the SOFR Replacement Rate excluding the SOFR Replacement Rate Adjustment.

- (vii) Additional Provisions applicable where "SORA" or "TONA" is specified as the Reference Rate in the relevant Pricing Supplement:

Subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) (as applicable):

- (A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date, and neither (A) an Index Cessation Event and an Index Cessation Event Effective Date nor (B) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date, in each case with respect to the Reference Rate, have occurred, Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published or otherwise provided as set out in the relevant definition thereof.
- (B) If the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Reference Rate(i), then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv):
  - (I) Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be deemed to be the Relevant Recommended Rate;
  - (II) if there is a Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date, but neither the administrator of the Relevant Recommended Rate nor authorised distributors provide or publish the Relevant Recommended Rate in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, then, subject to paragraph (III) below, in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Relevant Recommended Rate prior to the related Reference Rate Determination Date. If there is no last provided or published Relevant Recommended Rate, then in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required,

references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Reference Rate (without taking into any deemed changes to the term "Reference Rate" pursuant to Condition 5(e)(vii)(B)(I) above) prior to the related Reference Rate Determination Date; and

- (III) if:
- (i) there is no Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date referred to in the first paragraph of Condition 5(e)(vii)(B) above; or
  - (ii) there is a Relevant Recommended Rate and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Relevant Recommended Rate,

then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be a commercially reasonable alternative for the Applicable Benchmark determined by the Calculation Agent (failing which, the Issuer), taking into account all available information that in good faith it considers relevant including a rate implemented by the central counterparties and/or futures exchanges (if any), in each case with trading volumes in derivatives or futures referencing the Applicable Benchmark that the Calculation Agent considers sufficient for that rate to be a representative alternative rate.

- (C) The definitions set out in Condition 5(e)(v)(C) shall be equally applicable to this Condition 5(e)(vii).

(f) ***Index-Linked Interest***

If the Index-Linked Interest Note provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

(g) ***Maximum or Minimum Interest Rate***

If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(h) ***Calculation of Interest Amount***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Notes for such Interest Period. Unless otherwise provided in the relevant Pricing Supplement, the Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to:



- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes notwithstanding that the formula specified in the relevant Pricing Supplement may provide for calculation in relation to the Calculation Amount; or
- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Calculation Amount,

and, in each case, multiplying the product by the Day Count Fraction for such Interest Period, rounding the resulting figure to the nearest sub-unit of the Settlement Currency (as defined in Condition 1 (*Definitions*)) (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes and "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the amount of interest payable in respect of such Note or, as the case may be, the amount of interest payable in respect of the Aggregate Outstanding Nominal Amount shall be the product of (1) the amount (determined in the manner provided above) of interest payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount (or, in the case of Instalment Notes (as defined in Condition 2(b)(ii) (*Form, Denomination and Title – Bearer Notes – General; Title*)), the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount as reduced in proportion with any reduction of the outstanding nominal amount as may be specified in, or determined in accordance with the provisions of the relevant Pricing Supplement without any further rounding).

If interest is required to be paid in respect of the Notes in relation to a period other than an Interest Period, then such interest shall be calculated in accordance with the above paragraph but as if reference therein to "Interest Period" were to such other period.

If the relevant Pricing Supplement specifies an alternative method of calculation of interest amount and "Aggregate Outstanding Nominal Amount Rounding" is specified in such Pricing Supplement as being applicable in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, then such interest shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes and rounded to the nearest currency sub-unit notwithstanding that the formula specified in such Pricing Supplement may provide for the interest amount to be calculated in relation to the Calculation Amount.

(i) ***Calculation of other amounts***

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

(j) **Dividend Equivalent Payments**

In respect of any Series of Notes where the principal and/or interest in respect to such Notes is determined by reference to one or more variables such as an index, formula, security, commodity, currency exchange rate, interest rate, inflation index, the credit of one or more entities or other factor (each variable being a "Reference Asset" or, if it is comprised in a basket of variables, a "Reference Asset Component"), if the Pricing Supplement in respect of such Notes states the Notes are "Section 871(m) Notes", the Pricing Supplement shall further specify whether the "Dividend Withholding" or "Issuer Withholding" approach to withholding in relation to Section 871(m) IRC shall be applicable to the Notes.

If "Dividend Withholding" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall provide for the Issuer to make payments to Noteholders in respect of any dividend equivalent amounts received or deemed received in respect of any Reference Asset or Reference Asset Component and shall include provisions relating to the amount and timing of such payments.

If "Issuer Withholding" is specified in the relevant Pricing Supplement, the Pricing Supplement shall specify whether any dividend equivalent amounts are to be treated as being reinvested during the term of the Notes and what portion thereof is expected as of the Issue Date to be treated for U.S. federal income tax purposes as having been withheld from a payment due to the Noteholders.

(k) **Publication**

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s), to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the fourth Business Day thereafter. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period as a result of the early redemption or the termination of the Notes pursuant to:

- (i) Condition 7(b) (*Redemption for Taxation Reasons*), Condition 7(c) (*Redemption at the Option of the Issuer (Call Option)*), Condition 7(d) (*Redemption at the Option of the Noteholder (Put Option)*), Condition 7(f) (*Early Redemption for Illegality*) or Condition 11 (*Events of Default*) or as a result of the provisions of Condition 9(f) (*Price Source Disruption and FX Disruption*), Condition 10 (*Redenomination*), or
- (ii) where "Part D - Product Supplement for Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes" applies to any Notes, Condition 22(f) (*Adjustment to Indices*), Condition 22(g) (*Adjustments and Events affecting Securities*), Condition 22(h) (*Additional Disruption Events*), Condition 22(i) (*Adjustments where the Securities are Units in a Fund*), Condition 22(j) (*Adjustment to Indices for Inflation Rate-Linked Notes*), Condition 22(k) (*Events relating to DR-Linked Notes*), or
- (iii) where "Part E - Product Supplement for Commodity/Commodity Index Linked Notes" applies to any Notes, Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*), Condition 22(d) (*Consequences of an Additional Disruption Event*), or
- (iv) where "Part H - Product Supplement for Fund-Linked Notes" applies to any Notes, Condition 22(b) (*Occurrence of a Reference Fund Disruption Event*), Condition 22(e) (*Effects of Reference Fund Events*), or

- (v) any other provisions set out in the relevant Pricing Supplement or otherwise.

If the Calculation Amount is less than the minimum denomination, the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum denomination.

(l) ***Linear interpolation***

Where "**Linear Interpolation**" is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the Relevant Screen Page, one of which shall be determined as if the Interest Period were the period for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Interest Period were the period for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(m) ***Notifications etc.***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders **and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.**

6. **Zero Coupon Notes**

- (i) This Condition 6 (*Zero Coupon Notes*) is applicable to the Notes only if the Zero Coupon Note provisions are specified in the relevant Pricing Supplement as being applicable.

- (ii) If any amount payable in respect of a Zero Coupon Note is improperly withheld or refused, then:

- (A) if the relevant Pricing Supplement specifies that Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) applies to the Notes, such an amount shall thereafter be an amount equal to the sum of:

- (1) the Zero Coupon Note Reference Price; and
- (2) the product of the Accrual Yield (compounded annually) being applied to the Zero Coupon Note Reference Price on the basis of the relevant Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of this Condition 6 (*Zero Coupon Notes*) and Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply) from (and including) the Issue Date to (but excluding) 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 relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment); and

- (B) if the relevant Pricing Supplement does not specify that Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) applies to the Notes, such an amount shall thereafter be an amount equal to the sum of:
- (1) the Early Redemption Amount in relation to the Notes; and
  - (2) the product of the Accrual Yield (compounded annually) being applied to the Early Redemption Amount on the basis of the relevant Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of this Condition 6 (*Zero Coupon Notes*) and Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply) from (and including) the date on which the Early Redemption Amount was due and payable to (but excluding) 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 relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7. **Redemption and Purchase**

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled, and subject as otherwise set out in the relevant Pricing Supplement, each Note will be redeemed by the Issuer at an amount (the "**Final Redemption Amount**") as determined by the Calculation Agent and as calculated in accordance with Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*) and the formula or other means specified in the relevant Pricing Supplement, where applicable, in the relevant Settlement Currency on the date specified in the relevant Pricing Supplement as the scheduled date on which such Note is to be redeemed (the "**Maturity Date**") (or, in the case of Instalment Notes, in such number of instalments and in such amounts ("**Instalment Amounts**") as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement), in accordance with the provisions set out in the relevant Pricing Supplement.

(b) ***Redemption for Taxation Reasons***

If in respect of a Series of Notes Condition 8B (*Taxation - No gross-up*) is not specified as applicable in the relevant Pricing Supplement, and:

- (i) on a subsequent date for the payment of interest on such Series of Notes the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*); or
- (ii) if the Issuer were to seek to redeem such Notes (for which purpose no regard shall be had to whether or not the Issuer would otherwise be entitled to redeem such Notes), the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*);

the Issuer may, having given not less than 30 nor more than 45 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the Noteholders in respect of such Series of Notes, redeem all, but not some only, of such Notes, at their Early Redemption Amount determined by the Issuer in accordance with the Conditions and calculated in accordance with the formula or other means specified in the relevant Pricing Supplement together with interest accrued and unpaid, if any, to the date fixed for redemption **provided that** no such notice of redemption shall be given earlier than 90 days (or in the case of Floating Rate Notes a number of days which is equal to the lesser of the aggregate of the number of days in the then current Interest Period plus 60 days and 90

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.

The Issuer may exercise such option in respect of any Note notwithstanding the prior exercise by the Holder thereof or the Issuer of their respective options to require the redemption of such Note under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) respectively, below, if the due date for redemption under this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) would occur prior to that under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively, but not otherwise and, in such circumstances, the exercise of the option under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively shall be rendered ineffective.

Prior to giving any notice of redemption pursuant to this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) the Issuer may obtain a certificate of an independent legal adviser or accountant to the effect either that such a circumstance does exist or that, upon a change in or amendment to the laws of the Relevant Jurisdiction (including any regulations pursuant thereto), or in the interpretation or administration thereof, which at the date of such certificate is proposed and in the opinion of such legal adviser or accountant is reasonably expected to become effective on or prior to the date on which the relevant payment of principal or interest in respect of the Notes would otherwise be made, becoming so effective, such circumstances would exist, and any such certificate shall be sufficient to establish the circumstances required by this Condition 7(b).

(c) ***Redemption at the Option of the Issuer (Call Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of the Issuer, the Issuer may at any time or otherwise as set out in the relevant Pricing Supplement, having given not less than 5 nor more than 30 days' notice (or such other notice period as may be specified in the relevant Pricing Supplement) to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), elect to redeem on the Optional Redemption Date (Call Option) all or some only of the Notes then outstanding on the Optional Redemption Date (Call Option) and at the Redemption Amount (Call Option) as determined by the Issuer in accordance with the Conditions and as calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

If the Notes of a Series are to be redeemed in part only on any date in accordance with this paragraph (c):

- (i) in the case of Bearer Notes (other than a Note which is a Temporary Global Note or a Permanent Global Note), the Notes to be redeemed shall be drawn by lot in such European city as the Principal Paying Agent may specify, or identified in such other manner or in such other place as the Principal Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, may approve and deem appropriate and fair, subject to the rules and procedures of Euroclear and/or Clearstream, Luxembourg and/or the CMU (such redemption to be reflected in the records of Euroclear and Clearstream, Luxembourg and/or the CMU as either a pool factor or a reduction in nominal amount, at their discretion); and
- (ii) in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, **provided always that** the amount redeemed in respect of each Note shall be equal to the minimum denomination thereof or an appropriate multiple thereof,

subject always to compliance with all applicable laws and the requirements of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation.

Where a Minimum Redemption Amount (Call Option) and/or a Maximum Redemption Amount (Call Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Call Option) shall not be less than the Minimum Redemption Amount (Call Option) and shall not be more than the Maximum Redemption Amount (Call Option).

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Condition 13 (*Replacement, Exchange and Transfer*) which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

(d) ***Redemption at the Option of the Noteholder (Put Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of Noteholders, then where a Noteholder has given not less than 15 nor more than 30 days' notice to the Issuer with a copy to the Issue Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, in accordance with Condition 14 (*Notices*), (which notices shall be irrevocable), the Issuer shall, following receipt of such notice from the Noteholder and confirmation from the Issue Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, that it has been duly notified, redeem on the Optional Redemption Date (Put Option), so many of the Notes in respect of which such Noteholder has exercised such option as are outstanding on the Optional Redemption Date (Put Option) and at the Redemption Amount (Put Option) as determined by the Issuer in accordance with the Conditions and as calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

Where a Minimum Redemption Amount (Put Option) and/or a Maximum Redemption Amount (Put Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Put Option) shall not be less than the Minimum Redemption Amount (Put Option) and shall not be more than the Maximum Redemption Amount (Put Option).

In order for any such notice given by a Noteholder to be effective, the Noteholder shall, on or prior to the date on which such notice is given, deposit the Note or Notes in respect of which such notice is given (together, in the case of an interest bearing Definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, or, in the case of a Registered Note, the Registrar, or in the case of CMU Notes, the CMU Registrar, together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents, or in the case of CMU Notes, the CMU Lodging and Paying Agent, or, as the case may be, the Registrar, or in the case of CMU Notes, the CMU Registrar. The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under Condition 7(b) (*Redemption and Purchase - Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase - Redemption at the Option of the Issuer*) or Condition 7(f) (*Redemption and Purchase - Illegality*).

(e) ***Early Redemption of Zero Coupon Notes***

(i) Unless otherwise specified in the relevant Pricing Supplement, the redemption amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount calculated in accordance with Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*) and equal to the sum of:

(A) the Zero Coupon Note Reference Price; and

- (B) the product of the Accrual Yield (compounded annually) being applied to the Zero Coupon Note Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.
  - (ii) Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of Condition 6 (*Zero Coupon Notes*) and this Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply).
- (f) **Early Redemption for Illegality**

The Issuer shall have the right to terminate its obligations under the Notes, if the Calculation Agent shall have determined that the performance of such obligations under the Notes (or the Issuer's or the Issuer's designated affiliates' obligations under any hedging arrangements established in connection therewith) shall after the Trade Date:

- (i) have become unlawful, or
- (ii) unless "Early Redemption for Impracticability" is specified as not applicable in the relevant Pricing Supplement, have become impracticable,

in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; **provided, however, that** if the Calculation Agent determines that the relevant obligations have become unlawful, the Issuer may obtain an opinion of an independent legal adviser to that effect prior to terminating its obligations under the Notes, and any such opinion shall be sufficient to establish the circumstances required by this Condition 7(f). In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 (*Notices*).

(g) **Purchases**

Each of the Issuer and any person directly or indirectly connected with the Issuer may at any time purchase Notes at any price in the open market or otherwise, and such Notes may be held, reissued, resold or, provided such Notes are held by the Issuer, at the option of the Issuer deissued or cancelled.

(h) **Cancellation**

All Notes which are redeemed pursuant to Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) and 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) shall, and all Notes purchased pursuant to Condition 7(g) (*Redemption and Purchase – Purchases*) may, at the option of the Issuer, be cancelled forthwith (together with, in the case of Definitive Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or resold.

(i) **No Other Redemption Provisions**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the*

*Option of the Noteholder (Put Option)*), 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) and 7(f) (*Redemption and Purchase – Early Redemption for Illegality*).

(j) **Calculation and Rounding**

Any redemption amount payable on redemption of a Note (the "**Redemption Amount**") shall be calculated pursuant to this Condition 7 (*Redemption and Purchase*) and in rounding any values determined or calculated in connection with such Redemption Amount, the Calculation Agent shall apply the following rounding conventions:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Redemption Amount shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes, rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention) notwithstanding that the formula specified in the relevant Pricing Supplement may provide for the Redemption Amount to be calculated in relation to the Calculation Amount; or
- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Redemption Amount shall be calculated in relation to the Calculation Amount rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention).

For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes and "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Redemption Amount shall be the product of (1) the amount (determined in the manner provided above) payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount (or, in the case of Instalment Notes (as defined in Condition 2(b)(ii) (*Form, Denomination and Title – Bearer Notes – General; Title*)), the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount as reduced in proportion with any reduction of the outstanding nominal amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement without any further rounding).

8. **Taxation**

8A. **Taxation - Gross-up**

This Condition 8A will be applicable to all Series of Notes unless it is specified in the relevant Pricing Supplement that Condition 8B (*Taxation - No gross-up*) is applicable.

All payments by the Issuer of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the Relevant Jurisdiction unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges.



## Part B1 - Terms and Conditions of the Notes

In the event that the Issuer is so required by law to withhold or deduct, it will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes and/or, as the case may be, Coupons, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) to, or to a third party on behalf of, a Holder of a Note or Coupon who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it having some connection with the Relevant Jurisdiction or any other relevant jurisdiction, other than the mere holding of such Note or Coupon;
- (b) unless it is proved, in the case of Bearer Notes, to the satisfaction of the Principal Paying Agent or the Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, to whom the same is presented, or, in the case of Registered Notes, to the satisfaction of the Registrar, or in the case of CMU Notes, the CMU Registrar, that the Holder is unable to avoid such withholding or deduction by satisfying any statutory requirement or by making a declaration of non residence or other similar claim for exemption to the relevant tax authorities or by notifying (and/or presenting evidence of such notification to) any tax authorities of such payment of principal or interest or by presenting the relevant Note or Coupon at the specified office of another Paying Agent;
- (c) more than 30 days after the Relevant Date (defined below) except, in the case of Bearer Notes, to the extent that the Holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days;
- (d) in the case of Registered Notes, unless it is proved to the satisfaction of the Registrar, or in the case of CMU Notes, the CMU Registrar, that the Holder, immediately upon becoming the Holder, (i) was eligible for the benefits of a tax treaty with the Relevant Jurisdiction or any other relevant jurisdiction that provides for a complete exemption from withholding taxes on payments under the Notes, or (ii) was otherwise entitled to a complete exemption from withholding taxes on payments under the Notes; or
- (e) to, or to a third party on behalf of, a Holder who is not the sole beneficial owner of the Note or any Coupon, or a portion of either, or that is a fiduciary or partnership, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership 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.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due but, in the case of Bearer Notes, if the full amount of the money payable has not been received by the Principal Paying Agent or the Registrar, as the case may be, or in the case of CMU Notes, the CMU Lodging and Paying Agent or the CMU Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect shall have been duly given to the relevant Holders in accordance with Condition 14 (*Notices*).

If the Issuer becomes resident for tax purposes in any taxing jurisdiction other than the Relevant Jurisdiction, references in this Condition 8 (*Taxation*) to the Relevant Jurisdiction shall be construed as references to the Relevant Jurisdiction and/or such other jurisdiction.

Any reference in these Conditions to principal or interest or both in respect of the relevant Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable under this Condition 8 (*Taxation*);
- (ii) the principal amount payable on the relevant Notes on the Maturity Date;
- (iii) the principal amount payable on redemption of the relevant Notes prior to such Maturity Date; and

- (iv) any premium and any other amounts which may be payable under or in respect of the relevant Notes.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts permitted or required by the rules of IRC Section 871(m), or IRC Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**U.S. Permitted Withholding**"). Neither the Issuer nor any Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, will have any obligation to pay additional amounts or otherwise indemnify a holder for any U.S. Permitted Withholding deducted or withheld by the Issuer, a Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of U.S. Permitted Withholding.

8B. ***Taxation - No gross-up***

This Condition 8B will only be applicable to a Series of Notes where it is specified in the relevant Pricing Supplement that Condition 8B (*Taxation - No gross-up*) is applicable.

All payments by the Issuer of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the Relevant Jurisdiction unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges. **In the event that the Issuer is so required by law to withhold or deduct, the Issuer shall not be required to pay any additional amounts in connection with such withholding or deduction.**

9. **Payments**

(a) ***Bearer Notes***

Payments of principal and interest (if any) in respect of Bearer Notes will (subject as provided below) be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Note or, in the case of payments of interest, surrender of the relevant Coupon at the specified office of any Paying Agent outside the United States (subject to the next paragraph), or in the case of CMU Notes, at the specified office of the CMU Lodging and Paying Agent. No payments on Bearer Notes will be made by mail to an address in the United States or by transfer to an account maintained by the Holder in the United States.

Payments of amounts due in respect of interest on Bearer Notes and exchanges of Talons for Coupon sheets will not be made at the specified office of any Paying Agent in the United States or its possessions (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law, in which case the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

If the due date for payment of any amount due in respect of any Bearer Note is not both a Relevant Financial Centre Day and, if such Bearer Note is a Definitive Note or if the Pricing Supplement so specifies, a local banking day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note which is a Definitive Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they appertain will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relative Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

Upon the due date for redemption of any Definitive Note other than a Fixed Rate Note, all unmatured Coupons and Talons (if any) relating to such Definitive Note (whether or not attached) shall become void and no payment shall be made in respect of them.

Definitive Notes which are Fixed Rate Notes should be presented for payment with all unmatured Coupons appertaining thereto, failing which the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, that portion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 8 (*Taxation*)) for the payment of such principal, whether or not such Coupon has become void pursuant to Condition 12 (*Prescription*) or, if later, five years from the date on which such Coupon would have become due.

Notwithstanding the above, if any Definitive Notes should be issued with a Maturity Date and an interest rate or rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, shall, in its sole and absolute discretion, determine which unmatured Coupons are to become void, and shall select, in its sole and absolute discretion, for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

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

In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside the United States, or in the case of CMU Notes, the CMU Lodging and Paying Agent (save as provided above) in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 12 (*Prescription*) below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

If (otherwise than by reason of the application of the above) the due date for redemption of any Bearer Note is not the due date for the payment of a Coupon appertaining thereto, interest accrued in respect of such Note from and including the last preceding due date for the payment of a Coupon (or from the Issue Date or the Interest Commencement Date, as the case may be) will be paid only against surrender of such Bearer Note and all unmatured Coupons appertaining thereto.

(b) **Registered Notes**

Payment of the amount due on final redemption in respect of Registered Notes will be made against presentation and, save in the case of partial payment of any such amount, surrender of the relevant certificate at the specified office of the Registrar or of the Transfer Agent, or in the case of CMU Notes, the CMU Registrar. If the due date for payment of the Final Redemption Amount or any other redemption amount, as the case may be, of any Registered Note is not both a Relevant Financial Centre Day and, if such Registered Note is not in global form or if the Pricing Supplement so specifies, a local banking day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), Condition 5 (*Floating Rate Note, Index-Linked Interest Note Provisions*) or Condition 6 (*Zero Coupon Notes*), as appropriate.

Payment of amounts (whether principal, interest or otherwise) due (other than on final redemption) in respect of Registered Notes will be paid to the Holder thereof (or, in the case of joint Holders, the first named) as appearing in the Register at the close of business (local time in the place of the specified office of the Registrar, or in the case of CMU Notes, the CMU Registrar) on the fifteenth day prior to the due date for such payment, or in the case of CMU Notes, on the business day on which the CMU is operating (other than a Saturday, Sunday or public holiday in Hong Kong) prior to the due date for such payment (the "**Record Date**").

In the case of CMU Notes, payments of principal and interest (if any) in respect of Registered Notes held in the CMU will be made to the CMU for their distribution, on the order of the holder of the Registered Notes, directly to the person(s) shown in the records of the CMU or otherwise prior to any relevant payment date as being credited with the interest(s) in such note in accordance with the rules and procedures of the CMU. Payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment. While the CMU Notes are in global form and inside the CMU, the rules and procedure of the CMU shall override

Payment will be made in the currency in which such amount is due either by cheque posted to the Noteholder's registered address (or, in the case of joint Holders, the first named) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar or to the Transfer Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, and the Registrar or, as the case may be, the Transfer Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, has acknowledged such application for payment to be made to a designated account denominated in the relevant Settlement Currency (as defined in Condition 1 (*Definitions*)), in each case as specified in Condition 9(c) (*Payments – Uncertificated Registered Notes*) below.

(c) **Uncertificated Registered Notes**

The Issuer shall pay or cause to be paid when due payments of principal and interest (if any) in respect of Uncertificated Registered Notes to the relevant Noteholder's cash memorandum account (as shown in the records of the Operator), such payment to be made in accordance with the rules of the Operator. Each of the persons shown in the Operator register of corporate securities as holder of a particular principal amount of Uncertificated Registered Notes must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

(d) **General Provisions**

The following provisions apply to both Bearer Notes and Registered Notes (and do not apply to Uncertificated Registered Notes). Subject to Condition 9(e) (*Payments – Payment*

of *Alternative Payment Currency Equivalent*), payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the relevant Settlement Currency either by cheque or, at the option of the payee, by transfer to an account in the relevant Settlement Currency specified by the payee other than, for payments in respect of Bearer Notes, any such account in the United States.

Payments and deliveries will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

Without prejudice to the generality of the foregoing, the Issuer reserves the right to require any person receiving payment of principal or, as the case may be, payment of interest with respect to any Note or Coupon to provide a Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, with such certification or information as may be required to enable the Issuer or any parent or holding company of the Issuer or any subsidiary of any such parent or holding company to comply with the requirements of the US Federal Income Tax laws or such other laws as the Issuer or any such parent or holding company or subsidiary thereof may be required to comply with.

(e) ***Payment of Alternative Payment Currency Equivalent***

If:

- (i) "Payment of Alternative Payment Currency Equivalent" is specified as applicable in the relevant Pricing Supplement, or is applicable in accordance with the proviso to Condition 9(f)(Y); or
- (ii) a Clearing System Currency Eligibility Event has occurred and is continuing,

then, if by reason of a FX Disruption Event, a Clearing System Currency Eligibility Event or any other event specified in the relevant Pricing Supplement as an Additional Alternative Payment Currency Event, the Issuer is not able to satisfy payments in respect of the Notes when due in the Settlement Currency, the Issuer may, settle any such payment in U.S. dollars or any other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement on (i) the due date at the Alternative Payment Currency Equivalent of any such amount due or (ii) if in the applicable Pricing Supplement "Condition 1" is specified as applicable to the Alternative Payment Currency Fixing Date, the date falling the Alternative Payment Settlement Days after the due date at the Alternative Payment Currency Equivalent of any such amount due and, in each case, no further payment on account of interest or otherwise shall be due in respect of such postponed payment.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9(e) (*Payments – Payment of Alternative Payment Currency Equivalent*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders. By acceptance thereof, purchasers of the Notes will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the calculation of the Alternative Payment Currency Equivalent by the Calculation Agent.

(f) ***Price Source Disruption and FX Disruption***

- (X) If "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then, if on any Scheduled FX Fixing Date:
  - (A) a Price Source Disruption occurs, (other than as a result of an Unscheduled Holiday) and no Alternative Payment Currency Exchange Rate Fall-Back provisions, Underlying Currency Pair Exchange Rate Fall-Back provisions and/or Conversion Rate Fall-Back provisions (as applicable) are specified in the relevant Pricing Supplement, then the Calculation Agent shall:

**Part B1 - Terms and Conditions of the Notes**

- (1) determine the Relevant Rate by reference to the rate of exchange published by available recognised financial information vendors (as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner) on the Scheduled FX Fixing Date (the "**Fallback Reference Price**"); or
  - (2) unless the Pricing Supplement specifies Dealer Poll as not applicable, in the event that the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market, the Calculation Agent will request four Reference Dealers to provide a quotation of their rate for the Relevant Rate as of the Scheduled FX Fixing Date. If at least two quotations are provided, the Relevant Rate will be the arithmetic mean of such quotations; and
  - (3) if (i) the Pricing Supplement specifies Dealer Poll as not applicable and the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; (ii) the Calculation Agent determines that the Relevant Rate determined in accordance with paragraph (2) above does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; or (iii) fewer than 2 quotations are provided by Reference Dealers following the Calculation Agent's request pursuant to paragraph (2) above, the Calculation Agent will determine the Relevant Rate on the first succeeding Business Day on which the Price Source Disruption ceases to exist; **provided, however, that** if the Price Source Disruption continues for thirty consecutive calendar days (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (the "**FX Cut-off Date**"), the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that FX Cut-off Date; or
- (B) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the Scheduled FX Fixing Date for such Relevant Rate and all other Relevant Rates which have the same Scheduled FX Fixing Date shall be postponed to the first succeeding Relevant Currency Business Day; **provided, however, that** in the event that the Scheduled FX Fixing Date is postponed as a result of the occurrence of an Unscheduled Holiday (a "**Postponed FX Fixing Date**"), and if the Postponed FX Fixing Date has not occurred on or before the thirtieth consecutive calendar day (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (any such period being a "**Deferral Period**"), then the next day after the Deferral Period that is or would have been a Relevant Currency Business Day but for an Unscheduled Holiday, shall be deemed to be the Postponed FX Fixing Date and the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that Postponed FX Fixing Date.

- (Y) Except to the extent that (i) "EM Price Source Disruption" is specified as being applicable, and (ii) "FX Disruption Event" is specified as being not applicable in the relevant Pricing Supplement, if at any time, a FX Disruption Event occurs, the Issuer, in its sole and absolute discretion, may elect to either:
- (A) having given not less than five days' notice to the Noteholders in accordance with Condition 14 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount (and, if the FX Disruption Event occurs on a Scheduled FX Fixing Date on which there is a Price Source Disruption or Unscheduled Holiday, for the purposes of determining such Early Redemption Amount the Calculation Agent shall first determine any Relevant Rate (if required) (a) in accordance with sub-paragraph (X)(A) or (X)(B) above, as applicable, of Condition 9(f) (*Price Source Disruption and FX Disruption*) if "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or, alternatively (b) in good faith and in a commercially reasonable manner, on the date notified to the Noteholders); or
  - (B) instruct the Calculation Agent to make such adjustment(s) to the Conditions as it determines to be necessary or desirable to reflect or account for any market practice that develops in respect of the FX Disruption Event;

**provided, however, that** in relation to sub-paragraphs (Y)(A) and (Y)(B) above, if as a result of the FX Disruption Event the Issuer is not able to satisfy payments in respect of the Notes when due in the Settlement Currency, the Issuer may settle any such payment pursuant to the provisions of Condition 9(e) (*Payment of Alternative Payment Currency Equivalent*).

(g) ***EM Price Source Disruption***

If "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then:

- (i) subject to sub-paragraph (iii) below and **provided that** no Conversion Rate Fall-Back provisions are specified in the relevant Pricing Supplement, if on any Scheduled FX Fixing Date:
  - (A) Price Materiality is specified as applicable and a Price Materiality occurs, the Relevant Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. For the avoidance of doubt, any rate achieved by the Issuer pursuant to a relevant hedging agreement shall be deemed to be a commercially reasonable rate;
  - (B) a Price Source Disruption occurs or is continuing, the relevant Conversion Rate Fixing Date shall be postponed until the first Conversion Rate Business Day after such Scheduled FX Fixing Date on which no Price Source Disruption exists (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period, the Conversion Rate will be determined in accordance with sub-paragraph (ii) below; or
  - (C) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the relevant Conversion Rate Fixing Date shall be postponed to the first succeeding Conversion Rate Business Day (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period the Conversion Rate will be determined in accordance with paragraph sub-paragraph (ii) below;

- (ii) subject to sub-paragraph (iii) below, notwithstanding the provisions of sub-paragraphs (i)(B) and (i)(C) above, in no event shall the total number of consecutive calendar days for which a fixing date is deferred due to (i) an Unscheduled Holiday, or (ii) a Price Source Disruption (or any combination of (i) and (ii)), exceed the EM Deferral Period. Accordingly, if on the first Conversion Rate Business Day (or date which would have been a Conversion Rate Business Day but for the occurrence of an Unscheduled Holiday) after such period has lapsed (the "**Cut-off Fixing Date**") (X) an Unscheduled Holiday occurs or is continuing (but no Price Source Disruption occurs or is continuing on such day), then the Conversion Rate shall be a rate determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, or (Y) a Price Source Disruption occurs or is continuing on such day, then the Conversion Rate shall be the Fallback Conversion Rate determined on the Cut-off Fixing Date; and
  - (iii) notwithstanding any other provision of this Condition 9(g), if the Fallback Conversion Rate is not available or, at any time following the determination of the Conversion Rate or Fallback Conversion Rate, the Calculation Agent determines that such rate does not accurately represent the rate which the Calculation Agent determines that the Issuer could have achieved in the general foreign exchange market at the time such Conversion Rate or Fallback Conversion Rate was determined, the applicable Conversion Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. For the avoidance of doubt, any rate achieved by the Issuer pursuant to a relevant hedging agreement shall be deemed to be a commercially reasonable rate.
- (h) **Postponement of Payments**
- (i) If a Scheduled FX Fixing Date is postponed in accordance with Condition 9(f) (*Price Source Disruption and FX Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable.
  - (ii) If a Scheduled FX Fixing Date is postponed in accordance with Condition 9(g) (*EM Price Source Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Conversion Rate Fixing Date or, if later, the Cut-off Fixing Date or Postponed FX Fixing Date, as applicable.
  - (iii) Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 9(h) (*Postponement of Payments*) (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Related Payment Date which is so postponed shall be calculated as if such Related Payment Date had not been postponed pursuant to this Condition 9(h) (*Postponement of Payments*)) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.



(i) ***LBMA Physical Settlement***

The following provisions apply where LBMA Physical Settlement is specified as being applicable in the relevant Pricing Supplement.

A. *LBMA Transfer Notice*

- (i) Each Noteholder shall, on or before 4:00 pm (London time) on the date falling 5 Conversion Rate Business Days or Underlying Currency Pair Business Days (as applicable) before the relevant Interest Payment Date, the Maturity Date or date of early redemption of the Notes (as applicable) (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Paying Agents and the Noteholders accordingly) send to the relevant Clearing System, in accordance with its then applicable operating procedures, and copied to the Principal Paying Agent, an irrevocable notice (an "**LBMA Transfer Notice**") in the form from time to time approved by the Issuer, which must:
- (A) specify the name and address of the Noteholder;
  - (B) specify the number of Notes in respect of which he is the Noteholder;
  - (C) specify the number of the Noteholder's account at the relevant Clearing System, to be debited with such Notes;
  - (D) irrevocably instruct and authorise the relevant Clearing System, (1) to debit the Noteholder's account with such Notes on the relevant Interest Payment Date, the Maturity Date or the relevant early redemption date of the Notes (as applicable) and (2) that no further transfers of the Notes specified in the LBMA Transfer Notice may be made;
  - (E) contain a representation and warranty from the Noteholder to the effect that the Notes to which the LBMA Transfer Notice relates are free from all liens, charges, encumbrances and other third party rights;
  - (F) specify the number and account name of the account in London with a member of the LBMA where the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes shall be credited;
  - (G) contain an irrevocable undertaking to pay the Transfer Expenses (if any) and an irrevocable instruction to the relevant Clearing System, to debit on or after the relevant Interest Payment Date, the Maturity Date or the relevant early redemption date of the Notes (as applicable) the cash or other account of the Noteholder with the relevant Clearing System, specified in the LBMA Transfer Notice with such Transfer Expenses; and
  - (H) authorise the production of the LBMA Transfer Notice in any applicable administrative or legal proceedings.
- (ii) An LBMA Transfer Notice, once delivered to the relevant Clearing System, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of an LBMA Transfer Notice following delivery of such LBMA Transfer Notice to the relevant Clearing System. A LBMA Transfer Notice shall only be valid to the extent that the relevant Clearing System have not received conflicting prior instructions in respect of the Notes which are the subject of the LBMA Transfer Notice.
- (iii) Failure properly to complete and deliver a LBMA Transfer Notice may result in such notice being treated as null and void with the consequence set out in subparagraph (C). Any determination as to whether such notice has been properly

completed and delivered as provided shall be made by the relevant Clearing System, after consultation with the Principal Paying Agent and shall be conclusive and binding on the Issuer and the Noteholder.

- (iv) The Principal Paying Agent shall promptly on the local banking day following receipt of a LBMA Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.

B. *Delivery obligation*

Subject to the other provisions of this Condition 9(i), if the LBMA Physical Settlement provisions are specified in the relevant Pricing Supplement as being applicable, the Issuer shall discharge its obligation to deliver the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes by crediting, or procuring the credit of, the same on the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) to the account in London with a member of the LBMA specified in the LBMA Transfer Notice of the relevant Noteholder.

C. *LBMA Physical Settlement Fallback Redemption Amount*

In the event that any Noteholder fails to deliver a valid LBMA Transfer Notice by 4:00 pm on the day falling 5 Conversion Rate Business Days or Underlying Currency Pair Business Days (as applicable) before the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Paying Agents and the Noteholders accordingly), the Calculation Agent shall determine the LBMA Physical Settlement Fallback Redemption Amount and the Issuer shall pay the LBMA Physical Settlement Fallback Redemption Amount in respect of each Note held by such Noteholder on the Maturity Date, the relevant Interest Payment Date or date of early redemption of the Notes.

D. *Disruption*

(i) *LBMA Physical Settlement Market Disruption Event*

If a LBMA Physical Settlement Market Disruption Event occurs or exists on any date on which the Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) is to be determined, the Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) shall be the rate determined by the Calculation Agent taking into consideration the latest available Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) as of a date on which no LBMA Physical Settlement Market Disruption Event occurred or existed and any other information which the Calculation Agent considers relevant.

(ii) *Settlement Disruption of LBMA Physical Settlement*

The Calculation Agent shall determine whether or not at any time a LBMA Physical Settlement Disruption Event has occurred and where it determines such an event has occurred and has prevented any delivery on the original day that but for such LBMA Physical Settlement Disruption Event would have been the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable), then such date will be the first succeeding day on which the relevant delivery can take place unless a LBMA Physical Settlement Disruption Event prevents settlement on each of the ten (10) Business Days immediately following the original date that, but for the LBMA Physical Settlement Disruption Event, would have been the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable). In that case, (a) if the relevant delivery can be effected in any other

commercially reasonable manner, then the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) will be that tenth (10<sup>th</sup>) Business Day with delivery being effected in such manner, and (b) if such delivery cannot be effected in any other commercially reasonable manner, then the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) will be postponed until delivery can be effected in another commercially reasonable manner.

(j) **Conversion**

If Conversion provisions are specified as being applicable in the relevant Pricing Supplement in relation to any specified amount payable in respect of the Notes, the relevant amount payable in respect of the Notes will be determined in accordance with the relevant Conversion provisions specified in the relevant Pricing Supplement. Notwithstanding anything contained in these Conditions or the relevant Pricing Supplement, the currency of payment in respect of such amount shall be as determined in accordance with such Conversion provisions, such currency shall be deemed to be the Settlement Currency in respect of such payment and the "Settlement Currency Jurisdiction" specified in the relevant Pricing Supplement shall be deemed to be modified accordingly in relation to such amount.

(k) **Physical Settlement**

The following provisions apply where Physical Settlement is specified as being applicable in the relevant Pricing Supplement:

A. Physical Settlement (*Pre-trade letter*)

Each Noteholder shall prior to the Issue Date complete and return to the Issuer a physically settled notes investment pre-trade letter (the "**Pre-trade letter**") in the form obtainable from the Issuer, which must:

- (A) specify the name and address of the Noteholder;
- (B) specify the number of the Noteholder's unallocated bullion account with HSBC Bank plc (the "**Nominated Account**");
- (C) contain an agreement and confirmation from the Noteholder to the effect that it will (i) maintain the Nominated Account; (ii) notify the Issuer of any changes to the administrative details of the Nominated Account; and (iii) remain the owner of the Notes at all times (whether for its own account or for the account of others) and that it will not transfer or otherwise dispose of any interest in the Notes; and
- (D) contain an indemnity from the Noteholder in relation to any claim, demand, action, liability, cost, loss or expense which the Issuer may incur in connection with a breach of the Pre-trade letter.

B. Delivery obligation

If Physical Settlement is specified in the relevant Pricing Supplement, the Issuer shall discharge its obligation to deliver the relevant amount in respect of interest, Final Redemption Amount and/or any other amount in respect of the Notes by crediting, or procuring the credit of, the same on the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) to the Nominated Account as specified in the Pre-trade letter.

**Settlement of accounts to be delivered under the Notes shall be made only to the Nominated Account. Accordingly, if Notes are at any time transferred to a person other than the initial Noteholder, then the transferee may be unable to receive such amounts. The Issuer shall have no obligation to deliver any amounts other than by**

credit to the relevant Nominated Account and shall have no liability to any transferee of Notes in relation to any such delivery.

10. **Redenomination**

(a) **General**

Where redenomination is specified in the relevant Pricing Supplement as being applicable, and in respect of Notes denominated in a National Currency Unit (as defined in Condition 1 (*Definitions*)), the Issuer may, without the consent of the Noteholders, upon giving at least 30 days' prior notice to the Noteholders in accordance with Condition 14 (*Notices*), designate a Redenomination Date.

With effect from the Redenomination Date:

- (i) each Note shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated into such amount of euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Settlement Currency, converted into euro at the rate for the conversion of the relevant Settlement Currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with EC regulations); **provided, however, that** if the Issuer determines that market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (ii) if Notes are in definitive form:
  - (A) all unmatured Coupons denominated in the relevant Settlement Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes and Coupons denominated in euro are available for exchange (**provided that** such Notes and Coupons are available) and no payments will be made in respect thereof;
  - (B) the payment obligations contained in all Notes denominated in the Settlement Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 10(a)(ii) (*Redenomination – General*)) shall remain in full force and effect; and
  - (C) new Notes and Coupons denominated in euro will be issued in exchange for Notes and Coupons denominated in the relevant Settlement Currency in such manner as the Issuer may specify and as shall be notified to the Noteholders in the Euro Exchange Notice;
- (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the relevant Settlement Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro, as though references in the Notes to the Settlement Currency were to euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union; and

- (iv) such other changes will be made to the terms and conditions of the Notes as the Issuer may decide to conform such Notes to conventions then applicable to Notes denominated in euro. Any such other changes will not take effect until after it has been notified to the Noteholders in accordance with Condition 14 (*Notices*).

Neither the Issuer nor any Paying Agent will be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of euro or any currency conversion or rounding effected in connection therewith.

(b) **Interest**

Following redenomination of the Notes pursuant to 10(a) (*Redenomination – General*):

- (i) where Notes are in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (ii) in respect of Fixed Rate Notes where interest is payable annually, any interest required to be calculated for a period of less than one year in respect of the Notes shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365); **provided, however, that** if the Issuer determines that the market practice in respect of internationally offered euro denominated securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (iii) in respect of Fixed Rate Notes where interest is payable quarterly or semi-annually, the amount of interest payable in respect of each Note on any Interest Payment Date shall be calculated by applying the Rate of Interest to the principal amount of such Note, dividing the product by four or two (as the case may be) and rounding the figure down to the nearest euro 0.01. If interest is required to be calculated for any other period, it shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365); **provided, however, that** if the Issuer determines that the market practice in respect of internationally offered euro denominated securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (iv) in respect of Floating Rate Notes, the Interest Amount payable in respect of the Notes for each Interest Period will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during the Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 360 and rounding the resulting figure down to the nearest euro 0.01; and

- (v) in respect of Floating Rate Notes, the Rate of Interest for any subsequent Interest Period shall be determined by the Calculation Agent on the basis of provisions which it determines reflect the market practice in respect of internationally offered euro denominated securities.

11. **Events of Default**

If any one or more of the following events (each an "Event of Default") shall occur and be continuing in relation to a Series of Notes:

- (a) the Issuer fails to remedy a default in the repayment of any principal due on the Notes of such Series or any of them or in the payment of any interest due in respect of the Notes of such Series or any of them, in each case within 14 days of notice of such default having been given to the Principal Paying Agent or other Paying Agent or the Registrar, or in the case of CMU Notes, the CMU Lodging and Paying Agent or the CMU Registrar, (as the case may be) by any Noteholder in accordance with Condition 14(b) (*Notices from Noteholders*), **provided that** it shall not be such a default to withhold or refuse any such payment (1) if the Issuer determines, acting in good faith, that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment (and any such determination made by the Issuer in accordance with advice given at any time by independent legal advisers shall be conclusive and binding on the Noteholders) or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability; or
- (b) an order is made or an effective resolution is passed for the winding up of the Issuer in England (if the Issuer is HBEU) or DIFC (if the Issuer is HBME) (otherwise than in connection with a scheme of reconstruction or amalgamation the terms of which shall previously have been approved in writing by an Extraordinary Resolution of the Holders of the relevant Series of Notes),

then any Noteholder may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer (such date the "**Early Redemption Date**"), declare the Note held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, as specified in the relevant Pricing Supplement, together with interest accrued and unpaid until the date of its redemption, without presentment, demand, protest or other notice of any kind.

12. **Prescription**

Notes and Coupons will become void unless presented for payment within a period of 10 years and five years, respectively, from the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect thereof. Any monies paid by the Issuer to the Principal Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, for the payment of the principal or interest in respect of any Notes or Coupons and remaining unclaimed when such Notes or Coupons become void will then revert to the Issuer and all liability of the Principal Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, with respect thereto will thereupon cease.

There shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 12 (*Prescription*) or Condition 9 (*Payments*).

13. **Replacement, Exchange and Transfer**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office (in the case of a Bearer Note or Coupon) of the Issue Agent, or in the case of CMU Notes, of the CMU Lodging and Paying Agent, or (in the case of Registered Notes) of the Registrar, or in the case of CMU Notes, the CMU Registrar, or of the Transfer Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such

terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

Upon the terms and subject to the conditions set out in the Issuing and Paying Agency Agreement and the relevant Pricing Supplement, a Registered Note may be exchanged for a Registered Note or Notes of equal aggregate principal amount in such different authorised denominations as may be requested by the Noteholder by surrender of such Registered Note at the specified office of the Registrar or of the Transfer Agent, or in the case of CMU Notes, the CMU Registrar, together with a written request for the exchange.

Upon the terms and subject to the conditions set out in the Issuing and Paying Agency Agreement, a Registered Note, in definitive form, may be transferred in whole or in part only (**provided that** such part is, or is an appropriate multiple of, the minimum denomination set out in the Pricing Supplement) by the Holder or Holders surrendering the Registered Note for registration of transfer at the specified office of the Registrar or the Transfer Agent, or in the case of CMU Notes, the CMU Registrar, duly endorsed by, or accompanied by a written instrument to transfer in form satisfactory to the Issuer and the Registrar or the Transfer Agent, or in the case of CMU Notes, the CMU Registrar, duly executed by the Holder or Holders thereof or his or their attorney duly authorised in writing. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

If so set out in the relevant Pricing Supplement, the Holder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Issuing and Paying Agency Agreement. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of the Principal Paying Agent or of the Registrar or the Transfer Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent or the CMU Registrar, together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined below) where the exchange date would, but for the provisions of this paragraph, occur between the Record Date (as defined in Condition 9(b) (*Payments - Registered Notes*)) for such payment of interest and the date on which such payment of interest falls due.

Each new Registered Note to be issued upon the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for delivery at the specified office of the Registrar or the Transfer Agent, or in the case of CMU Notes, the CMU Registrar, or, at the option of the Holder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expenses of delivery by other than regular mail or insurance charges that may be imposed in relation hereto, shall be borne by the Issuer.

The Registrar or the Transfer Agent, as the case may be, or in the case of CMU Notes, the CMU Registrar, shall not be required to register the transfer or exchange of Registered Notes for a period of 15 days preceding the due date for any payment of principal or interest in respect of such Notes.

14. **Notices**

(a) ***Notices to Noteholders***

All notices to the Holders of Notes or the Coupons appertaining thereto will be valid: (i) if published, in the case of Bearer Notes and Coupons, in one leading daily newspaper with circulation in London (which is expected to be the Financial Times or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe) or in the case of CMU Notes, a leading daily newspaper of general circulation in Hong Kong (which is expected to be the *South China Morning Post*); (ii) in the case of Registered Notes, if mailed to their registered addresses (as advised by

the Registrar or in the case of CMU Notes, the CMU Registrar) or to that of the first named of them in the case of joint Holders; **provided that**, in each case, in the case of Notes admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system the rules of such listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation have been complied with; and (iii) in the case of Uncertificated Registered Notes, if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Uncertificated Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange. Any such notice shall be deemed to have been given on the date of such publication or delivery or, if published more than once, on the date of the first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

Holder of any Coupons appertaining to Bearer Notes will be deemed for all purposes to have notice of the contents of any notice given to the Holders of such Bearer Notes in accordance herewith.

In the case of CMU Notes, so long as the CMU Notes are represented by one or more global notes held on behalf of the CMU, notices to the Holders of the CMU Notes of that Series may be given by delivery of the relevant notice to the CMU for communication by it to entitled holders in substitution for delivery or publication as required by these Conditions. Any such notice shall be deemed to have been given to the Holders of the CMU Notes on the day on which the said notice was given to the CMU.

(b) ***Notices from Noteholders***

Notices given by any Noteholder shall be in writing and given by lodging the same, together with the relevant Note or Notes (if applicable), with the Principal Paying Agent or other Paying Agent or with the Registrar (as the case may be) at its specified office, or in the case of CMU Notes, the CMU Lodging and Paying Agent or with the CMU Registrar (as the case may be) at its specified office.

15. **Paying Agents, Calculation Agents, Issue Agents, Transfer Agents and Registrars**

- (a) The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Calculation Agents, the initial Issue Agent, the initial CMU Lodging and Paying Agent, Transfer Agent, the initial Registrars, the CMU Registrar and their respective initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, Calculation Agent, Issue Agent, CMU Lodging and Paying Agent, Transfer Agent, Registrars or the CMU Registrar and/or approve any change in the specified office through which any Paying Agent, Calculation Agent, Issue Agent, CMU Lodging and Paying Agent, Transfer Agent, Registrar or CMU Registrar acts, provided that:

- (i) so long as any Bearer Notes are outstanding, there will at all times be a Principal Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent ;  
and
- (ii) so long as any Registered Notes are outstanding, there will at all times be a Registrar and a Transfer Agent (in the case of Registered Notes which are not CMU Notes) or a CMU Registrar (in the case of Registered Notes which are CMU Notes).
- (b) In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 9(a) (*Payments - Bearer Notes*). Any variation, termination, appointment or change shall only



take effect (other than in the case of an insolvency, when it shall be of immediate effect) after notice has been given to the Noteholders in accordance with Condition 14 (*Notices*).

- (c) Except as otherwise provided in these Conditions or in a relevant Pricing Supplement, all calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Notes (including any determinations by the Calculation Agent as to the exercise or non-exercise by it of its powers, duties and discretions for such purposes) shall be made in good faith and in a commercially reasonable manner.
- (d) The Agents and the Calculation Agent shall not act as agents for the Noteholders but shall be agents of the Issuer. All calculation functions required of the Calculation Agent under these Conditions may be delegated to any such person as the Calculation Agent, in its absolute discretion, may decide.

15A. ***Consequences of a Benchmark Trigger Event***

- (a) If the Issuer determines that a Benchmark Trigger Event has occurred in relation to a Relevant Benchmark relating to a Series of Notes, then:
  - (i) if an Alternative Pre-nominated Index has been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement:
    - (A) unless the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Relevant Benchmark shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and
    - (B) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Alternative Pre-nominated Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; and
  - (ii) if an Alternative Pre-nominated Index has not been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement or the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, the Issuer shall do any of the following:
    - (A) determine that references to such Relevant Benchmark shall be deemed to be replaced by references to such index, benchmark or price source as the Issuer determines would have the effect of placing the Issuer in an economically equivalent position to that which it would have been in had the Benchmark Trigger Event not occurred (the "**Replacement Index**") (and in making such determination the Issuer shall be entitled to take into account such facts and circumstances as it considers relevant including, without limitation, (i) any index, benchmark or other price source which measures the same market or economic reality as the Relevant Benchmark and which is formally designated, nominated or recommended by the administrator or sponsor of the Relevant Benchmark or (ii) any index, benchmark or other price source which is formally designated, nominated or recommended by any Relevant Nominating Body, in each case to replace the Relevant Benchmark), in which case:
      - (1) references to such Relevant Benchmark shall be deemed to be replaced with references to such Replacement Index with effect

from such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and

- (2) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Replacement Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; or
- (B) follow the steps for determining the relevant rate or level set out in the Relevant Reference Asset Fallback Provisions (if any); or
- (C) determine that the Notes shall be redeemed, in which case the Issuer shall redeem the Notes at the Early Redemption Amount specified in the relevant Pricing Supplement on the date selected by the Issuer and give notice of such redemption to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*);

**provided, however, that** if (1) it is or would be unlawful at any time under applicable law or regulation or (2) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Notes, then such provision shall not apply and the Issuer shall not make such determination (as the case may be) and the Issuer shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements.

- (b) If the Issuer is not able to determine the Relevant Benchmark in accordance with the provisions of this Condition 15A on any Relevant Benchmark Determination Date, then the Relevant Benchmark Determination Date shall be postponed to such date as it is able to make such determination and any Relevant Benchmark Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Relevant Benchmark Determination Date.
- (c) Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 15A (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Relevant Benchmark Related Payment Date which is so postponed shall be calculated as if such Relevant Benchmark Related Payment Date had not been postponed pursuant to this Condition 15A) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.
- (d) The Issuer shall promptly following the determination of any replacement for a Relevant Benchmark pursuant to paragraph (b)(i)(A) or (b)(ii)(A) above give notice thereof and of any changes pursuant to paragraph (b)(i)(B) or (b)(ii)(A)(2) (as applicable) to the Principal Paying Agent, or in the case of CMU Notes, the CMU Lodging and Paying Agent, the Calculation Agent and the Noteholders (in accordance with Condition 14 (*Notices*)).
- (e) Without prejudice, in the case of any Index-Linked Notes, to Condition 22(f)(ii) (*Index Modification*), if the definition, methodology or formula for a Relevant Benchmark in respect of a Series of Notes, or other means of calculating the Relevant Benchmark in respect of a Series of Notes, is changed, then references to such Relevant Benchmark shall be to such Relevant Benchmark as so changed.
- (f) In making any determination under this Condition 15A, the Issuer shall take account of such facts and circumstances as it considers relevant, including, without limitation,

prevailing market practice, any determinations made in respect of any of the Issuer's hedging arrangements in relation to the Notes (including, without limitation, in respect of any termination or re-establishment of hedging arrangements), and the Issuer's funding costs. Except to the extent such exclusion is prohibited by law, in the absence of fraud or gross negligence on the part of the Issuer, no liability will attach to the Issuer in connection with any determination made by the Issuer pursuant to this Clause 15A.

16. **Meetings of Noteholders, Modification and Substitution**

(a) ***Meetings of Noteholders***

The Master Note Issuance Agreement contains provisions for convening meetings of the Holders of the Notes of any Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Note Issuance Agreement) of a modification of the Notes or any of the provisions of the Master Note Issuance Agreement. Such a meeting may be convened by the Issuer or by Holders of the Notes of any Series holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders of the Notes of any Series whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes, reducing or cancelling the amount of principal payable in respect of the Notes or altering the currency of payment of the Notes), the quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders of the Notes of any Series shall be binding on all the Noteholders, whether or not they are present at the meeting. Any modification of the Notes shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

(b) ***Modification***

Subject in case of the Master Note Issuance Agreement or the Issuing and Paying Agency Agreement (as applicable) to the agreement of the other parties thereto, the Issuer may agree, without the consent of the Noteholders, to:

- (i) any modification (except as mentioned above) of the Master Note Issuance Agreement or the Issuing and Paying Agency Agreement or the Conditions which is not materially prejudicial to the interests of the Noteholders as a whole;
- (ii) any modification of the Conditions or the Master Note Issuance Agreement or the Issuing and Paying Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (iii) any modification of the Notes which is made to correct an inconsistency between the Pricing Supplement and conditions of the Note issue (comprising these Conditions as completed by the relevant Pricing Supplement) and the relevant termsheet relating to the Notes.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

(c) ***Substitution***

The Issuer may also agree, without the consent of the Noteholders, to the substitution of a subsidiary or holding company of the Issuer or any subsidiary of any such holding

company (the "**New Issuer**") in place of the Issuer as principal debtor under the Notes of any Series and the Coupons appertaining thereto (if any), **provided that** such Notes and the Coupons appertaining thereto (if any) are irrevocably guaranteed by the Issuer. In the event of any such substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer. Any such substitution shall be promptly notified to the relevant Noteholders in accordance with Condition 14 (*Notices*). In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right 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 Noteholder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Noteholder.

17. **Provision of Information**

The Issuer shall, during any period in which it is not subject to and in compliance with the periodic reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, duly provide to any Holder of a Note which is a "**restricted security**" within the meaning of Rule 144(a)(3) under the Securities Act or to any prospective purchaser of such securities designated by such Holder, upon the written request of such Holder or (as the case may be) prospective Holder addressed to the Issuer and delivered to the Issuer or to the specified office of the Registrar, the information specified in Rule 144A(d)(4) under the Securities Act.

18. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Holders of Notes of any Series or Holders of the Coupons appertaining thereto (if any) to create and issue further notes ranking equally in all respects with the Notes of such Series so that the same shall be consolidated and form a single series with such Notes for the time being outstanding.

19. **Effects of European Economic and Monetary Union**

Following the occurrence of an EMU Event, the Calculation Agent shall make such adjustment (and determine the effective date of such adjustment) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount, Early Redemption Amount or any amount of interest set out in the relevant Pricing Supplement and/or any other adjustment and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes.

Following the occurrence of an EMU Event, without prejudice to the generality of the foregoing, the Issuer shall be entitled to make such conversions between amounts denominated in the National Currency Units and the euro, and the euro and the National Currency Units, in each case, in accordance with the conversion rates and rounding rules in Regulation (EC) No. 1103/97 as it determines to be appropriate.

Neither the Issuer nor the Calculation Agent will be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection therewith.

20. **Third Party Rights**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

21. **Governing Law**

21A. **Governing Law and Jurisdiction in relation to Notes issued by HBEU**

This Condition 21A only applies to Notes issued by HBEU.

(a) ***Governing law***

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by and shall be construed in accordance with English law.

(b) ***English courts***

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with the Notes (including any Dispute regarding the existence, validity or termination of the Notes or the consequence of their nullity).

21B. **Governing Law and Jurisdiction in relation to Notes issued by HBME**

This Condition 21B only applies to Notes issued by HBME.

(a) The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by and shall be construed in accordance with English law.

(b) ***Arbitration***

Without limiting the rights of the Noteholders under Condition 21B(b), any dispute, claim, difference or controversy arising out of, relating to, or having any connection with the Notes and the Coupons (if any) (including any dispute regarding their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (a "**Dispute**")) shall be referred to and finally resolved by arbitration under the London Court of International Arbitration ("**LCIA**") Rules (the "**Rules**"), which rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 21B(b). For these purposes:

- (i) the seat of arbitration shall be London;
- (ii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and
- (iii) the language of the arbitration shall be English.

(c) ***Jurisdiction***

Notwithstanding Condition 21B(b), any Noteholder may, in the alternative, and at its sole discretion, by notice in writing to HBME:

- (i) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (ii) in the event no arbitration is commenced,

require that a Dispute be heard by the courts of England. If the Noteholder gives such notice, the Dispute to which such notice refers shall be determined in accordance with this Condition 21B(c) and, subject as provided below, any arbitration commenced under Condition 21B(b) in respect of that Dispute will be terminated.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the relevant Noteholder must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

- (ii) his entitlement to be paid his proper fees and disbursements; and
- (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

In the event that a notice pursuant to this Condition 21B(c) is issued, the following provisions shall apply:

- (i) the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts; and
- (ii) the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) ***Service of Process***

The Issuer agrees that the documents which start any proceedings relating to any Dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the Company Secretary, HSBC Holdings plc, 8 Canada Square, London E14 5HQ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part 34 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the specified office of the Principal Paying Agent or, Paying Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, such Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent or, as the case may be, the Paying Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(e) ***Consent***

The Issuer irrevocably and generally consents in respect of any Proceedings anywhere to the giving of any relief or the issue of any process in connection with those Proceedings including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those Proceedings.

**PART B1 -  
PRO FORMA PRICING SUPPLEMENT FOR NOTES**

*[When completing any Pricing Supplement, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated: [•]

**[HSBC Bank plc**

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*  
**/ HSBC Bank Middle East Limited / HSBC Continental Europe]**

**Programme for the Issuance of Notes and Warrants**

**[Further] Issue of**

**[Aggregate Principal Amount of Tranche] [Title of Notes]**

**[(to be consolidated and form a single series with the existing *[Insert details of existing Tranche(s)]* issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A - CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Offering Memorandum.] The Alternative Note General Conditions do not apply.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Continental Europe, 38, avenue Kléber, 75116, Paris, France and [www.about.hsbc.fr/investor-relations/debt-issuance](http://www.about.hsbc.fr/investor-relations/debt-issuance)].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

[Specify target market, if required. For example:

**EU MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("**FinSA**") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("**FinSO**"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]



**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).] OR

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Notes which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2021 Amended/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

*[For Notes offered and sold in the United States of America include:*

#### IMPORTANT NOTICES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "**QUALIFIED INSTITUTIONAL BUYERS**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

#### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, the Issuer will promptly furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States

Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.] / [HSBC Continental Europe]
  
2. Tranche number: [ ]  
*[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*
  
3. Currency:
  - (i) Settlement Currency [ ] [subject to Condition 9(j) (Payments - Conversion)]
  - (ii) Denomination Currency [specify/Settlement Currency]
  
4. Aggregate Principal Amount:
  - [(i) Series:] [ ]
  - [(ii) Tranche:] [ ]
  
5. Issue Price: [[ ] per cent. of the Aggregate Principal Amount] [plus accrued interest from [insert date] (in the case of fungible interest-bearing issues only, if applicable)][An amount as determined by the Calculation Agent equal to [ ] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [ ].]
  
6. (i) Denomination(s) [ ]<sup>1</sup>  
(Condition 2):

<sup>1</sup> If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange the Permanent Global Note for (i) definitive Notes in paragraph (c) of the Permanent Global Note - see item 22(iii) below or (ii) the Global Registered Note for Definitive Notes in paragraph (d) of the Global Registered Note – see item 24(ii) below - as applicable - should not apply.

[In respect of HBCE Notes, there should be one denomination only]

- (ii) Calculation Amount<sup>2</sup>: [ ]
- (iii) Aggregate Outstanding [Applicable] [Not applicable]  
Nominal Amount Rounding:
7. (i) Issue Date: [ ]
- (ii) Interest Commencement [specify] [Issue Date] [Not applicable]  
Date:
- (iii) Trade Date: [ ]
8. Maturity Date: [Specify date or (for Floating Rate Notes) Interest  
(Condition 7(a)) Payment Date falling in or nearest to the relevant month and year. In case of undated Notes, specify undated.] [specify] [adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "Business Day"]
9. Change of interest or redemption [Specify details of any provision for convertibility of  
basis: Notes to another interest or redemption/payment basis]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

10. Fixed Rate Note provisions: [Applicable] [Not applicable]  
(Condition 4) (If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) Rate(s) of Interest: [ ] per cent. [per annum] [ ] [payable [annually/semi-annually/quarterly/ monthly] in arrear] [ ]
- (ii) Interest Payment Date(s): [dd/mm, dd/mm, dd/mm and dd/mm] [in each year]  
[adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "Business Day"] [not adjusted]
- (iii) Fixed Coupon Amount(s): [[ ] per Calculation Amount] [Not applicable]
- (iv) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)] [Not applicable] [other (specify)]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not applicable / other (give details)]
- (vi) Business Centre(s): [Not applicable/give details]

<sup>2</sup> The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.

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- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not applicable/give details] (Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)
11. Floating Rate Note provisions: [Applicable] [Not applicable]  
(Condition 5) (If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) [Interest Period(s)] / [Specified Period]<sup>3</sup>: [specify]
- (ii) Interest Payment Dates: [Not applicable – Floating Rate Convention applies] [specify payment dates]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (iv) Business Centre(s): [Not applicable/give details]
- (v) Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA (Condition 5(c)):
- (1) Reference Rate: [[•] month] [specify rate]
- (2) Interest Determination Date(s): [ ]
- (3) Relevant Screen Page: [ ]
- (4) Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
- (5) Relevant Financial Centre: [ ]
- (6) Relevant Time: [ ]
- (7) Relevant Currency: [ ]
- (vi) ISDA Determination (Condition 5(d)):
- (1) ISDA Definitions: 2021 ISDA Definitions
- (2) Floating Rate Option: [[•] / CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index]

<sup>3</sup> Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

*(The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (as defined in the ISDA Definitions). These are the only options envisaged by the terms and conditions.)<sup>4</sup>*

- |     |                         |   |
|-----|-------------------------|---|
| (3) | Designated Maturity:    | [•]<br><br><i>(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)</i>   |
| (4) | Reset Date:             | [[•] / as specified in the ISDA Definitions / the first day of the relevant Interest Period]  |
| (5) | Compounding:            | [Applicable][Not applicable]  |
|     | (i) Compounding Method: | [Compounding with Lookback<br><br>Lookback: [•] Applicable Business Days<br><br>[Compounding with Observation Period Shift<br><br>Observation Period Shift: [•] Observation Period Shift Business Days<br><br>Observation Period Shift Additional Business Days: [•]/[Not applicable]]<br><br>[Compounding with Lockout<br><br>Lockout: [•] Lockout Period Business Days<br><br>Lockout Period Business Days: [•]/Applicable Business Days] |
| (6) | Averaging:              | [Applicable][Not applicable]  |
|     | (i) Averaging Method:   | [Averaging with Lookback<br><br>Lookback: [•] Applicable Business Days<br><br>[Averaging with Observation Period Shift<br><br>Observation Period Shift: [•] Observation Period Shift Business Days<br><br>Observation Period Shift Additional Business Days: [•]/[Not applicable]]<br><br>[Averaging with Lockout<br><br>Lockout: [•] Lockout Period Business Days]   |

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<sup>4</sup> If another Floating Rate Option is specified, then amendments to the terms and conditions may be required and additional items may need to be specified in the Pricing Supplement.

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- Lockout Period Business Days: [•]/Applicable Business Days]
- (7) Index Provisions: [Applicable][Not applicable]
- (i) Index Method: Compounding Index Method with Observation Period Shift
- Observation Period Shift: [•] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: [•]/[Not applicable]
- (8) Applicable Benchmark: [ ] [Not applicable]
- (9) Fixing Day: [ ] [Not applicable]
- (10) Fixing Time: [ ] [Not applicable]
- (11) Any other terms relating to the ISDA Definitions: [ ] [Not applicable]
- (12) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (vii) Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA (*Condition 5(e)*): [Applicable] [Not applicable]
- (1) Reference Rate: [SONIA] [SOFR] [€STR] [SORA] [TONA]
- (2) Relevant Screen Page: [ ] [Not applicable] - *This is only required if SONIA is the Reference Rate*
- (3) Interest Determination Date(s): [•] [[ ]][prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day]][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day]][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (*Payments*)) – *use for Payment Delay only*]
- (4) Determination Method: [Compounded Daily Rate][Weighted Average Rate]
- (5) Observation Method: [Observation Shift][Lag][Lock-Out][Payment Delay]
- (6) Y: [360 – likely to be specified for USD][365 -likely to be specified for GBP][•]
- (7) "p": [*Specify if Observation Shift (Standard Shift) or Lag are applicable*][Not applicable]

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- (8) ARRC Fallbacks: [Applicable][Not applicable] – *May be applicable if SOFR is the Reference Rate only*
- (9) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days][•] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes. – *include if Payment Delay is specified*][Not applicable]
- (10) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*][Not applicable]
- (viii) Linear Interpolation: [Not applicable] [Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [ ] shall be calculated using Linear Interpolation]
- (ix) Margin(s): [[+/-][ ] per cent. [per annum]] [Not applicable]
- (x) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/360/*other (specify)*]
- (xi) Minimum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xii) Maximum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xiii) Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
12. Zero Coupon Note provisions: [Applicable] [Not applicable]  
 (Condition 6) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Accrual Yield: [[ ] per cent [per annum]]
- (ii) Zero Coupon Note Reference Price: [ ]
- (iii) Day Count Fraction in relation to Early Redemption Amounts (if applicable) and late payments: [ ]
13. Equity/ Index-Linked Interest Note and other variable-linked interest Note provisions: [Applicable] [Not applicable]  
 (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Index/formula/other variable: [*give or annex details* –]
- (ii) Provisions for determining interest where calculated by reference to Equity/ Index [ ]

and/or formula and/or other variable:

- (iii) Provisions for determining interest where calculation by reference to Equity/ Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ] *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Interest or calculation period(s): [ ]
- (v) Interest Payment Dates: [ ]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other *(give details)*]
- (vii) Business Centre(s): [ ]
- (viii) Minimum Interest Rate: [[ ] per cent. [per annum]]
- (ix) Maximum Interest Rate: [[ ] per cent. [per annum]]
- (x) Day Count Fraction: [ ]

**PROVISIONS RELATING TO REDEMPTION**

- 14. Issuer's optional redemption (Call Option): [Applicable] [Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
(Condition 7(c))
  - (i) Redemption Amount (Call Option): [[ ] per Calculation Amount *(specify — if not par, also specify details of any formula)*] [Fair Market Value]
  - (ii) Series redeemable in part: [[ ] per Calculation Amount *(specify — otherwise redemption will only be permitted of entire Series)*] [Fair Market Value]
  - (iii) Optional Redemption Date (Call Option): [ ]
  - (iv) Minimum Redemption Amount (Call Option): [[ ] per Calculation Amount *(specify — if not par, also specify details of any formula)*] [Fair Market Value] [Not applicable]
  - (v) Maximum Redemption Amount (Call Option): [[ ] per Calculation Amount *(specify — if not par, also specify details of any formula)*] [Fair Market Value] [Not applicable]
- 15. Noteholder's optional redemption (Put Option): [Applicable] [Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
(Condition 7(d))
  - (i) Redemption Amount (Put Option): [[ ] per Calculation Amount / *(specify — if not par, also specify details of any formula)*] [Fair Market Value]



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- (ii) Optional Redemption Date (Put Option): [ ]
  - (iii) Minimum Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
  - (iv) Maximum Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
16. Final Redemption Amount of each Note: [[ ] per Calculation Amount (specify — if not par, also specify details of any formula)]
- (Condition 7(a))
17. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Index-Linked or other variable-linked: [Applicable] [Not applicable]
- (i) Index/formula/other variable: [give annex details]
  - (ii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or formula and/or other variable; [ ]
  - (iii) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [Need to include a description of market disruption or settlement disruption events and adjustment provisions] [See paragraph 24(v) below]
  - (iv) Minimum Final Redemption Amount [ ]
  - (v) Maximum Final Redemption Amount: [ ]
18. Instalment Notes: [Applicable] [Not applicable]
- (Condition 7(a)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Instalment Date(s) and corresponding Instalment:
- | <i>Instalment Date</i> | <i>Instalment Amount</i> |
|------------------------|--------------------------|
| [ ]                    | [ ]                      |
19. Early Redemption:
- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): [[100] per cent. of the Calculation Amount] [Fair Market Value] [Condition 7(e) (Early Redemption of Zero Coupon Notes) applies to the Notes] [other (specify details)]

*(Conditions 7(b) or 7(f))*

- (ii) Early Redemption Amount (upon redemption following an Event of Default):  [100] per cent. of the Calculation Amount  [Fair Market Value]  [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes]  [other (*specify details*)]

*(Condition 11)*

- (iii) Early Redemption Amount (upon redemption following an FX Disruption Event or a Benchmark Trigger Event):  [100] per cent. of the Calculation Amount  [Fair Market Value]  [other (*specify details*)]

*(Condition 9(f)(Y) or 15A)*

- (iv) Other redemption provisions:  [*Specify*]  [Not applicable]  [*If the Notes are rated, specify: Early Redemption for Impracticability is not applicable*]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes: *(The following elections apply in respect of the Notes issued by HBEU or HBME:)*

[(*Condition 2(a)*)] /  [(*Condition 2*)]

[Bearer Notes/Registered Notes/ Uncertificated Registered Notes]

*(The following applies in respect of Notes issued by HBCE only:)*

[Bearer Dematerialised Notes]

21.  [New Global Note  [(*delete if Registered Note*)]/ Issued under the new safekeeping structure  [(*delete if Bearer Note*)]:  [Yes/No]  [Not applicable] *(select "Not applicable" in case of Notes issued by HBCE only)*

22. If issued in bearer form:  [Applicable]  [Not applicable] *(select "Not applicable" and delete (i) to (v) below in case of Notes issued by HBCE only)*

- (i) Initially represented by:  [Temporary]  [Permanent]  [Global Note]

[Temporary Global CMU Note]

[Permanent Global CMU Note]

- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes:  [Yes]  [No]  [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note]  [Temporary Global CMU Note exchangeable for a Permanent Global CMU Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global CMU Note]  [*specify*]

*(Condition 2(a))*

- (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage:  [Yes]  [No]  [*If no, specify: Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for*]

- following a change of law or regulation: Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.]
- [If no, specify: Paragraph (c) of the Permanent Global CMU Note does not apply. The Issuer may not elect to exchange a Permanent Global CMU Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global CMU Note.]
- (iv) Coupons to be attached to Definitive Notes:<sup>5</sup> [Yes] [No] [Not applicable]
- [N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems - see provisions contained in Permanent Global Note]
- (v) Talons for future Coupons to be attached to Definitive Notes:<sup>6</sup> [Yes] [No] [Not applicable]
- [N.B. The above comment also applies here]
23. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days after the Issue Date] [(specify)] [Not applicable]
- (select "Not applicable" in case of Notes issued by HBCE)
24. If issued in registered form (other than Uncertificated Registered Notes): [Applicable] [Not applicable]
- (select "Not applicable" and delete sub paragraphs below in case of Notes issued by HBCE)
- (i) Initially represented by: [Regulation S Global Registered Note][Rule 144A Global Registered Note][Unrestricted Global Registered Note and Restricted Global Registered Note][Combined Global Registered Note][Definitive Registered Notes][Registered Global CMU Note]
- [(ii) [Regulation S Global Registered Note][Registered Global CMU Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note]/[Paragraph (c) of the Registered Global CMU Note]] does not apply. [The Issuer may not elect to exchange a [Regulation S Global Registered Note][Unrestricted Global Registered Note] for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note]/[The Issuer may not elect to exchange a Registered Global CMU Note for Individual CMU Note Certificate in the circumstances described in paragraph (c) of the Registered Global CMU Note]
- [(ii) [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of a [Rule 144A Global Registered Note][Restricted

<sup>5</sup> Definitive Notes will typically have coupons attached to them if interest-bearing.

<sup>6</sup> Talons will be needed if there are more than 27 coupons.

the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note]

[(ii) [Combined Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] Global Registered Note [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]

25. [Masse (Condition 15 of Part B3 – Terms and Conditions of the Notes issued by HBCE): Condition 15 applies. [Not applicable]

(i) Representative: [•] (*specify name and address*)

[(ii) Alternative Representative: [•] (*specify name and address*)]

(iii) Remuneration of Representative: [•]

26. Payments:

(Condition 9)

(i) Relevant Financial Centre Day: [*specify all places*]

(ii) Payment of Alternative Payment Equivalent: [Applicable] [Not applicable]

- Cross Currency Exchange Rate: [Applicable] [Not applicable]

- Cross Currency: [ ] (*delete if Cross Currency Exchange Rate is not applicable*)

- Cross Currency Jurisdiction: [ ] (*delete if Cross Currency Exchange Rate is not applicable*)

- Settlement Currency Jurisdiction: [ ]

- Alternative Payment Currency: [ ]

- Alternative Payment Currency Jurisdiction: [ ]

- Alternative Payment Currency Fixing Page: [ ]

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- Alternative Payment Currency Fixing Time: [ ]
  - Alternative Payment Currency Fixing Date: [ ] [Condition 1 applies] [The relevant jurisdictions/places] for the purposes of the Alternative Payment Currency Fixing Date are [ ]
  - Alternative Payment Currency Exchange Rate Fall-Back provisions: [ ] [Not applicable]
  - Additional Alternative Payment Currency Event: [ ]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (iii) Conversion provisions: [Applicable in respect of [[interest payments under the Notes][Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount][*other*]] [the Conversion Rate is [ ]][*specify further Conversion provisions*][Not applicable]
- Conversion Rate Business Days: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ] [Condition 1 applies]]
  - Conversion Rate Fixing Date: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]]
  - Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Conversion Rate Fixing Page: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]] [Condition 1 applies]]
  - Conversion Rate Fixing Time: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)]

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- [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]
- Denomination [in respect of [[interest payments under the Notes] Currency [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other][ ]
  - Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other][ ]
  - Settlement Currency [in respect of [[interest payments under the Notes] Jurisdiction: [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other][ ]
  - Conversion Rate [ ] [Condition 1 applies] Fall-Back provisions:
  - Offshore RMB [Hong Kong] [Taiwan] [Singapore] [ ] [Not Centre: applicable]
  - Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
- (iv) Underlying Currency Pair [Applicable in respect of [[interest payments under the provisions: Notes] [Final Redemption Amount]] [The Initial Underlying Currency Pair Exchange Rate is [ ]][Not applicable]
- Cross Currency [Applicable] [Not applicable] Exchange Rate:
  - Cross Currency: [ ]
  - Cross Currency [ ] Jurisdiction:
  - Reference [in respect of [interest payments under the Notes] Currenc(y)(ies): [Final Redemption Amount] [ ] [and [ ]]
  - Reference Currency [in respect of [interest payments under the Notes] Jurisdiction(s): [Final Redemption Amount] [ ] [and [ ]]
  - Specified [in respect of [interest payments under the Notes] Currenc(y)(ies): [Final Redemption Amount] [ ] [and [ ]]
  - Specified Currency [in respect of [interest payments under the Notes] Jurisdiction(s): [Final Redemption Amount] [ ] [and [ ]]
  - Underlying [in respect of [interest payments under the Notes] Currency Pair [Final Redemption Amount] [ ] [Condition 1 applies] Business Days:
  - Underlying [in respect of [interest payments under the Notes] Currency Pair Fixing [Final Redemption Amount] [ ] Date:
  - Underlying [in respect of [interest payments under the Notes] Currency Pair Fixing [Final Redemption Amount] [ ] [Condition 1 applies] Page:

Part B1 – Pro Forma Pricing Supplement for Notes

- Underlying Currency Pair Fixing Time: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ]]
  - Underlying Currency Exchange Rate Pair Exchange Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
- (v) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9(f): [3] [ ]
  - Dealer Poll: [Applicable] [Not applicable]
  - Unscheduled Holiday and Deferral Period: [The number of Relevant Currency Business Days for the purpose of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purposes of the Deferral Period is [ ] [as per Condition 1]]
  - Interest Adjustment: [Applicable] [Not applicable]
- (vi) EM Price Source Disruption: [Applicable] [Not applicable]
- Price Materiality: [Applicable] [Not applicable]
  - Price Materiality Threshold Percentage: [ ] [3 per cent.]
  - FX Disruption Event: [Applicable] [Not applicable]
  - EM Deferral Period: The number of calendar days for the purposes of the Deferral Period is [ ] [14] [30].
  - Fallback Conversion Rate Fixing Page: [ ]
  - Fallback Conversion Rate Fixing Time: [ ]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9(f): [3] [ ]

Part B1 – Pro Forma Pricing Supplement for Notes

- Payment Dates pursuant to Condition 9(h):
- Interest Adjustment: [Applicable] [Not applicable]
- (vii) LBMA Physical Settlement provisions: [Applicable [in respect of [Index-Linked Interest Note provisions] [Final Redemption Amount] [Early Redemption Amount] [ ] [and [ ]]] [Not applicable]
- LBMA Physical Settlement Commodit(y)(ies): [ ] [and [ ]]
- (viii) Physical Settlement provisions: [Applicable] [Not applicable]
27. Redenomination: [Applicable] [Not applicable]  
(Condition 10)
28. Other terms: [Not applicable/specify/See Annex]  
*(When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)*
29. Valuation Date: [ ]

**DISTRIBUTION**

30. (i) If syndicated, names of Relevant Dealer(s): [Not applicable / HSBC Bank plc/other - give name]
- (ii) If syndicated, names [, addresses and underwriting commitments] of other Dealers (if any): [Not applicable/other - give name]  
[Give addresses and underwriting commitments]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)*
31. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
32. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
33. Selling restrictions: [For Bearer Notes: TEFRA C Rules/TEFRA D Rules/TEFRA Not applicable]
- United States of America: [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]  
  
[Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "Transfer Restrictions"]



- 40-day Distribution Compliance Period: [Applicable]  
[Not applicable]
34. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"):
- [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
35. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"):
- [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
36. Additional U.S. federal income tax considerations:
- [Not applicable/give details] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [ ]]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] [*The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.*]
37. Additional selling restrictions:
- [specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]

## TRANSFER RESTRICTIONS

*[In offers of Notes pursuant to Rule 144A insert:]*<sup>7</sup>

### UNITED STATES

Because of the following restrictions, purchasers of Notes offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as the investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes, Combined Global Registered Notes and any US Definitive Registered Notes or Combined Definitive Registered Notes (as defined in "*Part B4 - Summary of Provisions relating to the Notes while in Global Form*" in the Offering Memorandum) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE [AND THE SECURITIES, IF ANY, TO BE DELIVERED UPON EXERCISE THEREOF]<sup>8</sup> HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE

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<sup>7</sup> *Transfer Restrictions are only to be included for Notes offered in the United States in reliance on Rule 144A.*

<sup>8</sup> To be included if the underlying securities have not been registered under the Securities Act.

MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "**QUALIFIED INSTITUTIONAL BUYERS**", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*<sup>9</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

*OR*<sup>10</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND

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<sup>9</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

<sup>10</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "BENEFIT PLAN INVESTOR" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "SIMILAR LAW"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW) AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS NOTE OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.]]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with

respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Note (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter, in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Note or an interest therein will not be), and is not (and for so long as it holds such Note or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Note or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 - Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]

**CONFIRMED**

**[HSBC BANK PLC**

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By: .....  
*Authorised Signatory*

Date:.....

By: .....  
*Authorised Signatory*

Date:.....]

**[HSBC CONTINENTAL EUROPE**

By: ..... ]  
*Authorised Signatory*

**PART B - OTHER INFORMATION**

**1. LISTING**

(i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin [on or around the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted] [Not applicable]

(ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(iii) Estimated total expenses of admission to trading: [*specify amount*]

**2. RATINGS**

Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]

*[specify rating and rating agency]*

**3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]**

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Dealer(s)/distributors in respect of the Notes [as of (or around) the Issue Date] (the "**Distributors**")/*specify other*]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Dealer(s)/Distributor(s)/*specify other*] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>11</sup>

**4. *[Fixed Rate Notes only - YIELD]***

Indication of yield: [[ ] per cent. per annum] [Calculated as *[include details of method of calculation in summary form]* on the Issue Date]<sup>12</sup>

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

<sup>11</sup> For unlisted Notes delete this paragraph.

<sup>12</sup> For unlisted Notes delete this paragraph.

5. **[Index-Linked or other variable-linked Interest Notes only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>13</sup>**

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)*

6. **REASONS FOR THE OFFER**

[The Notes are "Green Notes" and an amount equivalent to the net proceeds from the sale of the Notes will be used as described in "Part A - Green Notes" in the Offering Memorandum. The Applicable Framework is the [HSBC Green Bond Framework][Specify other]]

**OPERATIONAL INFORMATION**

- 7. ISIN Code:  [Not applicable]
- 8. Common Code:  [Not applicable]
- 9. CMU Instrument Number:  [Not applicable]
- 10. CUSIP:  [Not applicable]
- 11. Valoren Number:  [Not applicable]
- 12. SEDOL:  [Not applicable]
- 13. WKN:  [Not applicable]
- 14. Other identifier / code:  [Not applicable]
- 15. Intended to be held in a manner which would allow Eurosystem eligibility:  [Yes]  [No]  [Not applicable]<sup>14</sup>

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[include this text if "yes" selected]*

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion)

<sup>13</sup> For unlisted Notes delete this paragraph.

<sup>14</sup> Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB collateral eligibility requirements, in order to be eligible as collateral a security must, among other things, be denominated in Euro and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg Euro MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.



- elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "no" selected]*
16. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST/ CMU/ Euroclear France / None/*specify other*]
  17. Central Depository: [Euroclear France] [Not applicable]  
  
*(Select Euroclear France for Notes issued by HBCE)*
  18. Delivery: Delivery [against/free of] payment
  19. Settlement procedures: [Eurobond/Medium Term Note/CMU/ *other (specify)*]
  20. Additional Paying Agent(s) (if any): [None/ *specify*] [The Hongkong and Shanghai Banking Corporation Limited as the CMU Lodging and Paying Agent]
  21. CMU Registrar: [None/ The Hongkong and Shanghai Banking Corporation Limited]
  22. Common Depository: [HSBC Bank plc] [Not applicable] [*specify*]
  23. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] [The Hongkong and Shanghai Banking Corporation Limited] [*other (specify)*]
  24. ERISA Considerations: [ERISA prohibited] [ERISA terms apply]
  25. [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition [2] of Part B3 – Terms and Conditions of the Notes issued by HBCE:] [Applicable]  
  
*(If the possibility to request identification information of the Noteholders as provided by Condition [2] of Part B3 – Terms and Conditions of the Notes issued by HBCE is contemplated, delete this paragraph)*

**PART B2 -  
ALTERNATIVE TERMS AND CONDITIONS OF THE NOTES**

*The following is the text of the terms and conditions applicable to the Notes (the "**Conditions**") of each Series issued by HBEU for which the Pricing Supplement specifies that "Alternative Note General Conditions" apply. The Conditions are completed by the Pricing Supplement and will be incorporated by reference into each Note in global form (subject to the section entitled "Part B4 - Summary of Provisions Relating to the Notes while in Global Form ") and which will be endorsed on the Definitive Notes (if any) issued in exchange for Notes in global form representing each Tranche, details of the relevant Tranche being as set out in the relevant Pricing Supplement. The Pricing Supplement in relation to any Tranche 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 Tranche. Terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Part B4 - Summary of Provisions Relating to the Notes while in Global Form" below.*

The Notes are issued by HSBC Bank plc ("**HBEU**" or the "**Issuer**") pursuant to a programme for the issuance of notes and warrants (the "**Programme**"). HSBC Continental Europe ("**HBCE**") and HSBC Bank Middle East Limited ("**HBME**") are also issuers under the Programme (together with HBEU, the "**Issuers**"). References to "**Issuer**" in these Conditions, shall mean HBEU only. Notes issued by HBEU are constituted by, and have the benefit of, a deed of covenant dated on or about 25 May 2023 (the "**HBEU Deed of Covenant**"). The Notes also have the benefit of a master note issuance agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 25 May 2023 (as further modified and/or amended from time to time, the "**Master Note Issuance Agreement**") and made between the Issuers, and HSBC Bank plc, The Hongkong and Shanghai Banking Corporation Limited and HSBC Continental Europe (formerly known as HSBC France) as dealers (in this capacity, each a "**Dealer**" and together, the "**Dealers**", which expression shall include any additional or successor Dealer(s)) and an issuing and paying agency agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 25 May 2023 (as further modified and/or amended from time to time, the "**Issuing and Paying Agency Agreement**") and made between the Issuers, HSBC Bank plc and HSBC Continental Europe as calculation agents (HSBC Bank plc or, as the case may be, HSBC Continental Europe being the "**Calculation Agent**" with respect to the Notes as specified in the relevant Pricing Supplement, which expression includes any successor or other Calculation Agent appointed pursuant to the Issuing and Paying Agency Agreement and specified in the relevant Pricing Supplement), HSBC Bank plc and HSBC Bank USA, National Association as transfer agent (HSBC Bank plc or, as the case may be, HSBC Bank USA, National Association being the "**Transfer Agent**", which expression shall include any successor or other Transfer Agent appointed pursuant to the Issuing and Paying Agency Agreement), HSBC Bank plc as the principal paying agent (HSBC Bank plc being the "**Principal Paying Agent**", which expression shall include any successor or other Principal Paying Agent appointed pursuant to the Issuing and Paying Agency Agreement and, together with any additional paying agent appointed pursuant to the Issuing and Paying Agency Agreement or the Computershare Agency Agreement (as defined below), as specified in the relevant Pricing Supplement, the "**Paying Agents**"), HSBC Bank plc as issue agent (HSBC Bank plc being the "**Issue Agent**", which expression shall include any successor or other Issue Agent appointed pursuant to the Issuing and Paying Agency Agreement) and HSBC Bank plc and HSBC Bank USA, National Association as registrar (HSBC Bank plc or, as the case may be, HSBC Bank USA, National Association being the "**Registrar**", which expression shall include any successor or other Registrar appointed pursuant to the Issuing and Paying Agency Agreement), and the other parties specified therein.

In addition, HBEU has entered into an agreement with Computershare Investor Services PLC dated 23 April 2010 (such agreement, as amended and/or supplemented and/or restated from time to time, the "**Computershare Agency Agreement**") appointing the latter as registrar and paying agent (the "**CREST Registrar**", which expression shall include any successor registrar and paying agent) with respect to Uncertificated Registered Notes (as defined below).

All Notes will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes issued on different issue dates. Each Tranche will be the subject of a Pricing Supplement (the "**Pricing Supplement**"), a copy of which will be attached to or endorsed on or incorporated by reference in each Note of such Tranche. Other than the issue date, the issue price and the date for the first payment of interest, the Notes of each Series will have identical terms and conditions save

that a Series may comprise Bearer Notes and Registered Notes and may comprise Notes in more than one denomination. The Notes of each Tranche will have identical terms and conditions save that a Tranche may comprise Bearer Notes and Registered Notes and may comprise Notes of different denominations.

Copies of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the HBEU Deed of Covenant, and the Computershare Agency Agreement are available for inspection by Holders (as defined below) of Notes, and copies of the relevant Pricing Supplement, this Offering Memorandum and any supplement thereto may be obtained by Holders of Notes in each case during normal business hours at the specified office of the Issuer and of the Paying Agent in London or, in the case of Uncertificated Registered Notes, the CREST Registrar. The Holders (as defined in Condition 2(b) (*Form, Denomination and Title – Bearer Notes*)) for the time being of Notes (the "**Noteholders**", which expression shall, in the case of Bearer Notes, include reference to the Holders of the Coupons appertaining thereto) and of any coupons (the "**Coupons**") or talons (the "**Talons**") (the "**Couponholders**") are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the Computershare Agency Agreement and the HBEU Deed of Covenant.

Words and expressions defined in the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement or the Computershare Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the Computershare Agency Agreement and the relevant Pricing Supplement, the relevant Pricing Supplement will prevail.

1. **Definitions**

As used in these Conditions, the following expressions shall have the following meanings:

"**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the Issue Date of the first Tranche of the Notes of the relevant Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org));

"**Accreted Principal Amount**" has the meaning ascribed thereto in Condition 7(e) (*Early Redemption of Zero Coupon Notes*);

"**Accrual Yield**" means, in the case of Zero Coupon Notes, the percentage rate per annum specified as such in the relevant Pricing Supplement;

"**Administrator/Benchmark Event**" means, in relation to any Series of Notes and an Applicable Benchmark, an event or circumstance which has the effect that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use such Applicable Benchmark to perform its or their obligations under the Notes;

"**Administrator/Benchmark Event Date**" means, in respect of any Administrator/Benchmark Event, the date from which the Applicable Benchmark may no longer be used under any applicable law or regulation by the Issuer or the Calculation Agent;

"**Affected Relevant Benchmark**" means, in relation to any Series of Notes, the Relevant Benchmark affected by a Benchmark Trigger Event;

"**Agents**" means each of the Paying Agents, the Transfer Agent, the Issue Agent and the Registrar;

"**Aggregate Outstanding Nominal Amount**" means, in respect of Notes which are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the aggregate outstanding nominal amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes;

"**Alternative Payment Currency**" means the currency, which may be Offshore RMB, specified as such in the relevant Pricing Supplement or, if no such currency is specified, USD;

**"Alternative Payment Currency Equivalent"** means the relevant amount in the Settlement Currency determined by the Calculation Agent converted into the relevant Alternative Payment Currency using the Alternative Payment Currency Exchange Rate for the relevant Alternative Payment Currency Fixing Date;

**"Alternative Payment Currency Exchange Rate"** means:

- (i) the rate of exchange between the Settlement Currency and Alternative Payment Currency (expressed as the number of units of Alternative Payment Currency per one unit of Settlement Currency or as the number of units of Settlement Currency per one unit of Alternative Payment Currency (as applicable)) as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time on the Alternative Payment Currency Fixing Date and as observed by the Calculation Agent;
- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Alternative Payment Cross Currency Rate and the Settlement Currency Exchange Rate, as determined by the Calculation Agent; or
- (iii) such other rate as may be specified in the relevant Pricing Supplement.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Alternative Payment Currency Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent and (a) if Alternative Payment Currency Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate in accordance with the Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Alternative Payment Currency Exchange Rate in accordance with such Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in its discretion; or (b) if such Alternative Payment Currency Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in accordance with sub-paragraphs (X)(A) or (X)(B), as applicable, of Condition 9(f) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

**"Alternative Payment Cross Currency Rate"** means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Alternative Payment Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

**"Alternative Payment Currency Fixing Date"** means:

- (i) the date specified as such in the Pricing Supplement;
- (ii) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate); or
- (iii) otherwise, the fifth day (or such other number of days specified in the relevant Pricing Supplement) prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate).

If such date falls on a day that is a Saturday or Sunday or on which commercial banks are not open for general business and dealings in foreign exchange in the jurisdiction or place specified in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, the Alternative Payment Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction (a "**closed day**"), then:

- (x) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the Alternative Payment Currency Fixing Date shall be the immediately following calendar day that is not a closed day; and
- (y) otherwise, the Alternative Payment Currency Fixing Date shall be the immediately preceding calendar day that is not a closed day;

**"Alternative Payment Currency Fixing Page"** means the Reuters or other screen page specified as such in the relevant Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate by reference to the spot rate prevailing in the international exchange market;

**"Alternative Payment Currency Fixing Time"** means (i) the time and place specified as such in the relevant Pricing Supplement or, such other time and place as the Calculation Agent determines in the case of a successor page to the Alternative Payment Currency Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page or (ii) if no such time and place is specified in the Pricing Supplement, such time and place as the Calculation Agent determines;

**"Alternative Payment Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement or, if the Alternative Payment Currency Jurisdiction is USD, the United States of America;

**"Alternative Payment Settlement Days"** means the number of local banking days specified as such in the relevant Pricing Supplement or if the relevant Pricing Supplement does not specify any Alternative Payment Settlement Days then the Alternative Payment Settlement Days shall be deemed to be 3 local banking days;

**"Alternative Pre-nominated Index"** means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the relevant Pricing Supplement as an "Alternative Pre-nominated Index" and which is not subject to a Benchmark Trigger Event;

**"Applicable Benchmark"** means any of the following:

- (a) a Relevant Benchmark;
- (b) a Reference Rate;
- (c) any index, benchmark or other price source that is referred to in a Relevant Benchmark;
- (d) any rate that applies as a fallback pursuant to Conditions 5(e)(v), 5(e)(vi) or 5(e)(vii);
- (e) an Alternative Pre-nominated Index used pursuant to Condition 15(A) (*Consequences of a Benchmark Trigger Event*); and
- (f) a Replacement Index used pursuant to Condition 15(A) (*Consequences of a Benchmark Trigger Event*);

**"Applicable Fallback Effective Date"** means, in respect of an Applicable Benchmark and an Index Cessation Event or an Administrator/Benchmark Event, the Index Cessation Effective Date or the Administrator/Benchmark Event Date, as applicable;

**"Benchmark Trigger Event"** means:

- (i) in respect of a Series of Notes that references a Relevant Benchmark that is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate:
  - (A) an Index Cessation Event; or
  - (B) an Administrator/Benchmark Event; and

- (ii) in respect of any other Series of Notes, an Administrator/Benchmark Event;

**"Business Centre"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Business Day"** means:

- (i) in relation to a Note in respect of which amounts are payable in euro, a Euro Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Business Centre and on which the relevant Clearing System is open for business; or
- (ii) in relation to any other Note, a day on which commercial banks and foreign exchange markets settle payments generally in each Business Centre and on which the relevant Clearing System is open for business;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred; **provided, however, that:**
- (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
- (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
- (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Amount"** means the amount in the Denomination Currency specified as such in the relevant Pricing Supplement;

**"Clearing System"** means, in relation to a Series of Notes, Euroclear, Clearstream, Luxembourg, DTC, CREST and/or any other clearing system specified in the relevant Pricing Supplement in which Notes of the relevant Series are for the time being held, or, in relation to an individual Note, in which that Note is for the time being held;

**"Clearing System Currency Eligibility Event"** means the relevant Clearing System(s) ceases to accept payments in the Settlement Currency;

**"Clearstream, Luxembourg"** means Clearstream Banking S.A.;

**"Combined Global Registered Note"** means a Registered Note in global form eligible for sale in the United States to "qualified institutional buyers" or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers", in each case in reliance on Rule 144A under the Securities Act and to non U.S. persons (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act;

**"Conversion Rate"** means:

- (i) the conversion rate of exchange specified as such in the relevant Pricing Supplement;
- (ii) if such rate is not specified in the relevant Pricing Supplement, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as published on the Conversion Rate Fixing Page at the Conversion Rate Fixing Time on the Conversion Rate Fixing Date and as observed by the Calculation Agent; or
- (iii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the conversion rate of exchange determined in accordance with, or derived from the Denomination Currency Conversion Rate and the Settlement Currency Conversion Rate, as determined by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on a Conversion Rate Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent, and (a) if Conversion Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Conversion Rate in accordance with the Conversion Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Conversion Rate in accordance with such Conversion Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Conversion Rate in its discretion; or (b) if Conversion Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Conversion Rate in accordance with Condition 9(f) (*Price Source Disruption and FX Disruption*) or Condition 9(g) (*EM Price Source Disruption*) (as applicable) or, if neither Price Source Disruption or EM Price Source Disruption are specified as applicable in the relevant Pricing Supplement, in its discretion;

**"Conversion Rate Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place specified as such in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, Denomination Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

**"Conversion Rate Fixing Date"** means each of the dates specified as such in the relevant Pricing Supplement or if such date is not a Conversion Rate Business Day the immediately following day that is a Conversion Rate Business Day or, if such date is not specified in the relevant Pricing Supplement, the fifth Conversion Rate Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be a Conversion Rate Business Day if the market was not aware of it not being a Conversion Rate Business Day (by means of a public announcement or by reference to other publicly available information) on the Conversion Rate Fixing Date notwithstanding it subsequently ceases to be a Conversion Rate Business Day for any reason or the market subsequently becomes aware that it was not a Conversion Rate Business Day);

"**Conversion Rate Fixing Page**" means the Reuters or other screen page specified as such in the Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Conversion Rate by reference to the spot rate prevailing in the international exchange market;

"**Conversion Rate Fixing Time**" means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Conversion Rate Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

"**CREST**" means Euroclear UK & International Limited (formerly known as CRESTCo Limited);

"**Cross Currency**" means the currency specified as such in the relevant Pricing Supplement, or if such currency is not specified in the relevant Pricing Supplement, the Cross Currency shall mean USD;

"**Cross Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in the relevant Pricing Supplement and:

- (i) if "**Actual/Actual**", "**Actual/Actual (ISDA)**", "**Act/Act**" or "**Act/Act (ISDA)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is so specified means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any one year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (iii) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;



- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;

- (vii) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30;

- (viii) if "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

"**Deferral Period**" has the meaning ascribed thereto in Condition 9(f) (*Price Source Disruption and FX Disruption*);

"**Denomination Currency**" means the currency of denomination of the Notes specified as such in the relevant Pricing Supplement;

"**Denomination Currency Conversion Rate**" means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Denomination Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

"**Denomination Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**Derivative Component**" means the option component(s) or embedded derivative(s) in respect of the nominal amount of the Notes or the interest amount due under the Notes;

"**Derivative Component Market Value**" means, in relation to any Note which is to be redeemed early, the market value of the Derivative Component (which can be positive or negative) as determined by the Calculation Agent by reference to the mark-to-market value of such Derivative Component taking into account the time remaining until the scheduled maturity date of the Notes and calculated in accordance with generally accepted valuation methods for such instruments in the financial markets, **provided that** any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (other than the negative mark-to-market value of such Derivative Component, if applicable), shall not be taken into account when determining the Derivative Component Market Value;

"**DTC**" means the Depository Trust Company;

"**Early Redemption Amount**" means, in relation to each Note or Calculation Amount, as applicable,

- (i) where the event giving rise to the early redemption does not constitute Force Majeure
  - (a) an amount equal to the percentage per Calculation Amount;
  - (b) its Fair Market Value;
  - (c) its Market Value 1;
  - (d) its Market Value 2;

- (e) its Principal Protected Amount;
- (f) its Highest Value (Vanilla);
- (g) its Highest Value (Structured); or
- (h) its Accreted Principal Amount,

in each case (i) as specified in the relevant Pricing Supplement for the event giving rise to the early redemption and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*), and (ii) without prejudice to Condition 7(l) (*Monetisation Option*), if "Monetisation Option" is specified as being applicable in the relevant Pricing Supplement, or

- (ii) where the event giving rise to the early redemption constitutes Force Majeure, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note determined by reference to:
  - (a) if the Note is actively traded on a regulated market, multilateral trading facility or over-the-counter market and where recent observable bid and ask prices are available, by reference to such prices;
  - (b) if the Note is not traded on a regulated market, multilateral trading facility or over-the-counter market, or where, in the reasonable determination of the Calculation Agent, no recent observable bid and ask prices that represent the market value of such Notes are available, by reference to a generally accepted valuation method for such instrument in the financial markets,

and **provided that** any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (excluding, for the avoidance of doubt, any negative mark-to-market value of the Derivative Component, if applicable), shall not be taken into account when determining such amount.

**"Early Redemption Valuation Date"** means the date on which the Issuer determines that it will exercise its option to redeem the Notes early, such date being notified to Noteholders in the relevant notice of early redemption;

**"EM Deferral Period"** means, in respect of a Scheduled FX Fixing Date, a period of such number of calendar days as specified in the relevant Pricing Supplement, beginning on and including the relevant Scheduled FX Fixing Date;

**"EMU Event"** means the occurrence of any of the following, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner:

- (i) the withdrawal from legal tender of any currency that, before the introduction of the euro, was lawful currency in one of the member states;
- (ii) the redenomination of any underlying value to which the Notes relate into euro;
- (iii) any change in the currency of denomination of any index;
- (iv) any change in the currency in which some or all the securities or other property contained in any index is denominated;
- (v) the disappearance or replacement of a relevant rate option or other price source for the national currency of any member state, or the failure of the agreed sponsor (or successor sponsor) to publish or display a relevant rate, index, price, page or screen; or
- (vi) the change by any organised market, exchange or clearance, payment or settlement system in the unit of account of its operating procedures to the euro;

**"Euro", "euro" "EUR", "€"** each means the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty;

"**Euro Business Day**" or "**TARGET Business Day**" means a day on which T2 is open for settlement of payments in euro;

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**exchange date**" shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in the manner specified in Condition 13 (*Replacement, Exchange and Transfer*);

"**Fair Market Value**" means, in relation to any Note, its fair market value immediately prior to the relevant redemption date, as determined by the Calculation Agent in consultation with the Issuer, less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements, and any such calculation of the fair market value shall have the effect of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make payments in respect of the Notes which would, but for any early redemption (in the case of any early redemption of such Notes), have fallen due after the relevant early redemption date. For the purposes of calculating the Fair Market Value following an Event of Default pursuant to Condition 11 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes;

"**Fallback Conversion Rate**" means, on any date, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as determined by the Calculation Agent in good faith and published on the Fallback Conversion Rate Fixing Page at the Fallback Conversion Rate Fixing Time for such date;

"**Fallback Conversion Rate Fixing Page**" means the Reuters or other screen page or the relevant section of the EMTA website specified as such in the Pricing Supplement (or any successor page or website thereof), or if such page or section of the EMTA website is not specified in the relevant Pricing Supplement or there is no successor page or website, the Calculation Agent will determine the relevant Conversion Rate from such other source generally applied in the market for determining such exchange rate;

"**Fallback Conversion Rate Fixing Time**" means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Fallback Conversion Rate Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

"**Fee Component**" means any costs, as notified by the Issuer to the Calculation Agent (including but not limited to any structuring costs) which were included in the issue price of the relevant Note in an amount equal to the amount of such costs multiplied by the number of days from the Early Redemption Valuation Date to the Maturity Date and divided by the number of days from the Issue Date until the Maturity Date of such Notes;

"**Final Redemption Amount**" has the meaning ascribed thereto in Condition 7(a) (*Redemption and Purchase - At Maturity*);

"**Fixed/Floating Rate Notes**" means a Note for which Fixed Rate Note provisions (for an initial period from the Issue Date) and Floating Rate Note provisions (for a subsequent period) are specified in the relevant Pricing Supplement as applicable;

"**Fixed Rate Note**" means a Note which bears interest at a fixed rate and in respect of which Condition 4 (*Fixed Rate Note Provisions*) is applicable;

"**Floating Rate Note**" means a Note which bears interest at a floating rate and in respect of which the relevant provisions of Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions*) are applicable;

**"Floating Rate Option"** means, in relation to a Note to which ISDA Determination applies, a rate or price source specified as such in the relevant Pricing Supplement;

**"Force Majeure"** means any force majeure, act of state, or other event or circumstance occurring after the Issue Date as a consequence of which the fulfilment of the obligations of the Issuer under the Notes has become impossible through the occurrence of an external event that is not attributable to the Issuer;

**"FX Cut-off Date"** has the meaning ascribed thereto in Condition 9(f) (*Price Source Disruption and FX Disruption*);

**"FX Disruption Event"** means the occurrence, as determined by the Calculation Agent, of (i) (a) an Inconvertibility, (b) Non-transferability, (c) Illiquidity or (d) any other event affecting the Denomination Currency, Cross Currency, Reference Currency, Settlement Currency or Specified Currency (as applicable) (the **"FX Disruption Relevant Currency"**) which would make it unlawful or not possible using commercially reasonable efforts for reasons outside the control of the Issuer and/or the Calculation Agent, in whole or in part, (including without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial power) for the Issuer (or the Issuer's affiliate) to pay or receive amounts in the FX Disruption Relevant Currency; or (ii) if Offshore RMB is specified as the applicable FX Disruption Relevant Currency, each of the events specified in (i) above, plus an Offshore RMB Disruption;

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the Settlement Currency Jurisdiction or, where the Settlement Currency is specified to be RMB, in mainland China and each Offshore RMB Centre;

**"Government Bonds"** means, in relation to a Series of Notes, bonds or any other debt securities issued by a government, government agency or subdivision or a transnational or supranational organisation as specified in the relevant Pricing Supplement and **"Government Bond"** shall be construed accordingly;

**"Highest Value (Structured)"** means, in relation to any Note which is to be redeemed early, the higher of Market Value 2 and the Principal Protected Amount, **provided that**

- (i) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Highest Value (Structured); and
- (ii) where Highest Value (Structured) is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Highest Value (Structured);

**"Highest Value (Vanilla)"** means, in relation to any Note which is to be redeemed early, the higher of Market Value 1 and the Principal Protected Amount, **provided that**

- (i) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Highest Value (Vanilla); and
- (ii) where Highest Value (Vanilla) is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Highest Value (Vanilla);

**"Illiquidity"** means where the foreign exchange market in the Settlement Currency Jurisdiction becomes illiquid after the Trade Date and, as a result of which, the Issuer cannot obtain sufficient Settlement Currency in order to satisfy its obligation to pay any amount in respect of the Notes as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation (if practicable) with two Reference Dealers;

**"Inconvertibility"** means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the foreign exchange market in the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Index Cessation Event"** means, in respect of a Series of Notes that references an Applicable Benchmark which is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate, the occurrence or existence, as determined by the Issuer, of one or more of the following events:

- (a) a public statement or publication of information by or on behalf of the administrator of the Applicable Benchmark announcing that it has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark;
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Applicable Benchmark, the central bank for the currency of the Applicable Benchmark, an insolvency official with jurisdiction over the administrator for the Applicable Benchmark, a resolution authority with jurisdiction over the administrator for the Applicable Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Applicable Benchmark, which states that the administrator of the Applicable Benchmark has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark;
- (c) if the Applicable Benchmark is the Sterling London interbank offered rate, the Swiss Franc London interbank offered rate, the U.S. Dollar London interbank offered rate, the Euro London interbank offered rate or the Japanese Yen London interbank offered rate (each, a **"Specified Rate"**), or is a swap rate which references a swap transaction with a floating leg of a Specified Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Applicable Benchmark announcing that (i) the regulatory supervisor has determined that such Applicable Benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark is intended to measure and that representativeness will not be restored and (ii) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;
- (d) if the Relevant Benchmark is SOR, if SOR for a tenor equal to the relevant Interest Period (the **"relevant tenor"**) is not published by ABS Benchmarks Administration Co Pte. Ltd. (or any successor administrator) (the **"SOR Administrator"**) or an authorised distributor and is not otherwise provided by the SOR Administrator, and as of the day that is two Singapore and London Banking Days (as defined below) preceding the next following Interest Payment Date, the U.S. Dollar London interbank offered rate for the relevant tenor has been permanently discontinued or is Non-Representative (as defined below) and there is either no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is longer than the relevant tenor or no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is shorter than the relevant tenor (and for these purposes (x) the U.S. Dollar London interbank offered rate in a particular tenor shall be **"Non-Representative"** if the regulatory supervisor for the administrator of such rate (i) has determined and announced that such rate in such tenor is no longer representative of the underlying market and economic reality that such rate is intended to measure and representativeness will not be restored and (ii) is aware that certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts have been or are engaged, and (y) a **"Singapore and London Banking Day"** means any day on which

commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Singapore and London); or

- (e) in respect of an Applicable Benchmark which has an Underlying Fallback Rate, a public statement or publication of information by the regulatory supervisor for the administrator of the Underlying Fallback Rate, the central bank for the currency of the Underlying Fallback Rate, an insolvency official with jurisdiction over the administrator for the Underlying Fallback Rate, a resolution authority with jurisdiction over the administrator for the Underlying Fallback Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Underlying Fallback Rate, which states that the administrator of the Underlying Fallback Rate has ceased or will cease to provide the Underlying Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Underlying Fallback Rate (and, for these purposes, an "**Underlying Fallback Rate**" in relation to an Applicable Benchmark shall be such rate (if any) as the Issuer determines is the rate underlying such Applicable Benchmark);

**"Index Cessation Effective Date"** means:

- (a) the first date on which the Applicable Benchmark would ordinarily have been published or provided and is no longer published or provided; or
- (b) in the case of limb (c) of the definition of "Index Cessation Event," the first date on which the Applicable Benchmark would ordinarily have been published or provided and is either:
  - (i) no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark is intended to measure and that representativeness will not be restored, by reference to the most recent statement or publication contemplated in such limb (c), and even if such Applicable Benchmark continues to be published or provided on such date; or
  - (ii) no longer published or provided;

**"Index-Linked Interest Note"** means a Note which bears interest at a rate determined by reference to an index or any other variable as specified in the relevant Pricing Supplement and in respect of which Condition 5(f) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions*) is applicable;

**"Initial Underlying Currency Pair Exchange Rate"** means the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference Currency (as applicable)) specified as such in the relevant Pricing Supplement;

**"Interest Commencement Date"** means the date specified as such in the relevant Pricing Supplement;

**"Interest Determination Date"** means the day determined by the Calculation Agent to be customary for determining the Reference Rate applicable for the relevant Interest Period or as otherwise specified in the relevant Pricing Supplement;

**"Interest Payment Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may

occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"IRC"** means the U.S. Internal Revenue Code of 1986;

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor);

**"ISDA Definitions"** has the meaning given in the relevant Pricing Supplement;

**"Issue Date"** means the date specified as such in the relevant Pricing Supplement;

**"LBMA"** means the London Bullion Market Association or its successor;

**"LBMA Physical Settlement Commodity"** means each commodity specified as such in the relevant Pricing Supplement;

**"LBMA Physical Settlement Disruption Event"** means, as determined by the Calculation Agent, an event which is beyond the control of the Issuer or the transferor of the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes and as a result of which the Issuer or such transferor is unable to effect a relevant delivery;

**"LBMA Physical Settlement Fallback Redemption Amount"** means an amount in the Settlement Currency, US Dollar or such other currency as determined by the Calculation Agent in its sole and absolute discretion in respect of each Note determined by the Calculation Agent, in its sole and absolute discretion, with reference to the price of the LBMA Physical Settlement Commodity to in the spot market on the relevant Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as applicable);

**"LBMA Physical Settlement Market Disruption Event"** means: (i) the material suspension of, or the material limitation imposed on, trading in the LBMA Physical Settlement Commodity on any exchange or principal trading market which the Calculation Agent considers material in relation to the Notes; (ii) the disappearance of, or of trading in the LBMA Physical Settlement Commodity; or (iii) the disappearance or permanent discontinuance or unavailability of the Conversion Rate or Underlying Currency Pair Exchange Rate notwithstanding the status of trading in the LBMA Physical Settlement Commodity;

**"LBMA Transfer Notice"** has the meaning given in Condition 9(g) (*Payments – LBMA Physical Settlement*);

**"local banking day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent, the Paying Agent, or the Registrar or the Transfer Agent to which the relevant Note or Coupon is presented for payment is located;

**"Margin"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Market Value 1"** means, in relation to any Note which is to be redeemed early, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note determined by reference to:

- (a) if the Note is actively traded on a regulated market, multilateral trading facility or over-the-counter market and where recent observable bid and ask prices are available, by reference to such prices;



- (b) if the Note is not traded on a regulated market, multilateral trading facility or over-the-counter market, or where, in the reasonable determination of the Calculation Agent, no recent observable bid and ask prices that represent the market value of such Notes are available, by reference to a generally accepted valuation method for such instrument in the financial markets,

**provided that**

- (i) for the purposes of calculating Market Value 1 following an Event of Default pursuant to Condition 11 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Note;
- (ii) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Market Value 1; and
- (iii) where Market Value 1 is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Market Value 1;

**"Market Value 2"** means, in relation to any Note which is to be redeemed early, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note which shall be the aggregate of (i) the present value of the savings component of the Notes on the Early Redemption Valuation Date (as calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets) and (ii) the Derivative Component Market Value, **provided that**,

- (a) for the purposes of calculating Market Value 2 following an Event of Default pursuant to Condition 11 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes;
- (b) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (excluding, for the avoidance of doubt, any negative value of the Derivative Component Market Value), shall not be taken into account when determining Market Value 2; and
- (c) where Market Value 2 is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Market Value 2;

**"Maturity Date"** has the meaning ascribed thereto in Condition 7(a) (*Redemption and Purchase - At Maturity*);

**"Maximum Interest Rate"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Maximum Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Maximum Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Minimum Interest Rate"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Minimum Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Minimum Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

"**Monetisation Amount**" means, in respect of a Note, the higher of (i) the Principal Protected Amount (if any) and (ii) the amount calculated by the Calculation Agent as follows:

$$(S + D + F) \times (1 + r)^n$$

Where:

"**S**" is the present value of the savings component of the Notes on the Early Redemption Valuation Date (calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets);

"**D**" is the Derivative Component Market Value on the Early Redemption Valuation Date;

"**F**" is the Fee Component;

"**r**" is a hypothetical annual interest rate that would be applied on an equivalent hypothetical debt instrument issued by the Issuer with the same maturity as the remaining maturing on the Notes from the Early Redemption Valuation Date until the scheduled maturity date of the Notes; and

"**n**" is the time remaining until the scheduled maturity date of the Notes, expressed as a number of years;

"**National Currency Unit**" means the national currency unit of any Participating Member State that becomes a denomination of the euro by reason of Council Regulation (EC) No. 1103/97, Council Regulation (EC) No. 974/98 or any other applicable laws;

"**Non-transferability**" means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to transfer Settlement Currency between accounts inside the Settlement Currency Jurisdiction or from an account inside the Settlement Currency Jurisdiction to an account outside the Settlement Currency Jurisdiction or from an account outside the Settlement Currency Jurisdiction to an account inside the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Offshore RMB**" means RMB that is freely deliverable between accounts in the Offshore RMB Centre in accordance with the law and applicable regulation and guidelines issued by relevant authorities in the Offshore RMB Centre prevailing as of the Trade Date of the Notes;

"**Offshore RMB Centre**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**Offshore RMB Disruption**" means the occurrence of, as determined by the Calculation Agent, an Offshore RMB Inconvertibility, Offshore RMB Non-transferability or Offshore RMB Illiquidity;

"**Offshore RMB Illiquidity**" means the occurrence of any event after the Trade Date that makes it impossible (where it has previously been possible) for the Issuer to obtain a firm quote of an offer price in respect of any amount in Offshore RMB in order to satisfy its obligation to pay an amount under the Notes (the "**Relevant Disrupted Amount**"), in each case on the due date for payment, Valuation Date, Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as the case may be), either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such Relevant Disrupted Amount, in the general Offshore RMB exchange market in each Offshore RMB Centre in order to perform its obligations under the Notes;

"**Offshore RMB Inconvertibility**" means the occurrence of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to convert an amount of Offshore RMB no less than the Relevant Disrupted Amount into or from USD (or, if the Settlement Currency specified in the Pricing Supplement is other than USD, then such Settlement Currency) in the general Offshore RMB exchange market in each Offshore RMB Centre, other than where

such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Offshore RMB Non-Transferability"** means the occurrence in each Offshore RMB Centre of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to transfer Offshore RMB (i) between accounts inside an Offshore RMB Centre, (ii) from an account inside an Offshore RMB Centre to an account outside such Offshore RMB Centre and outside mainland China, or (iii) from an account outside an Offshore RMB Centre and outside mainland China to an account inside such Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation). For the purpose of Offshore RMB Non-Transferability and Hong Kong as an Offshore RMB Centre only, a segregated Chinese Renminbi fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong;

**"Optional Redemption Date (Call Option)"** means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(c) (*Redemption at the Option of the Issuer*);

**"Optional Redemption Date (Put Option)"** means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(d) (*Redemption at the Option of the Noteholders*);

**"Participating Member States"** means any member state of the European Union which adopts the single currency in accordance with the Treaty;

**"Price Materiality"** means the Calculation Agent has determined that the Conversion Rate differs from the Fallback Conversion Rate by the Price Materiality Threshold Percentage or more (**provided that** if the Calculation Agent is unable to determine the Fallback Conversion Rate, the Calculation Agent may determine in its sole discretion (acting in a commercially reasonable manner) whether a Price Materiality has occurred).

**"Price Materiality Threshold Percentage"** means the percentage specified as such in the Pricing Supplement, or is no such percentage is specified, three per cent.

**"Price Source Disruption"** means, in relation to a Relevant Rate, such Relevant Rate is not available for any reason as determined by the Calculation Agent;

**"Principal Protected Amount"** means an amount, if any, specified as such in the relevant Pricing Supplement in respect of Notes;

**"Rate of Interest"** means:

- (i) where the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest specified as such in the relevant Pricing Supplement;
- (ii) where the Floating Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with Conditions 5(c) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions - Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA*), 5(d) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions – ISDA Determination*), as applicable or 5(e) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions - Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA*); and
- (iii) where the Index-Linked Interest Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with

Condition 5(f) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions - Index-Linked Interest*);

**"Redemption Amount"** has the meaning given in Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*);

**"Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*);

**"Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*);

**"Redenomination Date"** means a date (being, in the case of interest-bearing Notes, a date on which interest in respect of such Notes is payable) which:

- (i) is specified by the Issuer in the notice given to the Noteholders pursuant to Condition 10(a) (*Redenomination - General*); and
- (ii) falls on or after such date as the country of the Settlement Currency becomes a Participating Member State;

**"Reference Bank(s)"** means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Reference Dealers"** means leading dealers in the relevant foreign exchange market, as determined by the Calculation Agent;

**"Reference Currency Exchange Rate"** means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Reference Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

**"Reference Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Reference Rate"** has the meaning given in the relevant Pricing Supplement;

**"Regular Period"** means:

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

**"Related Payment Date"** means any payment date on the Notes on which the amount payable is calculated by reference to the Relevant Rate determined on the related Scheduled FX Fixing Date;

**"Relevant Banking Day"** means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Note for a Registered Note where such request for exchange is made to the Principal Paying Agent or the Transfer Agent, in the place where the specified office of the Principal Paying Agent or, as the case may be, the Transfer Agent is located;

**"Relevant Benchmark"** means, in relation to any Series of Notes:

- (a) each Reference Rate, Floating Rate Option or other interest rate, yield, cost of fund or similar rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Reference Rate or Floating Rate Option);
- (b) each Relevant Rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Relevant Rate);
- (c) each Index specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Index);
- (d) each Commodity Reference Price specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Commodity Reference Price); or
- (e) any other index, benchmark or price source specified in the relevant Pricing Supplement as being applicable to such Notes.

To the extent that any index, benchmark or price source constitutes an Alternative Pre-nominated Index or Replacement Index used pursuant to Condition 15A (*Consequences of a Benchmark Trigger Event*), such index, benchmark or price source, as applicable, shall be a "Relevant Benchmark" from the day on which it is first used;

**"Relevant Benchmark Determination Date"** means, in relation to any Series of Notes and a Relevant Benchmark, a date on which the rate, level or value of such Relevant Benchmark falls to be determined in accordance with the Conditions;

**"Relevant Benchmark Related Payment Date"** means, in relation to any Series of Notes, a Relevant Benchmark and a Relevant Benchmark Determination Date, any payment date under the Notes for which the amount payable is calculated by reference to the Relevant Benchmark as determined on such Relevant Benchmark Determination Date;

**"Relevant Currency"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Currency Business Day"** means, in relation to a Relevant Rate that is the:

- (i) Alternative Payment Currency Exchange Rate or Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate (which is being determined for the purposes of determining the Alternative Payment Currency Exchange Rate), an Alternative Payment Currency Fixing Date;
- (ii) Conversion Rate or Denomination Currency Conversion Rate or Settlement Currency Conversion Rate (which is being determined for the purposes of determining the Conversion Rate), a Conversion Rate Business Day; or
- (iii) Underlying Currency Pair Exchange Rate, Specified Currency Exchange Rate or Reference Currency Exchange Rate, an Underlying Currency Pair Business Day;

**"Relevant Financial Centre Day"** means 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 or centres for the currency in which payment falls to be made (or, where such currency is a National Currency Unit and the Notes have been redenominated into euro pursuant to Condition 10 (*Redenomination*), the former principal financial centre or centres) and in any other place set out in the Pricing Supplement. In the case of payments which fall to be made in euro (save for payments in relation to Notes which have been redenominated into euros pursuant to Condition 10 (*Redenomination*)), a Euro Business Day. The Relevant Financial Centre Days in relation to any Tranche determined in accordance with the above provisions as at the Issue Date shall be specified in the relevant Pricing Supplement;

**"Relevant Financial Centre"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Jurisdiction"** means the United Kingdom

**"Relevant Nominating Body"** means, in respect of a Relevant Benchmark:

- (a) the central bank for the currency in which the Relevant Benchmark is denominated or any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark; or
- (b) any working group or committee sponsored by, chaired or co-chaired by, or constituted at the request of (i) the central bank for the currency in which the Relevant Benchmark is denominated, (ii) any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark, (iii) a group of those central banks or other supervisors or (iv) the Financial Stability Board or any part thereof;

**"Relevant Rate"** means the Alternative Payment Currency Exchange Rate, Alternative Payment Cross Currency Rate, Conversion Rate, Denomination Currency Conversion Rate, Reference Currency Exchange Rate, Settlement Currency Exchange Rate, Settlement Currency Conversion Rate, Specified Currency Exchange Rate or Underlying Currency Pair Exchange Rate (as applicable);

**"Relevant Reference Asset Fallback Provisions"** means:

- (a) in relation to a Series of Index-Linked Notes where the Affected Relevant Benchmark is an Index, Condition 22(f)(iii) (*Index Cancellation*), as if the relevant Benchmark Trigger Event were an Index Cancellation;
- (b) in relation to a Series of Commodity/Commodity Index-Linked Notes where the Affected Relevant Benchmark is a Commodity Reference Price, Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*), as if the relevant Benchmark Trigger Event were a Disappearance of a Commodity Reference Price;
- (c) in relation to any Series of Notes where the Affected Relevant Benchmark is a Relevant Rate:
  - (i) if (A) "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or (B) neither "Price Source Disruption" nor "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, Condition 9(f) (*Price Source Disruption and FX Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption; and
  - (ii) if "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, Condition 9(g) (*EM Price Source Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption; and
- (d) in relation to any Series of Notes where the Affected Relevant Benchmark is a Reference Rate, the fallback provisions in respect of such Affected Relevant Benchmark contained in Conditions 5(c) (*Screen Rate Determination for Floating Rate Notes not referencing*

*SONIA, SOFR, €STR, SORA or TONA*) or 5(e) (*Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA*) (as applicable);

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Pricing Supplement;

**"Replacement Index"** has the meaning given to it in Condition 15A(a)(ii)(A) (*Consequences of a Benchmark Trigger Event*);

**"Renminbi"**, **"RMB"** and **"CNY"** all refer to the lawful currency of mainland China;

**"Restricted Global Registered Note"** means a Registered Note in global form issued and sold solely within the United States to "qualified institutional buyers" or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) who are "qualified institutional buyers", in each case in reliance on Rule 144A under the Securities Act;

**"Rule 144A Global Registered Note"** means a Registered Note in global form eligible for sale in the United States to "qualified institutional buyers" or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers", in each case in reliance on Rule 144A under the Securities Act and to non U.S. persons (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act;

**"Scheduled FX Fixing Date"** means any day on which the Calculation Agent is required to determine a Relevant Rate;

**"Settlement Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Settlement Currency Conversion Rate"** means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

**"Settlement Currency Exchange Rate"** means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

**"Settlement Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"SOR"** means the synthetic rate for deposits in Singapore Dollars known as the Singapore Dollar Swap Offer Rate provided by ABS Benchmarks Administration Co Pte. Ltd., as the administrator of the benchmark (or a successor administrator);

**"Specified Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Specified Currency Exchange Rate"** means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Specified Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

**"Specified Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Specified Denomination"** means, with respect to a Note in definitive form, the denomination of such Note;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**Trade Date**" means the date specified as such in the relevant Pricing Supplement;

"**Transfer date**" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer;

"**Transfer Expenses**" means, with respect to any Notes, all stamp, transfer, registration and similar duties and all expenses, scrip fees, levies and registration charges payable on or in respect of or arising on, or in connection with, the purchase or transfer, delivery or other disposition by the transferor to the order of the relevant Noteholders of any underlying value to which the Notes relate;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**Underlying Currency Pair Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place as specified in the relevant Pricing Supplement or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Reference Currency Jurisdiction(s), the Specified Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

"**Underlying Currency Pair Exchange Rate**" means

- (i) the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference Currency (as applicable)) as published on the Underlying Currency Pair Fixing Page at the Underlying Currency Pair Fixing Time on an Underlying Currency Pair Fixing Date and as observed by the Calculation Agent or
- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Specified Currency Exchange Rate and the Reference Currency Exchange Rate, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Underlying Currency Pair Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent, and (a) if Underlying Currency Pair Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate in accordance with the Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Underlying Currency Pair Exchange Rate in accordance with such Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in its discretion; or (b) if such Underlying Currency Pair Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in accordance with sub-paragraph (X)(A) or (X)(B), as applicable, of Condition 9(f) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

"**Underlying Currency Pair Fixing Date**" means each of the dates specified as such in the relevant Pricing Supplement or, if such date is not an Underlying Currency Pair Business Day the immediately following day that is an Underlying Currency Pair Business Day, or if such date is not specified in the relevant Pricing Supplement, the fifth Underlying Currency Pair Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be an Underlying



Currency Pair Business Day if the market was not aware of it not being an Underlying Currency Pair Business Day (by means of a public announcement or by reference to other publicly available information) on the Underlying Currency Pair Fixing Date notwithstanding it subsequently ceases to be an Underlying Currency Pair Business Day for any reason or the market subsequently becomes aware that it was not an Underlying Currency Pair Business Day);

"**Underlying Currency Pair Fixing Page**" means the Reuters or other screen page as specified as such in the Pricing Supplement or any successor page thereof or, if not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate by reference to the relevant spot rate prevailing in the international exchange market;

"**Underlying Currency Pair Fixing Time**" means the time and place as specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Underlying Currency Pair Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

"**Unscheduled Holiday**" means, in relation to a Relevant Rate, a day, determined by the Calculation Agent, that is not a Relevant Currency Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until on or later than the second Relevant Currency Business Day (or such other number of Relevant Currency Business Days specified in the relevant Pricing Supplement) immediately preceding the Scheduled FX Fixing Date;

"**USD**" means the lawful currency of the United States of America;

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement and in respect of which Condition 6 (*Zero Coupon Notes*) is applicable; and

"**Zero Coupon Note Reference Price**" means the price per Note specified as such in the relevant Pricing Supplement.

2. **Form, Denomination and Title**

(a) ***Form; Certifications***

Notes are issued in bearer form ("**Bearer Notes**"), in registered form ("**Registered Notes**") or in uncertificated registered form ("**Uncertificated Registered Notes**") as set out in the relevant Pricing Supplement. Bearer Notes issued in definitive form are referred to as "**Definitive Notes**". Definitive Notes will be serially numbered. In the case of Registered Notes, a certificate will be issued to each Noteholder in respect of its registered holding. Each such certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") maintained by the Registrar in respect of the Registered Notes. No single Tranche or Series of Notes offered in reliance on Rule 144A may include Bearer Notes.

(b) ***Bearer Notes***

(i) ***Denomination***

Subject to Condition 10 (*Redenomination*), Bearer Notes will be in the denomination(s) specified in the relevant Pricing Supplement. Bearer Notes of one denomination will not be exchangeable after their initial delivery for Notes of any other denomination.

(ii) ***General; Title***

Interest-bearing Definitive Notes will, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery Coupons, presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest-bearing Definitive Notes will also, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery, a Talon for further coupons and the expression "Coupons" shall, where the context so permits, include Talons.

Notes, the principal amount of which is repayable in instalments ("**Instalment Notes**") which are Definitive Notes will have endorsed thereon a grid for recording the repayment of principal or will, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the instalments of principal.

Subject as set out below, title to Bearer Notes will pass by delivery. References herein to the "**Holder**s" of Bearer Notes or of Coupons are to the bearers of such Bearer Notes or such Coupons.

To the extent permitted by law, the Issuer, the Principal Paying Agent, any other Paying Agents and the Registrar may deem and treat the Holder of any Bearer Note or of any Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of receiving payment on account thereof and for all other purposes.

(c) **Registered Notes**

(i) *Denomination*

Registered Notes will be in the denomination(s) and multiples specified in the relevant Pricing Supplement.

(ii) *General; Title*

Title to Registered Notes passes by registration in the Register. References herein to the "**Holder**s" of Registered Notes are to the persons in whose names such Registered Notes are so registered in the Register.

To the extent permitted by law, the Issuer, the Principal Paying Agent, any other Paying Agents and the Registrar may deem and treat the person in whose name any Registered Note is registered (and, if more than one, the first named thereof) as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of receiving payment on account thereof and for all other purposes.

(iii) *Regulations concerning transfer and registration of Registered Notes*

All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations (the "**Regulations**") concerning exchange and transfer of Registered Notes scheduled to the Issuing and Paying Agency Agreement. The Regulations may be amended, supplemented or replaced by the Issuer with the prior written approval of the Registrar but without the consent of the Holders of any Notes. A copy of the current Regulations are available for inspection during usual business hours at the specified office of the Registrar and the Transfer Agents.

(iv) *Rule 144A Legends*

Upon the transfer, exchange or replacement of Registered Notes bearing the private placement legend for the purpose of Rule 144A under the Securities Act in the case of Restricted Global Registered Notes, Rule 144A Global Registered Notes or Combined Global Registered Notes (a "**Rule 144A Legend**"), each as set forth in the form of the relevant Registered Notes, the Registrar shall deliver only Registered Notes that also bear the relevant legend unless there is delivered to the Issuer and to the Registrar such satisfactory evidence, which may include an opinion, reasonably satisfactory to the Issuer, of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States, that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such Registered Notes are not "restricted securities" within the meaning of Rule 144 under the Securities Act.

(d) *Uncertificated Registered Notes*

The Uncertificated Registered Notes shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Uncertificated Securities Regulations**"). The Uncertificated Registered Notes are participating securities for the purposes of the Uncertificated Securities Regulations. Title to the Uncertificated Registered Notes is recorded on the relevant Operator (as defined below) register of corporate securities. The CREST Registrar on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to the Uncertificated Registered Notes and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer and the CREST Registrar as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**Holder**" and related expressions shall be construed accordingly), and (ii) none of the Issuer and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Notes.

Uncertificated Registered Notes will be in the denomination(s) and multiples specified in the relevant Pricing Supplement.

Title to Uncertificated Registered Notes will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Uncertificated Registered Notes (including transfers of Uncertificated Registered Notes) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

No provision of these Conditions as amended in accordance with the relevant Pricing Supplement shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Notes in uncertificated form, (II) the transfer of title to Uncertificated Registered Notes by means of a relevant system or (III) the Uncertificated Securities Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the relevant Pricing Supplement, so long as the Uncertificated Registered Notes are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Notes shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Notes may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Securities Regulations, and (C) for the avoidance of doubt, the Conditions and the relevant Pricing Supplement in relation to any Uncertificated Registered Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Note.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Uncertificated Securities Regulations and the relevant Operator (as such term is used in the Uncertificated Securities Regulations) is CREST (or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Notes and in accordance with the Uncertificated Securities Regulations). Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Notes in accordance with Condition 14 (*Notices*).

If at any time:

- (i) a Noteholder ceases for any reason to be a member of CREST; or
- (ii) the Uncertificated Registered Notes cease for any reason to be participating securities capable of being held in CREST,

then the Issuer shall, in accordance with the rules and procedures governing CREST, ensure that Registered Notes are issued in exchange for the Uncertificated Registered Notes and that such Registered Notes are registered in such names as the Operator shall notify to the Issuer.

3. **Status**

- (a) The Notes are direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and, at their date of issue, (save for certain obligations required to be preferred by law) with all other unsecured and unsubordinated obligations of the Issuer for the time being outstanding.
- (b) The Notes do not create or transfer in favour of the Noteholder any legal, proprietary, beneficial or other interest in (including, without limitation, voting rights, as applicable) or right to acquire or dispose of any underlying (including, without limitation any reference asset or reference index) or any related purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) as determined in its absolute discretion by the Issuer or an affiliate in order to hedge, individually or on a portfolio basis, a Note ("**Hedging Positions**") and Noteholders shall have no legal, proprietary, beneficial or other interest in any underlying or Hedging Position by virtue of any investment in the Notes.
- (c) The Issuer is not required to hedge the Notes by holding any corresponding Hedging Positions in any underlying and has discretion to decide its hedging strategy.

4. **Fixed Rate Note Provisions**

(a) ***Application***

This Condition 4 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) ***Accrual of interest***

Fixed Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Final Redemption Amount or any other redemption amount, as the case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4 (*Fixed Rate Note Provisions*) (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 relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

(c) ***Fixed Coupon Amount***

Only if Fixed Coupon Amount is specified in the relevant Pricing Supplement, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one denomination (as specified in the relevant Pricing Supplement), shall be the relevant Fixed Coupon Amount in respect of the relevant denomination.

(d) ***Calculation of interest amount***

The amount of interest payable in respect of the Notes for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes; or

- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Calculation Amount,

and, in each case, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Settlement Currency (as defined in Condition 1 (*Definitions*)) (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes and "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the amount of interest payable in respect of such Note or, as the case may be, the amount of interest payable in respect of the Aggregate Outstanding Nominal Amount shall be the product of (1) the amount (determined in the manner provided above) of interest payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount (or, in the case of Instalment Notes (as defined in Condition 2(b)(ii) (*Form, Denomination and Title – Bearer Notes – General; Title*)), the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount as reduced in proportion with any reduction of the outstanding nominal amount as may be specified in, or determined in accordance with the provisions of the relevant Pricing Supplement without any further rounding).

5. **Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions**

(a) ***Application***

This Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note provisions, the Index-Linked Interest Note provisions or other variable-linked interest Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) ***Accrual of interest***

Floating Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Final Redemption Amount or any other redemption amount, as the case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) (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 relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

(c) ***Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA***

If Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA is specified in the relevant Pricing Supplement as being applicable, then the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis, subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*):

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, and unless otherwise specified in the relevant Pricing Supplement, the Calculation Agent will:
    - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time;
    - (B) determine the arithmetic mean of such quotations; and
  - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Settlement Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Settlement Currency) on the first day of the relevant Interest Period for loans in the Settlement Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions or the relevant Pricing Supplement in relation to any Interest Period:
    - (i) subject to (ii) below, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period or
    - (ii) if the Notes are Fixed/Floating Rate Notes for which no Rate of Interest has yet been determined under this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*), the Rate of Interest applicable to the Notes during such Interest Period will be the rate applicable to the Notes in respect of the preceding Interest Period for which Condition 4 (*Fixed Rate Note Provisions*) applied.
- (d) **ISDA Determination**

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i)
  - (A) the "Floating Rate Option" is as specified in the relevant Pricing Supplement;
  - (B) the "Designated Maturity", if applicable, is a period specified in the relevant Pricing Supplement;

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- (C) the relevant "Reset Date" unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions; and
- (D) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Pricing Supplement and:
  - (I) if Compounding with Lookback is specified as the Compounding Method in the relevant Pricing Supplement, then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Pricing Supplement;
  - (II) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Pricing Supplement, then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
  - (III) if Compounding with Lockout is specified as the Compounding Method in the relevant Pricing Supplement, then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Pricing Supplement and:
  - (I) if Averaging with Lookback is specified as the Averaging Method in the relevant Pricing Supplement, then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in relevant Pricing Supplement;
  - (II) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Pricing Supplement, then (a) Averaging with Overnight Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
  - (III) if Averaging with Lockout is specified as the Averaging Method in the relevant Pricing Supplement, then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;

- (F) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (ii) references in the ISDA definitions to:
  - (A) "Confirmation" shall be references to the relevant Pricing Supplement;
  - (B) "Calculation Period" shall be references to the relevant Interest Period;
  - (C) "Termination Date" shall be references to the final Interest Period End Date; and
  - (D) "Effective Date" shall be references to the Interest Commencement Date;
- (iii) an "Administrator/Benchmark Event" shall be deemed to have occurred for the purpose of the 2021 ISDA Definitions and this Condition 5(d) if there is an event or circumstance which has the effect that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the Applicable Benchmark (as defined in the 2021 ISDA Definitions) under such interest rate swap transaction to perform its or their obligations under the Notes; and
- (iv) unless otherwise defined capitalised terms used in this Condition 5(d) shall have the meaning ascribed to them in the ISDA Definitions,

**provided, however, that:**

- (1) if in relation to any Interest Period the application of the above provisions does not result in the determination of an ISDA Rate and the Issuer (in consultation with the Calculation Agent) has not determined a Benchmark Trigger Event to have occurred, then (a) the Calculation Agent shall determine the ISDA Rate for such Interest Period having regard to such facts and circumstances as it considers relevant and (b) the Calculation Agent shall not be required to obtain quotations from Reference Banks (as defined in the ISDA Definitions) for purposes of determining the ISDA Rate for such Interest Period notwithstanding that it might otherwise be required to do so as a fallback procedure for the relevant Floating Rate Option pursuant to the ISDA Definitions; and
  - (2) if in relation to any Interest Period the Issuer (in consultation with the Calculation Agent) determines a Benchmark Trigger Event to have occurred, then (a) the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) shall apply and (b) the Calculation Agent shall not be required to obtain quotations from Reference Banks (as defined in the ISDA Definitions) for purposes of determining the ISDA Rate for such Interest Period notwithstanding that it might otherwise be required to do so as a fallback procedure for the relevant Floating Rate Option pursuant to the ISDA Definitions.
- (e) ***Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA***
    - (i) If Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA is specified in the relevant Pricing Supplement as being applicable, then the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the



Margin and the Relevant Rate, all as determined by the Calculation Agent on the Interest Determination Date for such Interest Period.

- (ii) If the Notes become due and payable in accordance with Condition 11 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which the Notes became due and payable and the Rate of Interest applicable to the Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.
- (iii) If "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, all references in these Conditions to interest on the Notes being payable on an Interest Payment Date shall be read as reference to interest on the Notes being payable on an Effective Interest Payment Date instead.
- (iv) *Definitions*

"**Applicable Period**" means,

- (A) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, in relation to any Interest Period, the Observation Period relating to such Interest Period; and
- (B) where "Lag", "Lock-Out" or "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period.

"**d**" means the number of calendar days in the Applicable Period.

"**d<sub>0</sub>**" means the number of Reference Rate Business Days in the Applicable Period.

"**Effective Interest Payment Date**" means each date specified as such in the relevant Pricing Supplement.

"**i**" means a series of whole numbers from one to  $d_0$ , each representing the relevant Reference Rate Business Day in the Applicable Period in chronological order from (and including) the first Reference Rate Business Day in the Applicable Period (each a "**Reference Rate Business Day(i)**").

"**n<sub>i</sub>**" means, in relation to any Reference Rate Business Day(i), the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day.

"**Non-Reset Date**" means each Reference Rate Business Day(i) in an Applicable Period, the Reference Rate Determination Date in relation to which falls on or after the Rate Cut-Off Date (if any).

"**Observation Period**" means, in relation to an Interest Period the period from (and including) the date which is "p" Reference Rate Business Days prior to the first day of such Interest Period (and in respect of the first Interest Period, the Interest Commencement Date) and ending on (but excluding) the date which is "p" Reference Rate Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Reference Rate Business Days prior to such earlier date, if any, on which the Notes become due and payable).

"**p**" means the whole number specified as such in the Pricing Supplement representing a number of Reference Rate Business Days.

"**Rate Cut-Off Date**" means:

- (A) where "Lock-Out" is specified as the Observation Method in the relevant Pricing Supplement and "SONIA" is specified as the relevant Reference Rate, in relation

to any Interest Period, the Reference Rate Business Day immediately prior to the Interest Determination Date;

- (B) where "Lock-Out" is specified as the Observation Method in the relevant Pricing Supplement and a Reference Rate other than SONIA is specified as the relevant Reference Rate, in relation to any Interest Period, the second Reference Rate Business Day falling prior to the Interest Determination Date;
- (C) where "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, and:
  - (I) "SONIA" is specified as the relevant Reference Rate, the Reference Rate Business Day immediately prior to the Interest Determination Date in relation to the final Interest Period only;
  - (II) a Reference Rate other than SONIA is specified as the relevant Reference Rate, the second Reference Rate Business Day falling prior to the Interest Determination Date; and
- (D) in any other circumstances, no Rate Cut-Off Date shall apply.

**"Reference Rate"** means in relation to any Reference Rate Business Day:

- (A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Sterling Overnight Index Average ("SONIA") rate for such Reference Rate Business Day as provided by the administrator of SONIA (or any successor administrator of such rate) to authorised distributors, or as otherwise published by such authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day;
- (B) where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Secured Overnight Financing Rate ("SOFR") as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors on the next succeeding Reference Rate Business Day for trades made on such Reference Rate Business Day;
- (C) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily euro short-term rate ("€STR") for such Reference Rate Business Day as published by the European Central Bank, as administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day;
- (D) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Singapore Overnight Rate Average ("SORA") rate for such Reference Rate Business Day as provided by the Monetary Authority of Singapore as the administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day; or
- (E) where "TONA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Tokyo Overnight Average Rate ("TONA") rate for such Reference Rate Business Day as provided by the Bank of Japan as the administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors; on the Reference Rate Business Day immediately following such Reference Rate Business Day.

**"Reference Rate(i)"** or **"REF;"** means in relation to any Reference Rate Business Day(i), the Reference Rate for the Reference Rate Determination Date in relation to such

Reference Rate Business Day(i), *provided that* where either "Lock Out" or "Payment Delay" are specified as the Observation Method in the relevant Pricing Supplement, Reference Rate(i) (or REF<sub>i</sub>) in respect of each Interest Non-Reset Date (if any) in an Applicable Period shall be Reference Rate(i) (or REF<sub>i</sub>) as determined in relation to the Rate Cut-Off Date.

"Reference Rate Business Day" means:

- (A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in London;
- (B) where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement, means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association ("SIFMA") recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;
- (C) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a Euro Business Day;
- (D) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in Singapore; or
- (E) where "TONA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in Tokyo.

"Reference Rate Determination Date" means, in relation to any Reference Rate Business Day(i):

- (A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the Reference Rate Business Day falling "p" Reference Rate Business Days prior to such Reference Rate Business Day(i); and
- (B) otherwise, such Reference Rate Business Day(i).

"Relevant Rate" means with respect to an Interest Period:

- (A) where "Compounded Daily Rate" is specified as the Determination Method in the relevant Pricing Supplement, the rate of return of a daily compound interest investment (with the applicable Reference Rate specified in the Pricing Supplement as reference rate for the calculation of interest) calculated as follows, with the resulting percentage rounded, if necessary, (i) in the case of SONIA, €STR and SORA, to the nearest one ten- thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards and (ii) in the case of SOFR and TONA to the nearest one hundred-thousandth of a percentage point (0.00001%), with 0.000005% being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{RF_i \times n_i}{Y} \right) - 1 \right] \times \frac{Y}{d}$$

- (B) where "Weighted Average Rate" is specified as the Determination Method in the relevant Pricing Supplement the arithmetic mean of Reference Rate(i) for each Reference Rate Business Day during such Applicable Period (each "Reference Rate Business Day(i)"), calculated by multiplying the relevant Reference Rate(i) for any Reference Rate Business Day(i) by the number of days such Reference

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Rate(i) is in effect (being the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Applicable Period.

"Y" is the number specified as such in the relevant Pricing Supplement, or if no number is so specified, a number reflecting the denominator for day count fractions customarily used to calculate floating rate interest amounts on instruments denominated in the Specified Currency and with an original maturity equal to that of the Notes, as determined by the Calculation Agent.

- (v) Additional Provisions applicable where "SONIA" or "€STR" is specified as the Reference Rate in the relevant Pricing Supplement:

Subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) (as applicable):

(A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date and neither (A) an Index Cessation Event and an Index Cessation Event Effective Date nor (B) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date, in each case with respect to the Reference Rate, have occurred, Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published or otherwise provided as set out in the relevant definition thereof;

(B) If the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Reference Rate(i), then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) to 5(e)(iv):

(I) Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be deemed to be the Relevant Recommended Rate;

(II) if there is a Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date, but neither the administrator of the Relevant Recommended Rate nor authorised distributors provide or publish the Relevant Recommended Rate in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, then, subject to paragraph (III) below, in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Relevant Recommended Rate prior to the related Reference Rate Determination Date. If there is no last provided or published Relevant Recommended Rate, then in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Reference Rate (without taking into account any deemed changes to the term "Reference Rate" pursuant to Condition 5(e)(v)(B)(I) above) prior to the related Reference Rate Determination Date; and

- (III) if:
- (x) there is no Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date referred to in the first paragraph of Condition 5(e)(v)(B) above; or
  - (y) there is a Relevant Recommended Rate and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Relevant Recommended Rate,

then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be deemed to be the Final Fallback Rate. In respect of any day for which the Final Fallback Rate is required, references to the Final Fallback Rate will be deemed to be references to the last provided or published Final Fallback Rate as at close of business in the RFR Financial Centre on that day.

- (C) Definitions for the purposes of this Condition 5(e)(v) and Condition 5(e)(v)(vii):

**"EDFR"** means, in respect of any relevant day, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem, in respect of that day;

**"EDFR Spread"** means:

- (1) if no Relevant Recommended Rate is recommended before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to the Reference Rate referred to in the first paragraph of Condition 5(e)(v)(B), the arithmetic mean of the daily difference between €STR and EDFR over an observation period of 30 Reference Rate Business Days starting 30 Reference Rate Business Days prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event with respect to the Reference Rate referred to in the first paragraph of Condition 5(e)(v)(B) occurs and ending on the Reference Rate Business Day immediately preceding such day; or
- (2) if an Index Cessation Event or Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs, the arithmetic mean of the daily difference between the Relevant Recommended Rate and EDFR over an observation period of 30 Reference Rate Business Days starting 30 Reference Rate Business Days prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs and ending on the Euro Business Day immediately preceding such day;

**"Final Fallback Rate"** means in respect of any relevant day:

- (1) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the official bank rate as determined by the Monetary Policy Committee of the Bank of England and published by the Bank of England from time to time, in effect on that day; or

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- (2) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a rate equal to EDFR in respect of that day, plus the EDFR Spread;

**"RFR Financial Centre"** means:

- (1) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, London; or
- (2) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, Frankfurt; and

**"Relevant Recommended Rate"** means in respect of any relevant day:

- (1) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for SONIA by (i) the administrator of SONIA if the administrator of SONIA is a national central bank, or (ii) if the national central bank administrator of SONIA does not make a recommendation or the administrator of SONIA is not a national central bank, a committee designated for this purpose by one or both of the Financial Conduct Authority (or any successor thereto) and the Bank of England and as provided by the then administrator or provider of that rate, or if that rate is not provided by the then administrator or provider thereof, published by an authorised distributor, in respect of that day;
- (2) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by:
- (I) the European Central Bank (or any successor administrator for €STR); or
- (II) a committee officially endorsed or convened by (a) the European Central Bank (or any successor administrator of €STR) and/or (b) the European Securities and Markets Authority,

in each case for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day;

- (3) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for SORA by the Monetary Authority of Singapore or by a committee officially endorsed or convened by the Monetary Authority of Singapore (which rate may be produced by the Monetary Authority of Singapore or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day; or
- (4) where "TONA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day.

- (vi) Additional Provisions applicable where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement:

Subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) (as applicable):

- (A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date, and:
- (1) where "ARRC Fallbacks" are specified as applicable in the relevant Pricing Supplement a SOFR Transition Event and a related SOFR Replacement Date have not both occurred; or
  - (2) where "ARRC Fallbacks" are not specified as applicable in the relevant Pricing Supplement, and neither (A) an Index Cessation Event and an Index Cessation Event Effective Date nor (B) an Administrator/Benchmark Event and an Administrator Benchmark Event Date, in each case with respect to SOFR, have occurred,

Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published or otherwise provided as set out in the relevant definition thereof.

- (B) Where "ARRC Fallbacks" are specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines that a SOFR Transition Event and the related SOFR Replacement Date have occurred in relation to the Reference Rate (or any SOFR Replacement Rate previously determined in accordance with this Condition 5(e)(vi) on the Reference Rate Business Day on which a determination of Reference Rate is due to be made, the SOFR Replacement Rate will replace the then-current Reference Rate for all purposes and in respect of all determinations on such Reference Rate Business Day and (without prejudice to the further operation of this Condition 5(e)(vi) all subsequent determinations; provided that, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or its designee (in consultation with the Issuer) is unable to or does not determine a SOFR Replacement Rate in accordance with the provisions below prior to 5:00 p.m. (New York time) on the relevant Interest Determination Date, the interest rate for the related Interest Period will be equal to (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period); **provided, however, that** if the Notes are Fixed/Floating Rate Notes for which no Rate of Interest has yet been determined under this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*), the Rate of Interest applicable to the Notes during such Interest Period will be the rate applicable to the Notes in respect of the preceding Interest Period for which Condition 4 (*Fixed Rate Note Provisions*) applied.
- (C) If "ARRC Fallbacks" are not specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines either that (A) both an Index Cessation Event and an Index Cessation

Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to SOFR, then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv),

- (I) Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be deemed to be the rate (inclusive of any adjustments or spreads) that was recommended as the replacement for SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for SOFR (which rate may be produced by the Federal Reserve Bank of New York or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof, published by an authorised distributor, in respect of that day (the "**Fed Recommended Rate**") as determined in relation to related Reference Rate Determination Date for such Reference Rate Business Day(i);
- (II) if there is a Fed Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to SOFR, but neither the administrator nor authorised distributors provide or publish the Fed Recommended Rate, then, subject to paragraph (III) below, in respect of any day for which the Fed Recommended Rate is required, references to the Fed Recommended Rate will be deemed to be references to the last provided or published Fed Recommended Rate. However, if there is no last provided or published Fed Recommended Rate, then in respect of any day for which the Fed Recommended Rate is required, references to the Fed Recommended Rate will be deemed to be references to the last provided or published SOFR;
- (III) if:
  - (x) there is no Fed Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to SOFR; or
  - (y) there is a Fed Recommended Rate and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Fed Recommended Rate,

then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) to 5(e)(iv), Reference Rate(i) in relation to each Reference Rate Business Day (i) falling on or after the Applicable Fallback Effective Date with respect to SOFR or the Applicable Fallback Effective Date with respect to the Fed Recommended Rate (as applicable) will be the Overnight Bank Funding Rate ("**OBFR**") administered by the Federal Reserve Bank of New York (or a successor administrator), as determined in relation to the related Reference Rate Determination Date for such Reference Rate Business Day(i) but as if references to "Reference Rate Business Day(i)" were to "New York Fed Business Day", but so that in the case of the Applicable Period in which the Applicable Fallback Effective Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the



**Part B2 - Alternative Terms and Conditions of the Notes**

Applicable Fallback Effective Date and (y) the number of New York Fed Business Days in the Applicable Period relating to such Interest Period from (and including) the Applicable Fallback Effective Date (and "i" shall be construed accordingly);

- (IV) if neither the administrator nor authorised distributors provide or publish the OBFR, then, subject to paragraph (V) below, in respect of any day for which the OBFR is required, references to the OBFR will be deemed to be references to the last provided or published OBFR;
- (V) if:
  - (x) there is no Fed Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to SOFR, or there is a Fed Recommended Rate and an Applicable Fallback Effective Date subsequently occurs with respect to it; and
  - (y) there is an OBFR and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator Benchmark Event Date have occurred, in each case with respect to the OBFR, then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in relation to each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date with respect to OBFR (or, if the Applicable Fallback Effective Date with respect to SOFR or the Applicable Fallback Effective Date with respect to the Fed Recommended Rate (as applicable) is later, the Reference Rate Business Day(i) occurring on or after the Applicable Fallback Rate with respect to SOFR or the Fed Recommended Rate, as applicable) will be the short-term interest rate target set by the Federal Open Market Committee, as prevailing on such Reference Rate Determination Date, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as prevailing on such Reference Rate Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards) (the "**FOMC Target Rate**") determined in accordance with the definition of Reference Rate(i), but as if references to "Reference Rate Business Day(i)" were to "New York City Business Day", but so that in the case of the Applicable Period in which the Applicable Fallback Effective Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the Applicable Fallback Effective Date and (y) the number of New York City Business Days in the Applicable Period relating to such Interest Period from (and including) the Applicable Fallback Effective Date (and "i" shall be construed accordingly); and
  - (z) In respect of any day for which the FOMC Target Rate is required, references to the FOMC Target Rate will be deemed to be references to the last provided or published FOMC Target Rate as at close of business in New York City on that day.

(D) Definitions for purposes of this Condition 5(e)(vi):

**"designee"** means an affiliate or any other agent of the Issuer.

**"Federal Reserve Board"** means the Board of Governors of the U.S. Federal Reserve System.

**"ISDA Definitions"** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Reference Rate for the applicable tenor.

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**"New York City Business Day"** a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in New York City.

**"New York Fed Business Day"** means any day except for a Saturday, Sunday or a day on which the Fedwire Securities Services or the Fedwire Funds Service of the Federal Reserve Bank of New York is closed.

**"Reference Time"** with respect to any determination of the Reference Rate means (1) if the Reference Rate is SOFR, the time specified for such determination specified in the definition of the Reference Rate, and (2) if the Reference Rate is not SOFR, the time determined by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer).

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**"SIFMA"** means the Securities Industry and Financial Markets Association or any successor thereto.

**"SOFR Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) as of the SOFR Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (2) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) giving due consideration to any industry-

accepted spread adjustments, or method for calculating or determining such spread adjustment, for the replacement of the then-current Reference Rate with the applicable Unadjusted SOFR Replacement for U.S. dollar-denominated floating rate notes at such time.

**"SOFR Replacement Date"** means the earliest to occur of the following events with respect to the then-current Reference Rate (including the daily published component used in the calculation thereof):

- (1) in the case of clause (1) or (2) of the definition of "SOFR Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Reference Rate permanently or indefinitely ceases to provide the Reference Rate (or such component); or
- (2) in the case of clause (3) of the definition of "SOFR Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**"SOFR Replacement Rate"** means the first alternative set forth in the order below that can be determined by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) as of the SOFR Replacement Date:

- (1) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Reference Rate and (ii) the SOFR Replacement Adjustment;
- (2) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment; or
- (3) the sum of: (i) the alternate rate of interest that has been selected by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) as the replacement for the then-current Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Reference Rate for U.S. dollar-denominated floating rate notes at such time and (ii) the SOFR Replacement Adjustment.

**"Corresponding Tenor"** with respect to a SOFR Replacement Rate means a tenor (including overnight) having approximately the same length (disregarding business day adjustments) as the applicable tenor for the then-current Reference Rate.

**"SOFR Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Reference Rate (including the daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Reference Rate (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Reference Rate (or such component); or

- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate (or such component), the central bank for the currency of the Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate (or such component) has ceased or will cease to provide the Reference Rate (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Reference Rate (or such component); or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate announcing that the Reference Rate is no longer representative.

**"Unadjusted SOFR Replacement"** means the SOFR Replacement Rate excluding the SOFR Replacement Rate Adjustment.

- (vii) Additional Provisions applicable where "SORA" or "TONA" is specified as the Reference Rate in the relevant Pricing Supplement:

Subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) (as applicable):

- (A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date, and neither (A) an Index Cessation Event and an Index Cessation Event Effective Date nor (B) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date, in each case with respect to the Reference Rate, have occurred, Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published or otherwise provided as set out in the relevant definition thereof.
- (B) If the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Reference Rate(i), then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv):
  - (I) Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be deemed to be the Relevant Recommended Rate;
  - (II) if there is a Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date, but neither the administrator of the Relevant Recommended Rate nor authorised distributors provide or publish the Relevant Recommended Rate in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, then, subject to paragraph (III) below, in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Relevant Recommended Rate prior to the related Reference

Rate Determination Date. If there is no last provided or published Relevant Recommended Rate, then in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Reference Rate (without taking into any deemed changes to the term "Reference Rate" pursuant to Condition 5(e)(vii)(B)(I) above) prior to the related Reference Rate Determination Date; and

- (III) if:
- (i) there is no Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date referred to in the first paragraph of Condition 5(e)(vii)(B) above; or
  - (ii) there is a Relevant Recommended Rate and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Relevant Recommended Rate,

then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be a commercially reasonable alternative for the Applicable Benchmark determined by the Calculation Agent (failing which, the Issuer), taking into account all available information that in good faith it considers relevant including a rate implemented by the central counterparties and/or futures exchanges (if any), in each case with trading volumes in derivatives or futures referencing the Applicable Benchmark that the Calculation Agent considers sufficient for that rate to be a representative alternative rate.

- (C) The definitions set out in Condition 5(e)(v)(C) shall be equally applicable to this Condition 5(e)(vii).

(f) ***Index-Linked Interest***

If the Index-Linked Interest Note provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

(g) ***Maximum or Minimum Interest Rate***

If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(h) ***Calculation of Interest Amount***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Notes for such Interest Period. Unless otherwise provided in the relevant Pricing Supplement, the Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, in the case of Notes represented by a global Note or

global Notes or Notes which are in the form of Uncertificated Registered Notes, the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes notwithstanding that the formula specified in the relevant Pricing Supplement may provide for calculation in relation to the Calculation Amount; or

- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Calculation Amount,

and, in each case, multiplying the product by the Day Count Fraction for such Interest Period, rounding the resulting figure to the nearest sub-unit of the Settlement Currency (as defined in Condition 1 (*Definitions*)) (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes and "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the amount of interest payable in respect of such Note or, as the case may be, the amount of interest payable in respect of the Aggregate Outstanding Nominal Amount shall be the product of (1) the amount (determined in the manner provided above) of interest payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount (or, in the case of Instalment Notes (as defined in Condition 2(b)(ii) (*Form, Denomination and Title – Bearer Notes – General; Title*)), the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount as reduced in proportion with any reduction of the outstanding nominal amount as may be specified in, or determined in accordance with the provisions of the relevant Pricing Supplement without any further rounding).

If interest is required to be paid in respect of the Notes in relation to a period other than an Interest Period, then such interest shall be calculated in accordance with the above paragraph but as if reference therein to "Interest Period" were to such other period.

If the relevant Pricing Supplement specifies an alternative method of calculation of interest amount and "Aggregate Outstanding Nominal Amount Rounding" is specified in such Pricing Supplement as being applicable in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, then such interest shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes and rounded to the nearest currency sub-unit notwithstanding that the formula specified in such Pricing Supplement may provide for the interest amount to be calculated in relation to the Calculation Amount.

(i) ***Calculation of other amounts***

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

(j) ***Dividend Equivalent Payments***

In respect of any Series of Notes where the principal and/or interest in respect to such Notes is determined by reference to one or more variables such as an index, formula, security, commodity, currency exchange rate, interest rate, inflation index, the credit of one or more entities or other factor (each variable being a "**Reference Asset**" or, if it is comprised in a basket of variables, a "**Reference Asset Component**"), if the Pricing Supplement in respect of such Notes states the Notes are "Section 871(m) Notes", the Pricing Supplement shall further specify whether the

"Dividend Withholding" or "Issuer Withholding" approach to withholding in relation to Section 871(m) IRC shall be applicable to the Notes.

If "Dividend Withholding" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall provide for the Issuer to make payments to Noteholders in respect of any dividend equivalent amounts received or deemed received in respect of any Reference Asset or Reference Asset Component and shall include provisions relating to the amount and timing of such payments.

If "Issuer Withholding" is specified in the relevant Pricing Supplement, the Pricing Supplement shall specify whether any dividend equivalent amounts are to be treated as being reinvested during the term of the Notes and what portion thereof is expected as of the Issue Date to be treated for U.S. federal income tax purposes as having been withheld from a payment due to the Noteholders.

(k) **Publication**

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s), to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the fourth Business Day thereafter. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period as a result of the early redemption or the termination of the Notes pursuant to:

- (i) Condition 7(b) (*Redemption for Taxation Reasons*), Condition 7(c) (*Redemption at the Option of the Issuer (Call Option)*), Condition 7(d) (*Redemption at the Option of the Noteholder (Put Option)*), Condition 7(f) (*Early Redemption for Illegality*) or Condition 11 (*Events of Default*) or as a result of the provisions of Condition 9(f) (*Price Source Disruption and FX Disruption*), Condition 10 (*Redenomination*), or
- (ii) where "Part D - Product Supplement for Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes" applies to any Notes, Condition 22(f) (*Adjustment to Indices*), Condition 22(g) (*Adjustments and Events affecting Securities*), Condition 22(h) (*Additional Disruption Events*), Condition 22(i) (*Adjustments where the Securities are Units in a Fund*), Condition 22(j) (*Adjustment to Indices for Inflation Rate-Linked Notes*), Condition 22(k) (*Events relating to DR-Linked Notes*), or
- (iii) where "Part E - Product Supplement for Commodity/Commodity Index Linked Notes" applies to any Notes, Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*), Condition 22(d) (*Consequences of an Additional Disruption Event*), or
- (iv) where "Part H - Product Supplement for Fund-Linked Notes" applies to any Notes, Condition 22(b) (*Occurrence of a Reference Fund Disruption Event*), Condition 22(e) (*Effects of Reference Fund Events*), or
- (v) any other provisions set out in the relevant Pricing Supplement or otherwise.

If the Calculation Amount is less than the minimum denomination, the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum denomination.

(l) **Linear interpolation**

Where "**Linear Interpolation**" is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the Relevant Screen Page, one of which shall be determined as if the Interest Period were the period for which rates are available next shorter than the length of the relevant Interest Period and the

other of which shall be determined as if the Interest Period were the period for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate in accordance with the provisions of paragraphs (iii)(A) and (B), (iv) and the final proviso of Condition 5(c).

(m) ***Notifications etc.***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders **and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.**

6. **Zero Coupon Notes**

- (i) This Condition 6 (*Zero Coupon Notes*) is applicable to the Notes only if the Zero Coupon Note provisions are specified in the relevant Pricing Supplement as being applicable.
- (ii) If any amount payable in respect of a Zero Coupon Note is improperly withheld or refused, then:
  - (A) if the relevant Pricing Supplement specifies that Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) applies to the Notes then unless otherwise specified in the relevant Pricing Supplement, such an amount shall thereafter be an amount equal to the sum of:
    - (1) the Zero Coupon Note Reference Price; and
    - (2) the product of the Accrual Yield (compounded annually) being applied to the Zero Coupon Note Reference Price on the basis of the relevant Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of this Condition 6 (*Zero Coupon Notes*) and Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply) from (and including) the Issue Date to (but excluding) 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 relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment); and
  - (B) if the relevant Pricing Supplement does not specify that Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) applies to the Notes then unless otherwise specified in the relevant Pricing Supplement, such an amount shall thereafter be an amount equal to the sum of:
    - (1) the Early Redemption Amount in relation to the Notes; and
    - (2) the product of the Accrual Yield (compounded annually) being applied to the Early Redemption Amount on the basis of the relevant Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of this Condition 6 (*Zero Coupon Notes*) and Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply) from (and including) the date on which the Early Redemption Amount was due and payable to (but excluding) 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 relevant



Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7. **Redemption and Purchase**

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled, and subject as otherwise set out in the relevant Pricing Supplement, each Note will be redeemed by the Issuer at an amount (the "**Final Redemption Amount**") as determined by the Calculation Agent and as calculated in accordance with Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*) and the formula or other means specified in the relevant Pricing Supplement, where applicable, in the relevant Settlement Currency on the date specified in the relevant Pricing Supplement as the scheduled date on which such Note is to be redeemed (the "**Maturity Date**") (or, in the case of Instalment Notes, in such number of instalments and in such amounts ("**Instalment Amounts**") as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement), in accordance with the provisions set out in the relevant Pricing Supplement.

(b) ***Redemption for Taxation Reasons***

If in respect of a Series of Notes Condition 8B (*Taxation - No gross-up*) is not specified as applicable in the relevant Pricing Supplement, and:

- (i) on a subsequent date for the payment of interest on such Series of Notes the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*); or
- (ii) if the Issuer were to seek to redeem such Notes (for which purpose no regard shall be had to whether or not the Issuer would otherwise be entitled to redeem such Notes), the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*);

the Issuer may, having given not less than 30 nor more than 45 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the Noteholders in respect of such Series of Notes, redeem all, but not some only, of such Notes, at their Early Redemption Amount determined by the Issuer in accordance with the Conditions and calculated in accordance with the formula or other means specified in the relevant Pricing Supplement together with interest accrued and unpaid, if any, to the date fixed for redemption **provided that** no such notice of redemption shall be given earlier than 90 days (or in the case of Floating Rate Notes a number of days which is equal to the lesser of the aggregate of the number of days in the then current Interest Period plus 60 days and 90 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.

The Issuer may exercise such option in respect of any Note notwithstanding the prior exercise by the Holder thereof or the Issuer of their respective options to require the redemption of such Note under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) respectively, below, if the due date for redemption under this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) would occur prior to that under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively, but not otherwise and, in such circumstances, the exercise of the option under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively shall be rendered ineffective.

Prior to giving any notice of redemption pursuant to this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) the Issuer may obtain a certificate of an independent legal adviser or accountant to the effect either that such a circumstance does exist or that, upon a change

in or amendment to the laws of the Relevant Jurisdiction (including any regulations pursuant thereto), or in the interpretation or administration thereof, which at the date of such certificate is proposed and in the opinion of such legal adviser or accountant is reasonably expected to become effective on or prior to the date on which the relevant payment of principal or interest in respect of the Notes would otherwise be made, becoming so effective, such circumstances would exist, and any such certificate shall be sufficient to establish the circumstances required by this Condition 7(b).

(c) ***Redemption at the Option of the Issuer (Call Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of the Issuer, the Issuer may at any time or otherwise as set out in the relevant Pricing Supplement, having given not less than 5 nor more than 30 days' notice (or such other notice period as may be specified in the relevant Pricing Supplement) to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), elect to redeem on the Optional Redemption Date (Call Option) all or some only of the Notes then outstanding on the Optional Redemption Date (Call Option) and at the Redemption Amount (Call Option) as determined by the Issuer in accordance with the Conditions and as calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

If the Notes of a Series are to be redeemed in part only on any date in accordance with this paragraph (c):

- (i) in the case of Bearer Notes (other than a Note which is a Temporary Global Note or a Permanent Global Note), the Notes to be redeemed shall be drawn by lot in such European city as the Principal Paying Agent may specify, or identified in such other manner or in such other place as the Principal Paying Agent may approve and deem appropriate and fair, subject to the rules and procedures of Euroclear and/or Clearstream, Luxembourg (such redemption 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); and
- (ii) in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, **provided always that** the amount redeemed in respect of each Note shall be equal to the minimum denomination thereof or an appropriate multiple thereof,

subject always to compliance with all applicable laws and the requirements of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation.

Where a Minimum Redemption Amount (Call Option) and/or a Maximum Redemption Amount (Call Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Call Option) shall not be less than the Minimum Redemption Amount (Call Option) and shall not be more than the Maximum Redemption Amount (Call Option).

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Condition 13 (*Replacement, Exchange and Transfer*) which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

(d) ***Redemption at the Option of the Noteholder (Put Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of Noteholders, then where a Noteholder has given not less than 15 nor more than 30 days' notice to the Issuer with a copy to the Issue Agent in accordance with Condition 14 (*Notices*), (which notices shall be irrevocable), the Issuer shall, following receipt of such notice from the Noteholder and confirmation from the Issue Agent that it has been duly notified, redeem on the Optional Redemption Date (Put Option), so many of the Notes in respect of which such Noteholder has exercised such option as are outstanding on the Optional Redemption Date (Put Option) and at the Redemption Amount (Put Option) as determined by the Issuer in accordance with the Conditions

and as calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

Where a Minimum Redemption Amount (Put Option) and/or a Maximum Redemption Amount (Put Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Put Option) shall not be less than the Minimum Redemption Amount (Put Option) and shall not be more than the Maximum Redemption Amount (Put Option).

In order for any such notice given by a Noteholder to be effective, the Noteholder shall, on or prior to the date on which such notice is given, deposit the Note or Notes in respect of which such notice is given (together, in the case of an interest-bearing Definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent, or, in the case of a Registered Note, the Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar. The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under Condition 7(b) (*Redemption and Purchase - Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase - Redemption at the Option of the Issuer*) or Condition 7(f) (*Redemption and Purchase - Illegality*).

(e) ***Early Redemption of Zero Coupon Notes***

(i) Unless otherwise specified in the relevant Pricing Supplement, the redemption amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount calculated in accordance with Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*) and equal to (i) the Early Redemption Amount (if specified in the relevant Pricing Supplement) or (ii) (if no Early Redemption Amount is specified in the relevant Pricing Supplement) the sum of:

(A) the Zero Coupon Note Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Zero Coupon Note Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable ((A) and (B) together the "**Accreted Principal Amount**").

(ii) Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of Condition 6 (*Zero Coupon Notes*) and this Condition 7(e) (*Redemption and Purchase - Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply).

(f) ***Early Redemption for Illegality***

The Issuer shall have the right to terminate its obligations under the Notes, if the Calculation Agent shall have determined that the performance of such obligations under the Notes shall after the Trade Date have become unlawful in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; **provided, however, that** if the Calculation Agent determines that the relevant obligations have become unlawful, the Issuer may obtain an opinion of an independent legal adviser to that effect prior to terminating its obligations under the Notes, and any such opinion shall be sufficient to establish the circumstances required by this Condition 7(f). In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 (*Notices*).

(g) **Early Redemption for Significant Change Event**

The Issuer shall have the right (but not the obligation) to terminate its obligations under the Notes, if the Issuer shall have determined that an event or circumstance or combination of events or circumstances has occurred that is not attributable to the Issuer but which has as its consequence that the economic balance of the Notes as at the Issue Date is significantly altered, including, without limitation, where such event causes a material increased cost for the Issuer as a consequence of change in tax laws, solvency or regulatory capital requirements, nationalisation, or regulatory action. In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 (*Notices*).

(h) **Purchases**

Each of the Issuer and any person directly or indirectly connected with the Issuer may at any time purchase Notes at any price in the open market or otherwise, and such Notes may be held, reissued, resold or, provided such Notes are held by the Issuer, at the option of the Issuer deissued or cancelled.

(i) **Cancellation**

All Notes which are redeemed pursuant to Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) and 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) shall, and all Notes purchased, pursuant to Condition 7(h) (*Redemption and Purchase – Purchases*) may, at the option of the Issuer, be cancelled forthwith (together with, in the case of Definitive Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or resold.

(j) **No Other Redemption Provisions**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) and 7(f) (*Redemption and Purchase – Early Redemption for Illegality*).

(k) **Calculation and Rounding**

Any redemption amount payable on redemption of a Note (the "**Redemption Amount**") shall be calculated pursuant to this Condition 7 (*Redemption and Purchase*) and in rounding any values determined or calculated in connection with such Redemption Amount, the Calculation Agent shall apply the following rounding conventions:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Redemption Amount shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes, rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention) notwithstanding that the formula specified in the relevant Pricing Supplement may provide for the Redemption Amount to be calculated in relation to the Calculation Amount; or
- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Redemption Amount shall be calculated in relation to the Calculation Amount rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention).

For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes and "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Redemption Amount shall be the product of (1) the amount (determined in the manner provided above) payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount (or, in the case of Instalment Notes (as defined in Condition 2(b)(ii) (*Form, Denomination and Title – Bearer Notes – General; Title*)), the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount as reduced in proportion with any reduction of the outstanding nominal amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement without any further rounding).

(l) ***Monetisation option***

If "Monetisation Option" is specified in the relevant Pricing Supplement as being applicable, and an event occurs as a consequence of which the Issuer exercises its right to redeem the Notes at the applicable Early Redemption Amount:

- (a) the Noteholder shall receive, on the Maturity Date (and notwithstanding the early redemption notice) the Monetisation Amount, unless the Noteholder elects, in accordance with this Condition 7(l), to receive the Early Redemption Amount on the date fixed for early redemption of the Notes; and
- (b) the Issuer's notice of early redemption must include the following:
  - (i) the cut-off date and time for each Noteholder to elect to receive the Early Redemption Amount on the date fixed for early redemption of the Notes;
  - (ii) the instructions to allow such Noteholder to make such election, substantially in accordance with the paragraph below; and
  - (iii) the Early Redemption Amount Valuation Date;
  - (iv) the Early Redemption Amount;
  - (v) the amount calculated by the Calculation Agent as the Monetisation Amount; and
  - (vi) a confirmation that, in the absence of making an election to receive the Early Redemption Amount, such Noteholder will receive the Monetisation Amount on the Maturity Date.

In order to elect to receive the Early Redemption Amount on the date fixed for early redemption of the Notes, a Noteholder must no later than the cut-off date and time set out in the Issuer's notice of early redemption, give notice to the Issuer with a copy to the Principal Paying Agent in accordance with Condition 14 (*Notices*), and, on or prior to the date on which such notice is given, deposit the Note or Notes in respect of which such notice is given (together, in the case of an interest-bearing Definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent, or, in the case of a Registered Note, the Registrar.

8. **Taxation**

8A. *Taxation - Gross-up*

This Condition 8A will be applicable to all Series of Notes unless it is specified in the relevant Pricing Supplement that Condition 8B (*Taxation - No gross-up*) is applicable.

## Part B2 - Alternative Terms and Conditions of the Notes

All payments by the Issuer of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the Relevant Jurisdiction unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges.

In the event that the Issuer is so required by law to withhold or deduct, it will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes and/or, as the case may be, Coupons, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) to, or to a third party on behalf of, a Holder of a Note or Coupon who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it having some connection with the Relevant Jurisdiction or any other relevant jurisdiction, other than the mere holding of such Note or Coupon;
- (b) unless it is proved, in the case of Bearer Notes, to the satisfaction of the Principal Paying Agent or the Paying Agent to whom the same is presented, or, in the case of Registered Notes, to the satisfaction of the Registrar, that the Holder is unable to avoid such withholding or deduction by satisfying any statutory requirement or by making a declaration of non residence or other similar claim for exemption to the relevant tax authorities or by notifying (and/or presenting evidence of such notification to) any tax authorities of such payment of principal or interest or by presenting the relevant Note or Coupon at the specified office of another Paying Agent;
- (c) more than 30 days after the Relevant Date (defined below) except, in the case of Bearer Notes, to the extent that the Holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days;
- (d) in the case of Registered Notes, unless it is proved to the satisfaction of the Registrar that the Holder, immediately upon becoming the Holder, (i) was eligible for the benefits of a tax treaty with the Relevant Jurisdiction or any other relevant jurisdiction that provides for a complete exemption from withholding taxes on payments under the Notes, or (ii) was otherwise entitled to a complete exemption from withholding taxes on payments under the Notes; or
- (e) to, or to a third party on behalf of, a Holder who is not the sole beneficial owner of the Note or any Coupon, or a portion of either, or that is a fiduciary or partnership, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership 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.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due but, in the case of Bearer Notes, if the full amount of the money payable has not been received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect shall have been duly given to the relevant Holders in accordance with Condition 14 (*Notices*).

If the Issuer becomes resident for tax purposes in any taxing jurisdiction other than the Relevant Jurisdiction, references in this Condition 8 (*Taxation*) to the Relevant Jurisdiction shall be construed as references to the Relevant Jurisdiction and/or such other jurisdiction.

Any reference in these Conditions to principal or interest or both in respect of the relevant Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable under this Condition 8 (*Taxation*);
- (ii) the principal amount payable on the relevant Notes on the Maturity Date;

- (iii) the principal amount payable on redemption of the relevant Notes prior to such Maturity Date; and
- (iv) any premium and any other amounts which may be payable under or in respect of the relevant Notes.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts permitted or required by the rules of IRC Section 871(m), or IRC Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**U.S. Permitted Withholding**"). Neither the Issuer nor any Paying Agent will have any obligation to pay additional amounts or otherwise indemnify a holder for any U.S. Permitted Withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of U.S. Permitted Withholding.

8B. *Taxation - No gross-up*

This Condition 8B will only be applicable to a Series of Notes where it is specified in the relevant Pricing Supplement that Condition 8B (*Taxation - No gross-up*) is applicable.

All payments by the Issuer of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the Relevant Jurisdiction unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges. **In the event that the Issuer is so required by law to withhold or deduct, the Issuer shall not be required to pay any additional amounts in connection with such withholding or deduction.**

9. **Payments**

(a) ***Bearer Notes***

Payments of principal and interest (if any) in respect of Bearer Notes will (subject as provided below) be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Note or, in the case of payments of interest, surrender of the relevant Coupon at the specified office of any Paying Agent outside the United States (subject to the next paragraph). No payments on Bearer Notes will be made by mail to an address in the United States or by transfer to an account maintained by the Holder in the United States.

Payments of amounts due in respect of interest on Bearer Notes and exchanges of Talons for Coupon sheets will not be made at the specified office of any Paying Agent in the United States or its possessions (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law, in which case the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

If the due date for payment of any amount due in respect of any Bearer Note is not both a Relevant Financial Centre Day and, if such Bearer Note is a Definitive Note or if the Pricing Supplement so specifies, a local banking day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note which is a Definitive Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they appertain will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relative Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

Upon the due date for redemption of any Definitive Note other than a Fixed Rate Note, all unmatured Coupons and Talons (if any) relating to such Definitive Note (whether or not attached) shall become void and no payment shall be made in respect of them.

Definitive Notes which are Fixed Rate Notes should be presented for payment with all unmatured Coupons appertaining thereto, failing which the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, that portion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 8 (*Taxation*)) for the payment of such principal, whether or not such Coupon has become void pursuant to Condition 12 (*Prescription*) or, if later, five years from the date on which such Coupon would have become due.

Notwithstanding the above, if any Definitive Notes should be issued with a Maturity Date and an interest rate or rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall, in its sole and absolute discretion, determine which unmatured Coupons are to become void, and shall select, in its sole and absolute discretion, for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

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

In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside the United States (save as provided above) in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 12 (*Prescription*) below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

If (otherwise than by reason of the application of the above) the due date for redemption of any Bearer Note is not the due date for the payment of a Coupon appertaining thereto, interest accrued in respect of such Note from and including the last preceding due date for the payment of a Coupon (or from the Issue Date or the Interest Commencement Date, as the case may be) will be paid only against surrender of such Bearer Note and all unmatured Coupons appertaining thereto.

(b) ***Registered Notes***

Payment of the amount due on final redemption in respect of Registered Notes will be made against presentation and, save in the case of partial payment of any such amount, surrender of the relevant certificate at the specified office of the Registrar or of the Transfer Agent. If the due date for



payment of the Final Redemption Amount or any other redemption amount, as the case may be, of any Registered Note is not both a Relevant Financial Centre Day and, if such Registered Note is not in global form or if the Pricing Supplement so specifies, a local banking day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), Condition 5 (*Floating Rate Note, Index-Linked Interest Note Provisions*) or Condition 6 (*Zero Coupon Notes*), as appropriate.

Payment of amounts (whether principal, interest or otherwise) due (other than on final redemption) in respect of Registered Notes will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the Register at the close of business (local time in the place of the specified office of the Registrar) on the fifteenth day prior to the due date for such payment (the "**Record Date**").

Payment will be made in the currency in which such amount is due either by cheque posted to the Noteholder's registered address (or, in the case of joint Holders, the first-named) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar or to the Transfer Agent and the Registrar or, as the case may be, the Transfer Agent has acknowledged such application for payment to be made to a designated account denominated in the relevant Settlement Currency (as defined in Condition 1 (*Definitions*)), in each case as specified in Condition 9(c) (*Payments – Uncertificated Registered Notes*) below.

(c) ***Uncertificated Registered Notes***

The Issuer shall pay or cause to be paid when due payments of principal and interest (if any) in respect of Uncertificated Registered Notes to the relevant Noteholder's cash memorandum account (as shown in the records of the Operator), such payment to be made in accordance with the rules of the Operator. Each of the persons shown in the Operator register of corporate securities as holder of a particular principal amount of Uncertificated Registered Notes must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

(d) ***General Provisions***

The following provisions apply to both Bearer Notes and Registered Notes (and do not apply to Uncertificated Registered Notes). Subject to Condition 9(e) (*Payments – Payment of Alternative Payment Currency Equivalent*), payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the relevant Settlement Currency either by cheque or, at the option of the payee, by transfer to an account in the relevant Settlement Currency specified by the payee other than, for payments in respect of Bearer Notes, any such account in the United States.

Payments and deliveries will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

Without prejudice to the generality of the foregoing, the Issuer reserves the right to require any person receiving payment of principal or, as the case may be, payment of interest with respect to any Note or Coupon to provide a Paying Agent with such certification or information as may be required to enable the Issuer or any parent or holding company of the Issuer or any subsidiary of any such parent or holding company to comply with the requirements of the US Federal Income Tax laws or such other laws as the Issuer or any such parent or holding company or subsidiary thereof may be required to comply with.

(e) ***Payment of Alternative Payment Currency Equivalent***

If:

- (i) "Payment of Alternative Payment Currency Equivalent" is specified as applicable in the relevant Pricing Supplement, or is applicable in accordance with the proviso to Condition 9(f)(Y); or
- (ii) a Clearing System Currency Eligibility Event has occurred and is continuing,

then, if by reason of a FX Disruption Event, a Clearing System Currency Eligibility Event or any other event specified in the relevant Pricing Supplement as an Additional Alternative Payment Currency Event, the Issuer is not able to satisfy payments in respect of the Notes when due in the Settlement Currency, the Issuer may, settle any such payment in U.S. dollars or any other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement on (i) the due date at the Alternative Payment Currency Equivalent of any such amount due or (ii) if in the applicable Pricing Supplement "Condition 1" is specified as applicable to the Alternative Payment Currency Fixing Date, the date falling the Alternative Payment Settlement Days after the due date at the Alternative Payment Currency Equivalent of any such amount due and, in each case, no further payment on account of interest or otherwise shall be due in respect of such postponed payment.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9(e) (*Payments – Payment of Alternative Payment Currency Equivalent*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders. By acceptance thereof, purchasers of the Notes will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the calculation of the Alternative Payment Currency Equivalent by the Calculation Agent.

(f) ***Price Source Disruption and FX Disruption***

- (X) If "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then, if on any Scheduled FX Fixing Date:
  - (A) a Price Source Disruption occurs, (other than as a result of an Unscheduled Holiday) and no Alternative Payment Currency Exchange Rate Fall-Back provisions, Underlying Currency Pair Exchange Rate Fall-Back provisions and/or Conversion Rate Fall-Back provisions (as applicable) are specified in the relevant Pricing Supplement, then the Calculation Agent shall:
    - (1) determine the Relevant Rate by reference to the rate of exchange published by available recognised financial information vendors (as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner) on the Scheduled FX Fixing Date (the "**Fallback Reference Price**"); or
    - (2) unless the Pricing Supplement specifies Dealer Poll as not applicable, in the event that the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market, the Calculation Agent will request four Reference Dealers to provide a quotation of their rate for the Relevant Rate as of the Scheduled FX Fixing Date. If at least two quotations are provided, the Relevant Rate will be the arithmetic mean of such quotations; and
    - (3) if (i) the Pricing Supplement specifies Dealer Poll as not applicable and the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that

the Issuer would be able to obtain in the general foreign exchange market; (ii) the Calculation Agent determines that the Relevant Rate determined in accordance with paragraph (2) above does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; or (iii) fewer than 2 quotations are provided by Reference Dealers following the Calculation Agent's request pursuant to paragraph (2) above, the Calculation Agent will determine the Relevant Rate on the first succeeding Business Day on which the Price Source Disruption ceases to exist; **provided, however, that** if the Price Source Disruption continues for thirty consecutive calendar days (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (the "**FX Cut-off Date**"), the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that FX Cut-off Date; or

- (B) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the Scheduled FX Fixing Date for such Relevant Rate and all other Relevant Rates which have the same Scheduled FX Fixing Date shall be postponed to the first succeeding Relevant Currency Business Day; **provided, however, that** in the event that the Scheduled FX Fixing Date is postponed as a result of the occurrence of an Unscheduled Holiday (a "**Postponed FX Fixing Date**"), and if the Postponed FX Fixing Date has not occurred on or before the thirtieth consecutive calendar day (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (any such period being a "**Deferral Period**"), then the next day after the Deferral Period that is or would have been a Relevant Currency Business Day but for an Unscheduled Holiday, shall be deemed to be the Postponed FX Fixing Date and the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that Postponed FX Fixing Date.
- (Y) Except to the extent that (i) "EM Price Source Disruption" is specified as being applicable, and (ii) "FX Disruption Event" is specified as being not applicable in the relevant Pricing Supplement, if at any time, a FX Disruption Event occurs, the Issuer, in its sole and absolute discretion, may elect to either:
  - (A) having given not less than five days' notice to the Noteholders in accordance with Condition 14 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount (and, if the FX Disruption Event occurs on a Scheduled FX Fixing Date on which there is a Price Source Disruption or Unscheduled Holiday, for the purposes of determining such Early Redemption Amount the Calculation Agent shall first determine any Relevant Rate (if required) (a) in accordance with sub-paragraph (X)(A) or (X)(B) above, as applicable, of Condition 9(f) (*Price Source Disruption and FX Disruption*) if "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or, alternatively (b) in good faith and in a commercially reasonable manner, on the date notified to the Noteholders); or
  - (B) instruct the Calculation Agent to make such adjustment(s) to the Conditions as it determines to be necessary or desirable to reflect or account for the FX Disruption Event with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant FX Disruption Event;

**provided, however, that** in relation to sub-paragraphs (Y)(A) and (Y)(B) above, if as a result of the FX Disruption Event the Issuer is not able to satisfy payments in respect of the Notes when due in the Settlement Currency, the Issuer may settle any such payment pursuant to the provisions of Condition 9(e) (*Payment of Alternative Payment Currency Equivalent*).

(g) ***EM Price Source Disruption***

If "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then:

- (i) subject to sub-paragraph (iii) below and **provided that** no Conversion Rate Fall-Back provisions are specified in the relevant Pricing Supplement, if on any Scheduled FX Fixing Date:
  - (A) Price Materiality is specified as applicable and a Price Materiality occurs, the Relevant Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;
  - (B) a Price Source Disruption occurs or is continuing, the relevant Conversion Rate Fixing Date shall be postponed until the first Conversion Rate Business Day after such Scheduled FX Fixing Date on which no Price Source Disruption exists (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period, the Conversion Rate will be determined in accordance with sub-paragraph (ii) below; or
  - (C) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the relevant Conversion Rate Fixing Date shall be postponed to the first succeeding Conversion Rate Business Day (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period the Conversion Rate will be determined in accordance with paragraph sub-paragraph (ii) below;
- (ii) subject to sub-paragraph (iii) below, notwithstanding the provisions of sub-paragraphs (i)(B) and (i)(C) above, in no event shall the total number of consecutive calendar days for which a fixing date is deferred due to (i) an Unscheduled Holiday, or (ii) a Price Source Disruption (or any combination of (i) and (ii)), exceed the EM Deferral Period. Accordingly, if on the first Conversion Rate Business Day (or date which would have been a Conversion Rate Business Day but for the occurrence of an Unscheduled Holiday) after such period has lapsed (the "**Cut-off Fixing Date**") (X) an Unscheduled Holiday occurs or is continuing (but no Price Source Disruption occurs or is continuing on such day), then the Conversion Rate shall be a rate determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, or (Y) a Price Source Disruption occurs or is continuing on such day, then the Conversion Rate shall be the Fallback Conversion Rate determined on the Cut-off Fixing Date; and
- (iii) notwithstanding any other provision of this Condition 9(g), if the Fallback Conversion Rate is not available or, at any time following the determination of the Conversion Rate or Fallback Conversion Rate, the Calculation Agent determines that such rate does not accurately represent the rate which the Calculation Agent determines that the Issuer could have achieved in the general foreign exchange market at the time such Conversion Rate or Fallback Conversion Rate was determined, the applicable Conversion Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

(h) ***Postponement of Payments***

- (i) If a Scheduled FX Fixing Date is postponed in accordance with Condition 9(f) (*Price Source Disruption and FX Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable.
- (ii) If a Scheduled FX Fixing Date is postponed in accordance with Condition 9(g) (*EM Price Source Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other

number of days as may be specified in the applicable Pricing Supplement) following the postponed Conversion Rate Fixing Date or, if later, the Cut-off Fixing Date or Postponed FX Fixing Date, as applicable.

- (iii) Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 9(h) (*Postponement of Payments*) (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Related Payment Date which is so postponed shall be calculated as if such Related Payment Date had not been postponed pursuant to this Condition 9(h) (*Postponement of Payments*) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

(i) ***LBMA Physical Settlement***

The following provisions apply where LBMA Physical Settlement is specified as being applicable in the relevant Pricing Supplement.

A. ***LBMA Transfer Notice***

- (i) Each Noteholder shall, on or before 4:00 pm (London time) on the date falling 5 Conversion Rate Business Days or Underlying Currency Pair Business Days (as applicable) before the relevant Interest Payment Date, the Maturity Date or date of early redemption of the Notes (as applicable) (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Paying Agents and the Noteholders accordingly) send to the relevant Clearing System, in accordance with its then applicable operating procedures, and copied to the Principal Paying Agent, an irrevocable notice (an "**LBMA Transfer Notice**") in the form from time to time approved by the Issuer, which must:
  - (A) specify the name and address of the Noteholder;
  - (B) specify the number of Notes in respect of which he is the Noteholder;
  - (C) specify the number of the Noteholder's account at the relevant Clearing System, to be debited with such Notes;
  - (D) irrevocably instruct and authorise the relevant Clearing System, (1) to debit the Noteholder's account with such Notes on the relevant Interest Payment Date, the Maturity Date or the relevant early redemption date of the Notes (as applicable) and (2) that no further transfers of the Notes specified in the LBMA Transfer Notice may be made;
  - (E) contain a representation and warranty from the Noteholder to the effect that the Notes to which the LBMA Transfer Notice relates are free from all liens, charges, encumbrances and other third party rights;
  - (F) specify the number and account name of the account in London with a member of the LBMA where the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes shall be credited;
  - (G) contain an irrevocable undertaking to pay the Transfer Expenses (if any) and an irrevocable instruction to the relevant Clearing System, to debit on or after the relevant Interest Payment Date, the Maturity Date or the relevant early redemption date of the Notes (as applicable) the cash or other account of the Noteholder with the relevant Clearing System, specified in the LBMA Transfer Notice with such Transfer Expenses; and

- (H) authorise the production of the LBMA Transfer Notice in any applicable administrative or legal proceedings.
- (ii) An LBMA Transfer Notice, once delivered to the relevant Clearing System, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of an LBMA Transfer Notice following delivery of such LBMA Transfer Notice to the relevant Clearing System. A LBMA Transfer Notice shall only be valid to the extent that the relevant Clearing System have not received conflicting prior instructions in respect of the Notes which are the subject of the LBMA Transfer Notice.
- (iii) Failure properly to complete and deliver a LBMA Transfer Notice may result in such notice being treated as null and void with the consequence set out in subparagraph (C). Any determination as to whether such notice has been properly completed and delivered as provided shall be made by the relevant Clearing System, after consultation with the Principal Paying Agent and shall be conclusive and binding on the Issuer and the Noteholder.
- (iv) The Principal Paying Agent shall promptly on the local banking day following receipt of a LBMA Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.

B. *Delivery obligation*

Subject to the other provisions of this Condition 9(g), if the LBMA Physical Settlement provisions are specified in the relevant Pricing Supplement as being applicable, the Issuer shall discharge its obligation to deliver the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes by crediting, or procuring the credit of, the same on the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) to the account in London with a member of the LBMA specified in the LBMA Transfer Notice of the relevant Noteholder.

C. *LBMA Physical Settlement Fallback Redemption Amount*

In the event that any Noteholder fails to deliver a valid LBMA Transfer Notice by 4:00 pm on the day falling 5 Conversion Rate Business Days or Underlying Currency Pair Business Days (as applicable) before the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Paying Agents and the Noteholders accordingly), the Calculation Agent shall determine the LBMA Physical Settlement Fallback Redemption Amount and the Issuer shall pay the LBMA Physical Settlement Fallback Redemption Amount in respect of each Note held by such Noteholder on the Maturity Date, the relevant Interest Payment Date or date of early redemption of the Notes.

D. *Disruption*

(i) *LBMA Physical Settlement Market Disruption Event*

If a LBMA Physical Settlement Market Disruption Event occurs or exists on any date on which the Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) is to be determined, the Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) shall be the rate determined by the Calculation Agent taking into consideration the latest available Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) as of a date on which no LBMA Physical Settlement Market Disruption Event occurred or existed and any other information which the Calculation Agent considers relevant.

(ii) *Settlement Disruption of LBMA Physical Settlement*

The Calculation Agent shall determine whether or not at any time a LBMA Physical Settlement Disruption Event has occurred and where it determines such an event has occurred and has prevented any delivery on the original day that but for such LBMA Physical Settlement Disruption Event would have been the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable), then such date will be the first succeeding day on which the relevant delivery can take place unless a LBMA Physical Settlement Disruption Event prevents settlement on each of the ten (10) Business Days immediately following the original date that, but for the LBMA Physical Settlement Disruption Event, would have been the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable). In that case, (a) if the relevant delivery can be effected in any other commercially reasonable manner, then the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) will be that tenth (10<sup>th</sup>) Business Day with delivery being effected in such manner, and (b) if such delivery cannot be effected in any other commercially reasonable manner, then the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) will be postponed until delivery can be effected in another commercially reasonable manner.

(j) *Conversion*

If Conversion provisions are specified as being applicable in the relevant Pricing Supplement in relation to any specified amount payable in respect of the Notes, the relevant amount payable in respect of the Notes will be determined in accordance with the relevant Conversion provisions specified in the relevant Pricing Supplement. Notwithstanding anything contained in these Conditions or the relevant Pricing Supplement, the currency of payment in respect of such amount shall be as determined in accordance with such Conversion provisions, such currency shall be deemed to be the Settlement Currency in respect of such payment and the "Settlement Currency Jurisdiction" specified in the relevant Pricing Supplement shall be deemed to be modified accordingly in relation to such amount.

(k) *Physical Settlement*

The following provisions apply where Physical Settlement is specified as being applicable in the relevant Pricing Supplement:

A. *Physical Settlement (Pre-trade letter)*

Each Noteholder shall prior to the Issue Date complete and return to the Issuer a physically settled notes investment pre-trade letter (the "**Pre-trade letter**") in the form obtainable from the Issuer, which must:

- (A) specify the name and address of the Noteholder;
- (B) specify the number of the Noteholder's unallocated bullion account with HSBC Bank plc (the "**Nominated Account**");
- (C) contain an agreement and confirmation from the Noteholder to the effect that it will (i) maintain the Nominated Account; (ii) notify the Issuer of any changes to the administrative details of the Nominated Account; and (iii) remain the owner of the Notes at all times (whether for its own account or for the account of others) and that it will not transfer or otherwise dispose of any interest in the Notes; and
- (D) contain an indemnity from the Noteholder in relation to any claim, demand, action, liability, cost, loss or expense which the Issuer may incur in connection with a breach of the Pre-trade letter.

B. *Delivery obligation*

If Physical Settlement is specified in the relevant Pricing Supplement, the Issuer shall discharge its obligation to deliver the relevant amount in respect of interest, Final

Redemption Amount and/or any other amount in respect of the Notes by crediting, or procuring the credit of, the same on the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) to the Nominated Account as specified in the Pre-trade letter.

**Settlement of accounts to be delivered under the Notes shall be made only to the Nominated Account. Accordingly, if Notes are at any time transferred to a person other than the initial Noteholder, then the transferee may be unable to receive such amounts. The Issuer shall have no obligation to deliver any amounts other than by credit to the relevant Nominated Account and shall have no liability to any transferee of Notes in relation to any such delivery.**

10. **Redenomination**

(a) **General**

Where redenomination is specified in the relevant Pricing Supplement as being applicable, and in respect of Notes denominated in a National Currency Unit (as defined in Condition 1 (*Definitions*)), the Issuer may, without the consent of the Noteholders, upon giving at least 30 days' prior notice to the Noteholders in accordance with Condition 14 (*Notices*), designate a Redenomination Date.

With effect from the Redenomination Date:

- (i) each Note shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated into such amount of euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Settlement Currency, converted into euro at the rate for the conversion of the relevant Settlement Currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with EC regulations); **provided, however, that** if the Issuer determines that market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (ii) if Notes are in definitive form:
  - (A) all unmatured Coupons denominated in the relevant Settlement Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes and Coupons denominated in euro are available for exchange (**provided that** such Notes and Coupons are available) and no payments will be made in respect thereof;
  - (B) the payment obligations contained in all Notes denominated in the Settlement Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 10(a)(ii) (*Redenomination – General*)) shall remain in full force and effect; and
  - (C) new Notes and Coupons denominated in euro will be issued in exchange for Notes and Coupons denominated in the relevant Settlement Currency in such manner as the Issuer may specify and as shall be notified to the Noteholders in the Euro Exchange Notice;
- (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the relevant Settlement Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro, as though references in the Notes to the Settlement Currency



were to euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union; and

- (iv) such other changes will be made to the terms and conditions of the Notes as the Issuer may decide to conform such Notes to conventions then applicable to Notes denominated in euro. Any such other changes will not take effect until after it has been notified to the Noteholders in accordance with Condition 14 (*Notices*).

Neither the Issuer nor any Paying Agent will be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of euro or any currency conversion or rounding effected in connection therewith.

(b) **Interest**

Following redenomination of the Notes pursuant to 10(a) (*Redenomination – General*):

- (i) where Notes are in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (ii) in respect of Fixed Rate Notes where interest is payable annually, any interest required to be calculated for a period of less than one year in respect of the Notes shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365); **provided, however, that** if the Issuer determines that the market practice in respect of internationally offered euro denominated securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (iii) in respect of Fixed Rate Notes where interest is payable quarterly or semi-annually, the amount of interest payable in respect of each Note on any Interest Payment Date shall be calculated by applying the Rate of Interest to the principal amount of such Note, dividing the product by four or two (as the case may be) and rounding the figure down to the nearest euro 0.01. If interest is required to be calculated for any other period, it shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365); **provided, however, that** if the Issuer determines that the market practice in respect of internationally offered euro denominated securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (iv) in respect of Floating Rate Notes, the Interest Amount payable in respect of the Notes for each Interest Period will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during the Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 360 and rounding the resulting figure down to the nearest euro 0.01; and

- (v) in respect of Floating Rate Notes, the Rate of Interest for any subsequent Interest Period shall be determined by the Calculation Agent on the basis of provisions which it determines reflect the market practice in respect of internationally offered euro denominated securities.

11. **Events of Default**

If any one or more of the following events (each an "Event of Default") shall occur and be continuing in relation to a Series of Notes:

- (a) the Issuer fails to remedy a default in the repayment of any principal due on the Notes of such Series or any of them or in the payment of any interest due in respect of the Notes of such Series or any of them, in each case within 14 days of notice of such default having been given to the Principal Paying Agent or other Paying Agent or the Registrar (as the case may be) by any Noteholder in accordance with Condition 14(b) (*Notices from Noteholders*), **provided that** it shall not be such a default to withhold or refuse any such payment (1) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time during the said period of 14 days by independent legal advisers acceptable to the Principal Paying Agent as to such validity or applicability; or
- (b) an order is made or an effective resolution is passed for the winding up of the Issuer (otherwise than in connection with a scheme of reconstruction or amalgamation the terms of which shall previously have been approved in writing by an Extraordinary Resolution of the Holders of the relevant Series of Notes),

then any Noteholder may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer (such date the "**Early Redemption Date**"), declare the Note held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, as specified in the relevant Pricing Supplement, together with interest accrued and unpaid until the date of its redemption, without presentment, demand, protest or other notice of any kind.

12. **Prescription**

Notes and Coupons will become void unless presented for payment within a period of 10 years and five years, respectively, from the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect thereof. Any monies paid by the Issuer to the Principal Paying Agent for the payment of the principal or interest in respect of any Notes or Coupons and remaining unclaimed when such Notes or Coupons become void will then revert to the Issuer and all liability of the Principal Paying Agent with respect thereto will thereupon cease.

There shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 12 (*Prescription*) or Condition 9 (*Payments*).

13. **Replacement, Exchange and Transfer**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office (in the case of a Bearer Note or Coupon) of the Issue Agent or (in the case of Registered Notes) of the Registrar or of the Transfer Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

Upon the terms and subject to the conditions set out in the Issuing and Paying Agency Agreement and the relevant Pricing Supplement, a Registered Note may be exchanged for a Registered Note or Notes of equal aggregate principal amount in such different authorised denominations as may be requested by the Noteholder by surrender of such Registered Note at the specified office of the Registrar or of the Transfer Agent, together with a written request for the exchange.

Upon the terms and subject to the conditions set out in the Issuing and Paying Agency Agreement, a Registered Note, in definitive form, may be transferred in whole or in part only (**provided that** such part is, or is an appropriate multiple of, the minimum denomination set out in the Pricing Supplement) by the Holder or Holders surrendering the Registered Note for registration of transfer at the specified office of the Registrar or the Transfer Agent, duly endorsed by, or accompanied by a written instrument to transfer in form satisfactory to the Issuer and the Registrar or the Transfer Agent, duly executed by the Holder or Holders thereof or his or their attorney duly authorised in writing. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

If so set out in the relevant Pricing Supplement, the Holder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Issuing and Paying Agency Agreement. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of the Principal Paying Agent or of the Registrar or the Transfer Agent, together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined below) where the exchange date would, but for the provisions of this paragraph, occur between the Record Date (as defined in Condition 9(b) (*Payments - Registered Notes*)) for such payment of interest and the date on which such payment of interest falls due.

Each new Registered Note to be issued upon the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for delivery at the specified office of the Registrar or the Transfer Agent, or, at the option of the Holder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expenses of delivery by other than regular mail or insurance charges that may be imposed in relation hereto, shall be borne by the Issuer.

The Registrar or the Transfer Agent, as the case may be, shall not be required to register the transfer or exchange of Registered Notes for a period of 15 days preceding the due date for any payment of principal or interest in respect of such Notes.

14. **Notices**

(a) ***Notices to Noteholders***

All notices to the Holders of Notes or the Coupons appertaining thereto will be valid: (i) if published, in the case of Bearer Notes and Coupons, in one leading daily newspaper with circulation in London (which is expected to be the *Financial Times* or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe); (ii) in the case of Registered Notes, if mailed to their registered addresses (as advised by the Registrar) or to that of the first named of them in the case of joint Holders; **provided that**, in each case, in the case of Notes admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system the rules of such listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation have been complied with; and (iii) in the case of Uncertificated Registered Notes, if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Uncertificated Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange. Any such notice shall be deemed to have been given on the date of such publication or delivery or, if published more than once, on the date of the first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

Holders of any Coupons appertaining to Bearer Notes will be deemed for all purposes to have notice of the contents of any notice given to the Holders of such Bearer Notes in accordance herewith.

(b) **Notices from Noteholders**

Notices given by any Noteholder shall be in writing and given by lodging the same, together with the relevant Note or Notes (if applicable), with the Principal Paying Agent or other Paying Agent or with the Registrar (as the case may be) at its specified office.

15. **Paying Agents, Calculation Agents, Issue Agents, Transfer Agents and Registrars**

- (a) The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Calculation Agents, the initial Issue Agent, the initial Transfer Agent, the initial Registrar and their respective initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, Calculation Agent, Issue Agent, Transfer Agent or Registrar and/or approve any change in the specified office through which any Paying Agent, Calculation Agent, Issue Agent, Transfer Agent or Registrar acts, **provided that:**

- (i) so long as any Bearer Notes are outstanding, there will at all times be a Principal Paying Agent; and
  - (ii) so long as any Registered Notes are outstanding, there will at all times be a Registrar and a Transfer Agent.
- (b) In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 9(a) (*Payments - Bearer Notes*). Any variation, termination, appointment or change shall only take effect (other than in the case of an insolvency, when it shall be of immediate effect) after notice has been given to the Noteholders in accordance with Condition 14 (*Notices*).
- (c) All calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Notes (including any determinations by the Calculation Agent as to the exercise or non-exercise by it of its powers, duties and discretions for such purposes) shall be made in good faith and in a commercially reasonable manner, and in exercising any discretion to amend or adjust the Conditions, the Calculation Agent will exercise such discretion with a view to replicating as closely as possible the economic position that existed prior to the occurrence of the event giving rise to the exercise of such discretion.
- (d) The Agents and the Calculation Agent shall not act as agents for the Noteholders but shall be agents of the Issuer. All calculation functions required of the Calculation Agent under these Conditions may be delegated to any such person as the Calculation Agent, in its absolute discretion, may decide.

**15A. Consequences of a Benchmark Trigger Event**

- (a) If the Issuer determines that a Benchmark Trigger Event has occurred in relation to a Relevant Benchmark relating to a Series of Notes, then:
- (i) if an Alternative Pre-nominated Index has been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement:
    - (A) unless the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Relevant Benchmark shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and

**Part B2 - Alternative Terms and Conditions of the Notes**

- (B) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Alternative Pre-nominated Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; and
- (ii) if an Alternative Pre-nominated Index has not been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement or the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, the Issuer shall do any of the following:
  - (A) determine that references to such Relevant Benchmark shall be deemed to be replaced by references to such index, benchmark or price source as the Issuer determines would have the effect of placing the Issuer in an economically equivalent position to that which it would have been in had the Benchmark Trigger Event not occurred (the "**Replacement Index**") (and in making such determination the Issuer shall be entitled to take into account such facts and circumstances as it considers relevant including, without limitation, (i) any index, benchmark or other price source which measures the same market or economic reality as the Relevant Benchmark and which is formally designated, nominated or recommended by the administrator or sponsor of the Relevant Benchmark or (ii) any index, benchmark or other price source which is formally designated, nominated or recommended by any Relevant Nominating Body, in each case to replace the Relevant Benchmark), in which case:
    - (1) references to such Relevant Benchmark shall be deemed to be replaced with references to such Replacement Index with effect from such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and
    - (2) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Replacement Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; or
  - (B) follow the steps for determining the relevant rate or level set out in the Relevant Reference Asset Fallback Provisions (if any); or
  - (C) determine that the Notes shall be redeemed, in which case the Issuer shall redeem the Notes at the Early Redemption Amount specified in the relevant Pricing Supplement on the date selected by the Issuer and give notice of such redemption to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*);

**provided, however, that** if (A)(1) it is or would be unlawful at any time under applicable law or regulation or (2) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Notes, then such provision shall not apply and the Issuer shall not make such determination (as the case may be) and the Issuer shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements and (B) the Issuer will, notwithstanding any other provision of this Condition, make any determination and exercise any discretion as to whether the Alternative Pre-Nominated Index is to be used following such Benchmark Trigger Event or which Replacement Index is to be used, and which adjustments are to be made to the Conditions following such replacement, in such

manner as to put the Issuer and the Noteholder in substantially the same economic position as prior to the occurrence of the Benchmark Trigger Event, in each case without prejudice to the right of the Issuer to redeem the Notes in accordance with this Condition.

- (b) If the Issuer is not able to determine the Relevant Benchmark in accordance with the provisions of this Condition 15A on any Relevant Benchmark Determination Date, then the Relevant Benchmark Determination Date shall be postponed to such date as it is able to make such determination and any Relevant Benchmark Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Relevant Benchmark Determination Date.
- (c) Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 15A (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Relevant Benchmark Related Payment Date which is so postponed shall be calculated as if such Relevant Benchmark Related Payment Date had not been postponed pursuant to this Condition 15A) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.
- (d) The Issuer shall promptly following the determination of any replacement for a Relevant Benchmark pursuant to paragraph (b)(i)(A) or (b)(ii)(A) above give notice thereof and of any changes pursuant to paragraph (b)(i)(B) or (b)(ii)(A)(2) (as applicable) to the Principal Paying Agent, the Calculation Agent and the Noteholders (in accordance with Condition 14 (*Notices*)).
- (e) Without prejudice, in the case of any Index-Linked Notes, to Condition 22(f)(ii) (*Index Modification*), if the definition, methodology or formula for a Relevant Benchmark in respect of a Series of Notes, or other means of calculating the Relevant Benchmark in respect of a Series of Notes, is changed, then references to such Relevant Benchmark shall be to such Relevant Benchmark as so changed.
- (f) In making any determination under this Condition 15A, the Issuer shall take account of such facts and circumstances as it considers relevant, including, without limitation, prevailing market practice. Except to the extent the such exclusion is prohibited by law, in the absence of fraud or gross negligence on the part of the Issuer, no liability will attach to the Issuer in connection with any determination made by the Issuer pursuant to this Clause 15A.

16. **Meetings of Noteholders, Modification and Substitution**

(a) ***Meetings of Noteholders***

The Master Note Issuance Agreement contains provisions for convening meetings of the Holders of the Notes of any Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Note Issuance Agreement) of a modification of the Notes or any of the provisions of the Master Note Issuance Agreement. Such a meeting may be convened by the Issuer or by Holders of the Notes of any Series holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders of the Notes of any Series whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes, reducing or cancelling the amount of principal payable in respect of the Notes or altering the currency of payment of the Notes), the

quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders of the Notes of any Series shall be binding on all the Noteholders, whether or not they are present at the meeting. Any modification of the Notes shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

(b) ***Modification***

Subject in case of the Master Note Issuance Agreement or the Issuing and Paying Agency Agreement (as applicable) to the agreement of the other parties thereto, the Issuer may agree, without the consent of the Noteholders, to:

- (i) any modification (except as mentioned above) of the Master Note Issuance Agreement or the Issuing and Paying Agency Agreement or the Conditions which is not materially prejudicial to the interests of the Noteholders as a whole;
- (ii) any modification of the Conditions or the Master Note Issuance Agreement or the Issuing and Paying Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (iii) any modification of the Notes which is made to correct an inconsistency between the Pricing Supplement and conditions of the Note issue (comprising these Conditions as completed by the relevant Pricing Supplement) and the relevant termsheet relating to the Notes.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

(c) ***Substitution***

The Issuer may also agree, without the consent of the Noteholders, to the substitution of a subsidiary or holding company of the Issuer or any subsidiary of any such holding company (the "**New Issuer**") in place of the Issuer as principal debtor under the Notes of any Series and the Coupons appertaining thereto (if any), **provided that** such Notes and the Coupons appertaining thereto (if any) are irrevocably guaranteed by the Issuer. In the event of any such substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer. Any such substitution shall be promptly notified to the relevant Noteholders in accordance with Condition 14 (*Notices*). In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right 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 Noteholder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Noteholder.

17. **Provision of Information**

The Issuer shall, during any period in which it is not subject to and in compliance with the periodic reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, duly provide to any Holder of a Note which is a "**restricted security**" within the meaning of Rule 144(a)(3) under the Securities Act or to any prospective purchaser of such securities designated by such Holder, upon the written request of such Holder or (as the case may be) prospective Holder addressed to the Issuer and delivered to the Issuer or to the specified office of the Registrar, the information specified in Rule 144A(d)(4) under the Securities Act.

18. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Holders of Notes of any Series or Holders of the Coupons appertaining thereto (if any) to create and issue further notes ranking equally in all respects with the Notes of such Series so that the same shall be consolidated and form a single series with such Notes for the time being outstanding.

19. **Effects of European Economic and Monetary Union**

Following the occurrence of an EMU Event, the Calculation Agent shall make such adjustment (and determine the effective date of such adjustment) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount, Early Redemption Amount or any amount of interest set out in the relevant Pricing Supplement and/or any other adjustment and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes.

Following the occurrence of an EMU Event, without prejudice to the generality of the foregoing, the Issuer shall be entitled to make such conversions between amounts denominated in the National Currency Units and the euro, and the euro and the National Currency Units, in each case, in accordance with the conversion rates and rounding rules in Regulation (EC) No. 1103/97 as it determines to be appropriate.

Neither the Issuer nor the Calculation Agent will be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection therewith.

20. **Third Party Rights**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

21. **Governing Law**

(a) ***Governing law***

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by and shall be construed in accordance with English law.

(b) ***English courts***

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with the Notes (including any Dispute regarding the existence, validity or termination of the Notes or the consequence of their nullity).



**PART B2 -  
PRO FORMA PRICING SUPPLEMENT FOR NOTES (ALTERNATIVE NOTE GENERAL  
CONDITIONS)**

*[When completing any Pricing Supplement, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated: [•]

**[HSBC Bank plc**

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*  
**/ HSBC Continental Europe]**

**Programme for the Issuance of Notes and Warrants**

**[Further] Issue of**

**[Aggregate Principal Amount of Tranche] [Title of Notes]**

**[(to be consolidated and form a single series with the existing [Insert details of existing Tranche(s)])  
issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A - CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Offering Memorandum. The Alternative Note General Conditions shall apply to the Notes.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / / [HSBC Continental Europe, 38, avenue Kléber, 75116, Paris, France and [www.about.hsbc.fr/investor-relations/debt-issuance](http://www.about.hsbc.fr/investor-relations/debt-issuance)].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

[Specify target market, if required. For example:

**EU MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("**FinSA**") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("**FinSO**"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**Part B2 - Pro Forma Pricing Supplement for Notes  
(Alternative Note General Conditions)**

**[[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).] OR

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Notes which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2020/2021/ 2021 Amended/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2020] [2021] [2021 Amended] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2020] [2021] [2021 Amended] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom. The Alternative Note General Conditions shall apply to the Notes.]

*[For Notes offered and sold in the United States of America include:*

**IMPORTANT NOTICES**

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "**QUALIFIED INSTITUTIONAL BUYERS**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

**AVAILABLE INFORMATION**

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, the Issuer will promptly furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "*Risk Factors*" in the Offering Memorandum.

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc]/[HSBC Continental Europe].
2. Tranche number: [ ]  
  
*[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*
3. Currency:
  - (i) Settlement Currency [ ] [subject to Condition 9(j) *(Payments - Conversion)*]
  - (ii) Denomination Currency [*specify*/Settlement Currency]
4. Aggregate Principal Amount:
  - [(i) Series:] [ ]
  - [(ii) Tranche:] [ ]
5. Principal Protected Amount [Not applicable] [[ ] per cent. of the Aggregate Principal Amount] [Accreted Principal Amount]<sup>15</sup>
6. Issue Price: [[ ] per cent. of the Aggregate Principal Amount] [plus accrued interest from [*insert date*] (*in the case of fungible interest-bearing issues only, if applicable*)][An amount as determined by the Calculation Agent equal to [ ] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [ ].]
7. (i) Denomination(s) (Condition 2): [ ]<sup>16</sup>  
  
*[In respect of HBCE Notes, there should be one denomination only]*
  - (ii) Calculation Amount<sup>17</sup>: [ ]

<sup>15</sup> The Accreted Principal Amount should be included for any Zero-Coupon Notes that are principal protected Notes.

<sup>16</sup> If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange the Permanent Global Note for (i) definitive Notes in paragraph (c) of the Permanent Global Note - see item 22(iii) below or (ii) the Global Registered Note for Definitive Notes in paragraph (d) of the Global Registered Note - see item 24(ii) below - as applicable - should not apply.

<sup>17</sup> The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the

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- (iii) Aggregate Outstanding Nominal Amount Rounding: [Applicable] [Not applicable]
8. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [*specify*] [Issue Date] [Not applicable]
- (iii) Trade Date: [ ]
9. Maturity Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year. In case of undated Notes, specify undated.] [*specify*] [adjusted in accordance with [*specify*] [Business Day Convention and any applicable Business Centre(s)] for the definition of "**Business Day**"]
- (*Condition 7(a)*)
10. Change of interest or redemption basis: [Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

11. Fixed Rate Note provisions: [Applicable] [Not applicable]
- (*Condition 4*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
- (i) Rate(s) of Interest: [ ] per cent. [per annum] [ ] [payable [annually/semi-annually/quarterly/ monthly] in arrear] [ ]
- (ii) Interest Payment Date(s): [dd/mm, dd/mm, dd/mm and dd/mm] [in each year]
- [adjusted in accordance with [*specify*] [Business Day Convention and any applicable Business Centre(s)] for the definition of "**Business Day**" [not adjusted]
- (iii) Fixed Coupon Amount(s): [[ ] per Calculation Amount] [Not applicable]
- (iv) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)] [Not applicable] [*other (specify)*]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not applicable / other (*give details*)]
- (vi) Business Centre(s): [Not applicable/*give details*]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not applicable/*give details*] (Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)
12. Floating Rate Note provisions: [Applicable] [Not applicable]

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relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.

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- (Condition 5) *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) [Interest Period(s)] / [Specified Period]<sup>18</sup>: [specify]
- (ii) Interest Payment Dates: [Not applicable – Floating Rate Convention applies] [*specify payment dates*]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (iv) Business Centre(s): [Not applicable/*give details*]
- (v) Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA (Condition 5(c)): [Applicable] [Not applicable]
- (1) Reference Rate: [[•] month] [*specify rate*]
- (2) Interest Determination Date(s): [ ]
- (3) Relevant Screen Page: [ ]
- (4) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (5) Relevant Financial Centre: [ ]
- (6) Relevant Time: [ ]
- (7) Relevant Currency: [ ]
- (vi) ISDA Determination (Condition 5(d)): [Applicable] [Not applicable]
- (1) ISDA Definitions: 2021 ISDA Definitions
- (2) Floating Rate Option: [[•] / CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index]
- (The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (as defined in the ISDA*

<sup>18</sup> Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

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*Definitions). These are the only options envisaged by the terms and conditions.)<sup>19</sup>*

- (3) Designated Maturity: [•]  
*(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- (4) Reset Date: [[•] / as specified in the ISDA Definitions / the first day of the relevant Interest Period]
- (5) Compounding: [Applicable][Not applicable]
- (i) Compounding Method: [Compounding with Lookback  
Lookback: [•] Applicable Business Days]  
[Compounding with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business Days  
Observation Period Shift Additional Business Days: [•]/[Not applicable]]  
[Compounding with Lockout  
Lockout: [•] Lockout Period Business Days  
Lockout Period Business Days: [•]/Applicable Business Days]
- (6) Averaging: [Applicable][Not applicable]
- (i) Averaging Method: [Averaging with Lookback  
Lookback: [•] Applicable Business Days]  
[Averaging with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business Days  
Observation Period Shift Additional Business Days: [•]/[Not applicable]]  
[Averaging with Lockout  
Lockout: [•] Lockout Period Business Days  
Lockout Period Business Days: [•]/Applicable Business Days]
- (7) Index Provisions: [Applicable][Not applicable]

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<sup>19</sup> If another Floating Rate Option is specified, then amendments to the terms and conditions may be required and additional items may need to be specified in the Pricing Supplement.

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- (i) Index Method: Compounding Index Method with Observation Period Shift
- Observation Period Shift: [•] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: [•]/[Not applicable]
- (8) Applicable Benchmark: [ ] [Not applicable]
- (9) Fixing Day: [ ] [Not applicable]
- (10) Fixing Time: [ ] [Not applicable]
- (11) Any other terms relating to the ISDA Definitions: [ ] [Not applicable]
- (12) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (vii) Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA (*Condition 5(e)*): [Applicable] [Not applicable]
- (1) Reference Rate: [SONIA] [SOFR] [€STR] [SORA] [TONA]
- (2) Relevant Screen Page [ ] [Not applicable] - *This is only required if SONIA is the Reference Rate*
- (3) Interest Determination Date(s): [•] [[ ] [prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (*Payments*)) – use for Payment Delay only]
- (4) Determination Method: [Compounded Daily Rate][Weighted Average Rate]
- (5) Observation Method: [Observation Shift] [Lag][Lock-Out][Payment Delay]
- (6) Y: [360 – likely to be specified for USD][365 -likely to be specified for GBP][•]
- (7) "p": [*Specify if Observation Shift (Standard Shift) or Lag are applicable*][Not applicable]
- (8) ARRC Fallbacks: [Applicable][Not applicable] – *May be applicable if SOFR is the Reference Rate only*
- (9) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days][•] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of



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- the Notes. – *include if Payment Delay is specified*][Not applicable]
- (10) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (viii) Linear Interpolation: [Not applicable] [Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [ ] shall be calculated using Linear Interpolation]
- (ix) Margin(s): [[+/-][ ] per cent. [per annum]] [Not applicable]
- (x) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/360/other (*specify*)]
- (xi) Minimum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xii) Maximum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xiii) Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xiv) Interest Determination Date(s): [•] [[ ]][prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (*Payments*)) – use for *Payment Delay only*]
13. Zero Coupon Note provisions: [Applicable] [Not applicable]  
(*Condition 6*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Accrual Yield: [[ ] per cent [per annum]]
- (ii) Zero Coupon Note Reference Price: [ ]
- (iii) Day Count Fraction in relation to Early Redemption Amounts (if applicable) and late payments: [ ]
14. Equity/ Index-Linked Interest Note and other variable-linked interest Note provisions: [Applicable] [Not applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Index/formula/other variable: [give or annex details –]
- (ii) Provisions for determining interest where calculated by [ ]

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reference to Equity/ Index and/or formula and/or other variable:

- (iii) Provisions for determining interest where calculation by reference to Equity/ Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ] *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Interest or calculation period(s): [ ]
- (v) Interest Payment Dates: [ ]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other *(give details)*]
- (vii) Business Centre(s): [ ]
- (viii) Minimum Interest Rate: [[ ] per cent. [per annum]]
- (ix) Maximum Interest Rate: [[ ] per cent. [per annum]]
- (x) Day Count Fraction: [ ]

**PROVISIONS RELATING TO REDEMPTION**

- 15. Issuer's optional redemption (Call Option): [Applicable] [Not applicable]  
*(Condition 7(c))* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Redemption Amount (Call Option): [[ ] per Calculation Amount *(specify — if not par, also specify details of any formula)*] [Fair Market Value]
  - (ii) Series redeemable in part: [[ ] per Calculation Amount *(specify — otherwise redemption will only be permitted of entire Series)*] [Fair Market Value]
  - (iii) Optional Redemption Date (Call Option): [ ]
  - (iv) Minimum Redemption Amount (Call Option): [[ ] per Calculation Amount *(specify — if not par, also specify details of any formula)*] [Fair Market Value] [Not applicable]
  - (v) Maximum Redemption Amount (Call Option): [[ ] per Calculation Amount *(specify — if not par, also specify details of any formula)*] [Fair Market Value] [Not applicable]
- 16. Noteholder's optional redemption (Put Option): [Applicable] [Not applicable]  
*(Condition 7(d))* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Redemption Amount (Put Option): [[ ] per Calculation Amount *(specify — if not par, also specify details of any formula)*] [Fair Market Value]

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- (ii) Optional Redemption Date (Put Option): [ ]
- (iii) Minimum Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
- (iv) Maximum Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
- 17. Final Redemption Amount of each Note: [[ ] per Calculation Amount (specify — if not par, also specify details of any formula)]  
(Condition 7(a))
- 18. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Index-Linked or other variable-linked: [Applicable] [Not applicable]
  - (i) Index/formula/other variable: [give annex details]
  - (ii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or formula and/or other variable; [ ]
  - (iii) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [Need to include a description of market disruption or settlement disruption events and adjustment provisions] [See paragraph 26(v) below]
  - (iv) Minimum Final Redemption Amount [ ]
  - (v) Maximum Final Redemption Amount: [ ]
- 19. Instalment Notes: [Applicable] [Not applicable]  
(Condition 7(a)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)

Instalment Date(s) and corresponding Instalment:

Instalment Date	Instalment Amount
[ ]	[ ]

- 20. Early Redemption:
  - (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): (Conditions 7(b) or 7(f)) [[100] per cent. of the Calculation Amount] [Fair Market Value] [Condition 7(e) (Early Redemption of Zero Coupon Notes) applies to the Notes] [Market Value 1] [Market Value 2] [Principal Protected Amount] [Highest Value (Vanilla)]

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- [Highest Value (Structured)] [Accreted Principal Amount] [*other (specify details)*]
- (ii) Early Redemption Amount (upon redemption following an Event of Default): (*Condition 11*) [[100] per cent. of the Calculation Amount] [Fair Market Value] [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes] [*other (specify details)*]
- (iii) Early Redemption Amount (in case of other events giving rise to the determination of an Early Redemption Amount (other than Force Majeure)): [[100] per cent. of the Calculation Amount] [Fair Market Value] [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes] [Market Value 1] [Market Value 2] [Principal Protected Amount] [Highest Value (Vanilla)] [Highest Value (Structured)] [Accreted Principal Amount] [Not applicable] [*other (specify details)*]
- (iv) Monetisation Option: [Applicable] [Not applicable]
- (v) Other redemption provisions: [*Specify*] [Not applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

21. Form of Notes: (*Condition 2(a)*) (*The following elections apply in respect of the Notes issued by HBEU:*)  
[Bearer Notes/Registered Notes/ Uncertificated Registered Notes]  
*(The following applies in respect of Notes issued by HBCE only:)*  
[Bearer Dematerialised Notes]
22. [New Global Note [(*delete if Registered Note*)]/ Issued under the new safekeeping structure [(*delete if Bearer Note*)]: [Yes/No] [Not applicable] (*select "Not applicable" in case of Notes issued by HBCE only*)
23. If issued in bearer form:
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: [Temporary] [Permanent] Global Note
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes: [Yes] [No] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note] [*specify*]  
(*Condition 2(a)*)
- (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation: [Yes] [No] [*If no, specify:* Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.]

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- (iv) Coupons to be attached to Definitive Notes:<sup>20</sup> [Yes] [No] [Not applicable]  
[N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems - see provisions contained in Permanent Global Note]
- (v) Talons for future Coupons to be attached to Definitive Notes:<sup>21</sup> [Yes] [No] [Not applicable]  
[N.B. The above comment also applies here]
24. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days after the Issue Date] [(specify)] [Not applicable]  
*(select "Not applicable" in case of Notes issued by HBCE)*
25. If issued in registered form (other than Uncertificated Registered Notes): [Applicable] [Not applicable]  
*(select "Not applicable" and delete sub paragraphs below in case of Notes issued by HBCE)*
- (i) Initially represented by: [Regulation S Global Registered Note][Rule 144A Global Registered Note][Unrestricted Global Registered Note and Restricted Global Registered Note][Combined Global Registered Note][Definitive Registered Notes]
- [(ii) [Regulation S Global Registered Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Regulation S Global Registered Note][Unrestricted Global Registered Note] for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note]]
- [(ii) [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note][Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note]]
- [(ii) [Combined Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]

<sup>20</sup> Definitive Notes will typically have coupons attached to them if interest-bearing.

<sup>21</sup> Talons will be needed if there are more than 27 coupons.

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26. [Masse (Condition 15 Part B3 – Terms and Conditions of the Notes issued by HBCE): Condition 15 applies. [Not applicable]
- (i) Representative: [•] (*specify name and address*)
- (ii) Alternative Representative: [•] (*specify name and address*)
- (iii) Remuneration of Representative: [•]
27. Payments:  
(*Condition 9*)
- (i) Relevant Financial Centre Day: [*specify all places*]
- (ii) Payment of Alternative Payment Currency Equivalent: [Applicable] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ] (*delete if Cross Currency Exchange Rate is not applicable*)
  - Cross Currency Jurisdiction: [ ] (*delete if Cross Currency Exchange Rate is not applicable*)
  - Settlement Currency Jurisdiction: [ ]
  - Alternative Payment Currency: [ ]
  - Alternative Payment Currency Jurisdiction: [ ]
  - Alternative Payment Currency Fixing Page: [ ]
  - Alternative Payment Currency Fixing Time: [ ]
  - Alternative Payment Currency Fixing Date: [ ] [Condition 1 applies] [The relevant jurisdictions/places for the purposes of the Alternative Payment Currency Fixing Date are [ ]]
  - Alternative Payment Currency Exchange Rate Fall-Back provisions: [ ] [Not applicable]
  - Additional Alternative Payment Currency Event: [ ]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (iii) Conversion provisions: [Applicable in respect of [[interest payments under the Notes][Final Redemption Amount] [Early

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- Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount][*other*]] [the Conversion Rate is [ ] ]][*specify further Conversion provisions*][Not applicable]
- Conversion Business Days: Rate [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ] [Condition 1 applies]]
  - Conversion Rate Fixing Date: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]]
  - Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Conversion Rate Fixing Page: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]] [Condition 1 applies]]
  - Conversion Rate Fixing Time: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]]
  - Denomination Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*][ ]]
  - Settlement Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*][ ]]
  - Conversion Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
- (iv) Underlying Currency Pair provisions: [Applicable in respect of [[interest payments under the Notes] [Final Redemption Amount]] [The

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- Initial Underlying Currency Pair Exchange Rate is [ ] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Reference Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Reference Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Specified Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Specified Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Underlying Currency Pair Business Days: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Date: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ]]
  - Underlying Currency Pair Fixing Page: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ]] [Condition 1 applies]
  - Underlying Currency Pair Fixing Time: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ]]
  - Underlying Currency Pair Exchange Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (v) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9(h): [3] [ ]
  - Dealer Poll: [Applicable] [Not applicable]
  - Unscheduled Holiday and Deferral Period: [The number of Relevant Currency Business Days for the purpose of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of



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- calendar days for the purposes of the Deferral Period is [ ] [as per Condition 1]]
- Interest Adjustment: [Applicable] [Not applicable]
- (vi) EM Price Source Disruption: [Applicable] [Not applicable]
- Price Materiality: [Applicable] [Not applicable]
  - Price Materiality Threshold Percentage: [ ] [3 per cent.]
  - FX Disruption Event: [Applicable] [Not applicable]
  - EM Deferral Period: The number of calendar days for the purposes of the Deferral Period is [ ] [14] [30].
  - Fallback Conversion Rate Fixing Page: [ ]
  - Fallback Conversion Rate Fixing Time: [ ]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9: [3] [ ]
  - Interest Adjustment: [Applicable] [Not applicable]
- (vii) LBMA Physical Settlement provisions: [Applicable [in respect of [Index-Linked Interest Note provisions] [Final Redemption Amount] [Early Redemption Amount] [ ] [and [ ]]] [Not applicable]
- LBMA Physical Settlement Commodity(ies): [ ] [and [ ]]
- (viii) Physical Settlement provisions: [Applicable] [Not applicable]
28. Redenomination: [Applicable] [Not applicable]  
(Condition 10)
29. Other terms: [Not applicable/specify/See Annex]  
*(When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)*
30. Valuation Date: [ ]

**DISTRIBUTION**

31. (i) If syndicated, names of Relevant Dealer(s): [Not applicable / HSBC Bank plc/other - give name]

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- (ii) If syndicated, names [, addresses and underwriting commitments] of other Dealers (if any): [Not applicable/other - give name]  
[Give addresses and underwriting commitments]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)*
32. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
33. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
34. Selling restrictions: [For Bearer Notes: TEFRA C Rules/TEFRA D Rules/TEFRA Not applicable]  
United States of America: [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of a U.S. person (as defined in Regulation S)]  
[Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "*Transfer Restrictions*"]  
40-day Distribution Compliance Period: [Applicable] [Not applicable]
35. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"): [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
36. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"): [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or

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- equivalent amount in another currency) per investor for each separate offer]
37. Additional U.S. federal income tax considerations: [Not applicable/give details] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [ ]]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] *[The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.]*
38. Additional selling restrictions: *[specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]*

**TRANSFER RESTRICTIONS**

*[In offers of Notes pursuant to Rule 144A insert:<sup>22</sup>*

**UNITED STATES**

Because of the following restrictions, purchasers of Notes offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and

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<sup>22</sup> Transfer Restrictions are only to be included for Notes offered in the United States in reliance on Rule 144A.

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- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as the investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes, Combined Global Registered Notes and any US Definitive Registered Notes or Combined Definitive Registered Notes (as defined in "*Part B4 - Summary of Provisions relating to the Notes while in Global Form*" in the Offering Memorandum) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE [AND THE SECURITIES, IF ANY, TO BE DELIVERED UPON EXERCISE THEREOF]<sup>23</sup> HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "**QUALIFIED INSTITUTIONAL BUYERS**", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*<sup>24</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND

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<sup>23</sup> To be included if the underlying securities have not been registered under the Securities Act.

<sup>24</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

OR<sup>25</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF

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<sup>25</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

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OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS NOTE OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter, in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Note or an interest therein will not be), and is not (and for so long as it holds such Note or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined

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in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Note or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.

- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 - Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]

**CONFIRMED**

**[HSBC BANK PLC**

By: .....  
*Authorised Signatory*

Date: ..... ]

[HSBC CONTINENTAL EUROPE

By: .....]  
*Authorised Signatory*



**PART B - OTHER INFORMATION**

**1. LISTING**

(i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin [on or around the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted] [Not applicable]

(ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(iii) Estimated total expenses of admission to trading: [*specify amount*]

**2. RATINGS**

Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]

*[specify rating and rating agency]*

**3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]**

[Save for any[[fees payable]/[and]/[discount to the Issue Price offered] to the [Dealer(s)/distributors in respect of the Notes [as of (or around) the Issue Date] (the "**Distributors**")/*specify other*]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Dealer(s)/Distributor(s)/*specify other*] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>26</sup>

**4. [Fixed Rate Notes only - YIELD]**

Indication of yield: [[ ] per cent. per annum] [Calculated as *[include details of method of calculation in summary form]* on the Issue Date]<sup>27</sup>

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

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<sup>26</sup> For unlisted Notes delete this paragraph.

<sup>27</sup> For unlisted Notes delete this paragraph.

5. **[Index-Linked or other variable-linked Interest Notes only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>28</sup>**

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)*

6. **REASONS FOR THE OFFER**

[The Notes are "Green Notes" and an amount equivalent to the net proceeds from the sale of the Notes will be used as described in "Part A - Green Notes" in the Offering Memorandum. The Applicable Framework is the [HSBC Green Bond Framework][Specify other]]

**OPERATIONAL INFORMATION**

7. ISIN Code: [ ] [Not applicable]
8. Common Code: [ ] [Not applicable]
9. CUSIP: [ ] [Not applicable]
10. Valoren Number: [ ] [Not applicable]
11. SEDOL: [ ] [Not applicable]
12. WKN: [ ] [Not applicable]
13. Other identifier / code: [ ] [Not applicable]
14. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No] [Not applicable]<sup>29</sup>

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)[include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [include this text if "yes" selected]

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of

<sup>28</sup> For unlisted Notes delete this paragraph.

<sup>29</sup> Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB collateral eligibility requirements, in order to be eligible as collateral a security must, among other things, be denominated in Euro and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg Euro MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

**Part B2 - Pro Forma Pricing Supplement for Notes  
(Alternative Note General Conditions)**

a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*Include this text if "no" selected*]

15. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST/ Euroclear France /None/specify other]
16. Central Depository: [Euroclear France] [Not applicable]  
*(Select Euroclear France for Notes issued by HBCE)*
17. Delivery: Delivery [against/free of] payment
18. Settlement procedures: [Eurobond/Medium Term Note/ other (specify)]
19. Additional Paying Agent(s) (if any): [None/ specify]
20. Common Depository: [HSBC Bank plc] [Not applicable] [*specify*]
21. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] [*other (specify)*]
22. ERISA Considerations: [ERISA prohibited] [ERISA terms apply]
23. [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE:]  
[Applicable]  
*(If the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE is contemplated, delete this paragraph)*

**PART B3 -  
TERMS AND CONDITIONS OF THE NOTES ISSUED BY HBCE**

*The following is the text of the terms and conditions applicable to the Notes (the "**Conditions**") of each Series issued by HBCE (as defined below) and which are completed by the relevant Pricing Supplement. The Pricing Supplement in relation to any Tranche 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 Tranche.*

The Notes are issued by HSBC Continental Europe ("**HBCE**" or the "**Issuer**") pursuant to a programme for the issuance of notes and warrants (the "**Programme**"). HSBC Bank plc ("**HBEU**") and HSBC Bank Middle East Limited ("**HBME**") are also issuers under the Programme (together with HBCE, the "**Issuers**"). References to "**Issuer**" in these Conditions shall mean HBCE only. The Notes have the benefit of a master note issuance agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 25 May 2023 (as further modified and/or amended from time to time, the "**Master Note Issuance Agreement**") and made between the Issuers, and HSBC Bank plc, The Hongkong and Shanghai Banking Corporation Limited and HBCE as dealers (in this capacity, each a "**Dealer**" and together, the "**Dealers**", which expression shall include any additional or successor Dealer(s) and an issuing and paying agency agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 25 May 2023 (as further modified and/or amended from time to time, the "**Issuing and Paying Agency Agreement**") and made between the Issuers, HSBC Bank plc and HBCE as calculation agents (HSBC Bank plc or, as the case may be, HBCE being the "**Calculation Agent**" with respect to the Notes as specified in the relevant Pricing Supplement, which expression includes any successor or other Calculation Agent appointed pursuant to the Issuing and Paying Agency Agreement and specified in the relevant Pricing Supplement) and the other parties specified therein. The Notes will also have the benefit of a French law agency agreement dated on or about 23 December 2022 (the "**HBCE Agency Agreement**") and made between the Issuer and BNP Paribas as principal paying agent and paying agent (the "**Principal Paying Agent**" and the "**Paying Agent**").

All Notes will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes issued on different issue dates. Each Tranche will be the subject of a Pricing Supplement (the "**Pricing Supplement**"), which will form part of the Conditions of the Notes of such Tranche. Other than the issue date, the issue price and the date for the first payment of interest, the Notes of each Series will have identical terms and conditions. The Notes of each Tranche will have identical terms and conditions.

Copies of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, and the HBCE Agency Agreement are available for inspection by Holders (as defined below) of Notes, and copies of the relevant Pricing Supplement, this Offering Memorandum and any supplement thereto may be obtained by Holders of Notes in each case during normal business hours at the specified office of the Issuer and of the Principal Paying Agent. The Holders (as defined in Condition 2 (*Form, Denomination and Title*)) for the time being of Notes are deemed to have notice of all the provisions of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement and the HBCE Agency Agreement.

Words and expressions defined in the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement or the HBCE Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the HBCE Agency Agreement and the relevant Pricing Supplement, the relevant Pricing Supplement will prevail.

The relevant Pricing Supplement will specify whether or not the Alternative Note General Conditions apply to the Notes. If the Alternative Note General Conditions are specified in the relevant Pricing Supplement as applying to the Notes, then such Notes will be "**Alternative General Conditions Notes**" and certain alternative terms and conditions specified below will apply to them in place of the corresponding terms and conditions which apply to Notes which are not Alternative General Conditions Notes. Such alternative terms and conditions are indicated below with headings in italicised text specifying that the relevant provisions apply to Alternative General Conditions Notes only.

1. **Definitions**

*The following provisions of this Condition 1 apply to all Notes other than Alternative General Conditions Notes.*

As used in these Conditions, the following expressions shall have the following meanings:

**"2021 ISDA Definitions"** means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the Issue Date of the first Tranche of the Notes of the relevant Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org));

**"Accrual Yield"** means, in the case of Zero Coupon Notes, the percentage rate per annum specified as such in the relevant Pricing Supplement;

**"Administrator/Benchmark Event"** means, in relation to any Series of Notes and an Applicable Benchmark, an event or circumstance which has the effect that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use such Applicable Benchmark to perform its or their obligations under the Notes;

**"Administrator/Benchmark Event Date"** means, in respect of any Administrator/Benchmark Event, the date from which the Applicable Benchmark may no longer be used under any applicable law or regulation by the Issuer or the Calculation Agent;

**"Affected Relevant Benchmark"** means, in relation to any Series of Notes, the Relevant Benchmark affected by a Benchmark Trigger Event;

**"Aggregate Outstanding Nominal Amount"** means the aggregate outstanding nominal amount of the Notes;

**"Alternative Payment Currency"** means the currency, which may be Offshore RMB, specified as such in the relevant Pricing Supplement or, if no such currency is specified, USD;

**"Alternative Payment Currency Equivalent"** means the relevant amount in the Settlement Currency determined by the Calculation Agent converted into the relevant Alternative Payment Currency using the Alternative Payment Currency Exchange Rate for the relevant Alternative Payment Currency Fixing Date;

**"Alternative Payment Currency Exchange Rate"** means:

- (i) the rate of exchange between the Settlement Currency and Alternative Payment Currency (expressed as the number of units of Alternative Payment Currency per one unit of Settlement Currency or as the number of units of Settlement Currency per one unit of Alternative Payment Currency (as applicable)) as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time on the Alternative Payment Currency Fixing Date and as observed by the Calculation Agent;
- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Alternative Payment Cross Currency Rate and the Settlement Currency Exchange Rate, as determined by the Calculation Agent; or
- (iii) such other rate as may be specified in the relevant Pricing Supplement.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Alternative Payment Currency Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent and (a) if Alternative Payment Currency Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate in accordance with the Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant

Alternative Payment Currency Exchange Rate in accordance with such Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in its discretion; or (b) if such Alternative Payment Currency Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in accordance with sub-paragraphs (X)(A) or (X)(B), as applicable, of Condition 9(e) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

**"Alternative Payment Cross Currency Rate"** means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Alternative Payment Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

**"Alternative Payment Currency Fixing Date"** means:

- (i) the date specified as such in the Pricing Supplement;
- (ii) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate); or
- (iii) otherwise, the fifth day (or such other number of days specified in the relevant Pricing Supplement) prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate).

If such date falls on a day that is a Saturday or Sunday or on which commercial banks are not open for general business and dealings in foreign exchange in the jurisdiction or place specified in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, the Alternative Payment Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction (a "**closed day**"), then:

- (x) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the Alternative Payment Currency Fixing Date shall be the immediately following calendar day that is not a closed day; and
- (y) otherwise, the Alternative Payment Currency Fixing Date shall be the immediately preceding calendar day that is not a closed day;

**"Alternative Payment Currency Fixing Page"** means the Reuters or other screen page specified as such in the relevant Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate by reference to the spot rate prevailing in the international exchange market;

**"Alternative Payment Currency Fixing Time"** means (i) the time and place specified as such in the relevant Pricing Supplement or, such other time and place as the Calculation Agent determines in the case of a successor page to the Alternative Payment Currency Fixing Page specified in the Pricing Supplement or (ii) if no such time and place is specified in the Pricing Supplement, such time and place as the Calculation Agent determines;

**"Alternative Payment Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement or, if the Alternative Payment Currency Jurisdiction is USD, the United States of America;

**"Alternative Payment Settlement Days"** means the number of local banking days specified as such in the relevant Pricing Supplement or if the relevant Pricing Supplement does not specify any Alternative Payment Settlement Days then the Alternative Payment Settlement Days shall be deemed to be 3 local banking days;

**"Alternative Pre-nominated Index"** means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the relevant Pricing Supplement as an "Alternative Pre-nominated Index" and which is not subject to a Benchmark Trigger Event;

**"Applicable Benchmark"** means any of the following:

- (a) a Relevant Benchmark;
- (b) a Reference Rate;
- (c) any index, benchmark or other price source that is referred to in a Relevant Benchmark;
- (d) any rate that applies as a fallback pursuant to Conditions 5(e)(v), 5(e)(vi) or 5(e)(vii);
- (e) an Alternative Pre nominated Index used pursuant to Condition 15(A) (*Consequences of a Benchmark Trigger Event*); and
- (f) a Replacement Index used pursuant to Condition 15(A) (*Consequences of a Benchmark Trigger Event*);

**"Applicable Fallback Effective Date"** means, in respect of an Applicable Benchmark and an Index Cessation Event or an Administrator/Benchmark Event, the Index Cessation Effective Date or the Administrator/Benchmark Event Date, as applicable;

**"Benchmark Trigger Event"** means:

- (i) in respect of a Series of Notes that references a Relevant Benchmark that is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate:
  - (A) an Index Cessation Event; or
  - (B) an Administrator/Benchmark Event; and
- (ii) in respect of any other Series of Notes, an Administrator/Benchmark Event;

**"Business Centre"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Business Day"** means:

- (i) in relation to a Note in respect of which amounts are payable in euro, a Euro Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Business Centre and on which the relevant Clearing System is open for business; or
- (ii) in relation to any other Note, a day on which commercial banks and foreign exchange markets settle payments generally in each Business Centre and on which the relevant Clearing System is open for business;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred; **provided, however, that:**
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Amount"** means the amount in the Denomination Currency specified as such in the relevant Pricing Supplement;

**"Clearing System"** means, in relation to a Series of Notes, Euroclear France, Euroclear and/or Clearstream, Luxembourg and/or any other clearing system specified in the relevant Pricing Supplement in which Notes of the relevant Series are for the time being held, or, in relation to an individual Note, in which that Note is for the time being held;

**"Clearing System Currency Eligibility Event"** means the relevant Clearing System(s) ceases to accept payments in the Settlement Currency;

**"Clearstream, Luxembourg"** means Clearstream Banking S.A.;

**"Combined Global Registered Note"** means a Registered Note in global form eligible for sale in the United States to "qualified institutional buyers" or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers", in each case in reliance on Rule 144A under the Securities Act and to non U.S. persons (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act;

**"Conversion Rate"** means:

- (i) the conversion rate of exchange specified as such in the relevant Pricing Supplement;
- (ii) if such rate is not specified in the relevant Pricing Supplement, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as published on the Conversion Rate Fixing Page at the Conversion Rate Fixing Time on the Conversion Rate Fixing Date and as observed by the Calculation Agent; or
- (iii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the conversion rate of exchange determined in accordance with, or derived from the Denomination Currency Conversion Rate and the Settlement Currency Conversion Rate, as determined by the Calculation Agent.



The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on a Conversion Rate Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent, and (a) if Conversion Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Conversion Rate in accordance with the Conversion Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Conversion Rate in accordance with such Conversion Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Conversion Rate in its discretion; or (b) if Conversion Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Conversion Rate in accordance with Condition 9(e) (*Price Source Disruption and FX Disruption*) or Condition 9(f) (*EM Price Source Disruption*) (as applicable) or, if neither Price Source Disruption or EM Price Source Disruption are specified as applicable in the relevant Pricing Supplement, in its discretion;

**"Conversion Rate Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place specified as such in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, Denomination Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

**"Conversion Rate Fixing Date"** means each of the dates specified as such in the relevant Pricing Supplement or if such date is not a Conversion Rate Business Day the immediately following day that is a Conversion Rate Business Day or, if such date is not specified in the relevant Pricing Supplement, the fifth Conversion Rate Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be a Conversion Rate Business Day if the market was not aware of it not being a Conversion Rate Business Day (by means of a public announcement or by reference to other publicly available information) on the Conversion Rate Fixing Date notwithstanding it subsequently ceases to be a Conversion Rate Business Day for any reason or the market subsequently becomes aware that it was not a Conversion Rate Business Day);

**"Conversion Rate Fixing Page"** means the Reuters or other screen page specified as such in the Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Conversion Rate by reference to the spot rate prevailing in the international exchange market;

**"Conversion Rate Fixing Time"** means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Conversion Rate Fixing Page specified in the Pricing Supplement;

**"Cross Currency"** means the currency specified as such in the relevant Pricing Supplement, or if such currency is not specified in the relevant Pricing Supplement, the Cross Currency shall mean USD;

**"Cross Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in the relevant Pricing Supplement and:

- (i) if **"Actual/Actual"**, **"Actual/Actual (ISDA)"**, **"Act/Act"** or **"Act/Act (ISDA)"** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is so specified means:
- (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any one year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (iii) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vii) if "30E/360" or "Eurobond Basis" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (viii) if "30E/360 (ISDA)" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

"**Deferral Period**" has the meaning ascribed thereto in Condition 9(e) (*Price Source Disruption and FX Disruption*);

"**Denomination Currency**" means the currency of denomination of the Notes specified as such in the relevant Pricing Supplement;

**"Denomination Currency Conversion Rate"** means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Denomination Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

**"Denomination Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Early Redemption Amount"** means, in relation to each Note or Calculation Amount, as applicable, an amount equal to the percentage per Calculation Amount, its Fair Market Value or such other early redemption amount, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"EM Deferral Period"** means, in respect of a Scheduled FX Fixing Date, a period of such number of calendar days as specified in the relevant Pricing Supplement, beginning on and including the relevant Scheduled FX Fixing Date;

**"EMU Event"** means the occurrence of any of the following, as determined by the Calculation Agent, acting in a commercially reasonable manner:

- (i) the withdrawal from legal tender of any currency that, before the introduction of the euro, was lawful currency in one of the member states;
- (ii) the redenomination of any underlying value to which the Notes relate into euro;
- (iii) any change in the currency of denomination of any index;
- (iv) any change in the currency in which some or all the securities or other property contained in any index is denominated;
- (v) the disappearance or replacement of a relevant rate option or other price source for the national currency of any member state, or the failure of the agreed sponsor (or successor sponsor) to publish or display a relevant rate, index, price, page or screen; or
- (vi) the change by any organised market, exchange or clearance, payment or settlement system in the unit of account of its operating procedures to the euro;

**"Euro", "euro" "EUR", "€"** each means the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty;

**"Euro Business Day"** or **"TARGET Business Day"** means a day on which T2 is open for settlement of payments in euro;

**"Euroclear"** means Euroclear Bank S.A./N.V.;

**"Euroclear France"** means Euroclear France S.A.;

**"Fair Market Value"** means, in relation to any Note, its fair market value immediately prior to the relevant redemption date, as determined by the Calculation Agent in consultation with the Issuer, less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements, and any such calculation of the fair market value shall have the effect of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make payments in respect of the Notes which would, but for any early redemption (in the case of any early redemption of such Notes), have fallen due after the relevant early redemption date. For the purposes of calculating the Fair Market Value following an Event of Default pursuant to Condition 11 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes;

**"Fallback Conversion Rate"** means, on any date, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency

per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as determined by the Calculation Agent in good faith and published on the Fallback Conversion Rate Fixing Page at the Fallback Conversion Rate Fixing Time for such date;

**"Fallback Conversion Rate Fixing Page"** means the Reuters or other screen page or the relevant section of the EMTA website specified as such in the Pricing Supplement (or any successor page or website thereof), or if such page or section of the EMTA website is not specified in the relevant Pricing Supplement or there is no successor page or website, the Calculation Agent will determine the relevant Conversion Rate;

**"Fallback Conversion Rate Fixing Time"** means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Fallback Conversion Rate Fixing Page specified in the Pricing Supplement;

**"Final Redemption Amount"** has the meaning ascribed thereto in Condition 7(a) (*Redemption and Purchase - At Maturity*);

**"Fixed/Floating Rate Notes"** means a Note for which Fixed Rate Note provisions (for an initial period from the Issue Date) and Floating Rate Note provisions (for a subsequent period) are specified in the relevant Pricing Supplement as applicable;

**"Fixed Rate Note"** means a Note which bears interest at a fixed rate and in respect of which Condition 4 (*Fixed Rate Note Provisions*) is applicable;

**"Floating Rate Note"** means a Note which bears interest at a floating rate and in respect of which the relevant provisions of Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions*) are applicable;

**"Floating Rate Option"** means, in relation to a Note to which ISDA Determination applies, a rate or price source specified as such in the relevant Pricing Supplement;

**"FX Cut-off Date"** has the meaning ascribed thereto in Condition 9(e) (*Price Source Disruption and FX Disruption*);

**"FX Disruption Event"** means the occurrence, as determined by the Calculation Agent, of (i) (a) an Inconvertibility, (b) Non-transferability, (c) Illiquidity or (d) any other event affecting the Denomination Currency, Cross Currency, Reference Currency, Settlement Currency or Specified Currency (as applicable) (the **"FX Disruption Relevant Currency"**) which would make it unlawful or impractical in whole or in part (including without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial power) for the Issuer (or the Issuer's affiliate) to pay or receive amounts in the FX Disruption Relevant Currency under or in respect of any hedging arrangement relating to or connected with the FX Disruption Relevant Currency; or (ii) if Offshore RMB is specified as the applicable FX Disruption Relevant Currency, each of the events specified in (i) above, plus an Offshore RMB Disruption;

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the Settlement Currency Jurisdiction or, where the Settlement Currency is specified to be RMB, in mainland China and each Offshore RMB Centre;

**"Government Bonds"** means, in relation to a Series of Notes, bonds or any other debt securities issued by a government, government agency or subdivision or a transnational or supranational organisation as specified in the relevant Pricing Supplement and **"Government Bond"** shall be construed accordingly;

**"Illiquidity"** means where the foreign exchange market in the Settlement Currency Jurisdiction becomes illiquid after the Trade Date and, as a result of which, the Issuer cannot obtain sufficient Settlement Currency in order to satisfy its obligation to pay any amount in respect of the Notes as

determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation (if practicable) with two Reference Dealers;

**"Inconvertibility"** means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the foreign exchange market in the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Index Cessation Event"** means, in respect of a Series of Notes that references an Applicable Benchmark which is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate, the occurrence or existence, as determined by the Issuer, of one or more of the following events:

- (a) a public statement or publication of information by or on behalf of the administrator of the Applicable Benchmark announcing that it has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark;
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Applicable Benchmark, the central bank for the currency of the Applicable Benchmark, an insolvency official with jurisdiction over the administrator for the Applicable Benchmark, a resolution authority with jurisdiction over the administrator for the Applicable Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Applicable Benchmark, which states that the administrator of the Applicable Benchmark has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark;
- (c) if the Applicable Benchmark is the Sterling London interbank offered rate, the Swiss Franc London interbank offered rate, the U.S. Dollar London interbank offered rate, the Euro London interbank offered rate or the Japanese Yen London interbank offered rate (each, a **"Specified Rate"**), or is a swap rate which references a swap transaction with a floating leg of a Specified Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Applicable Benchmark announcing that (i) the regulatory supervisor has determined that such Applicable Benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark is intended to measure and that representativeness will not be restored and (ii) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;
- (d) if the Relevant Benchmark is SOR, if SOR for a tenor equal to the relevant Interest Period (the **"relevant tenor"**) is not published by ABS Benchmarks Administration Co Pte. Ltd. (or any successor administrator) (the **"SOR Administrator"**) or an authorised distributor and is not otherwise provided by the SOR Administrator, and as of the day that is two Singapore and London Banking Days (as defined below) preceding the next following Interest Payment Date, the U.S. Dollar London interbank offered rate for the relevant tenor has been permanently discontinued or is Non-Representative (as defined below) and there is either no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is longer than the relevant tenor or no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is shorter than the relevant tenor (and for these purposes (x) the U.S. Dollar London interbank offered rate in a particular tenor shall be **"Non-Representative"** if the regulatory supervisor for the administrator of such rate (i) has determined and announced that such rate in such tenor is no longer representative of the underlying market and economic reality that such rate is intended to measure and representativeness will not be restored and (ii) is

aware that certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts have been or are engaged, and (y) a "**Singapore and London Banking Day**" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Singapore and London); or

- (e) in respect of an Applicable Benchmark which has an Underlying Fallback Rate, a public statement or publication of information by the regulatory supervisor for the administrator of the Underlying Fallback Rate, the central bank for the currency of the Underlying Fallback Rate, an insolvency official with jurisdiction over the administrator for the Underlying Fallback Rate, a resolution authority with jurisdiction over the administrator for the Underlying Fallback Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Underlying Fallback Rate, which states that the administrator of the Underlying Fallback Rate has ceased or will cease to provide the Underlying Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Underlying Fallback Rate (and, for these purposes, an "**Underlying Fallback Rate**" in relation to an Applicable Benchmark shall be such rate (if any) as the Issuer determines is the rate underlying such Applicable Benchmark);

**"Index Cessation Effective Date"** means:

- (a) the first date on which the Applicable Benchmark would ordinarily have been published or provided and is no longer published or provided; or
- (b) in the case of limb (c) of the definition of "Index Cessation Event," the first date on which the Applicable Benchmark would ordinarily have been published or provided and is either:
- (i) no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark is intended to measure and that representativeness will not be restored, by reference to the most recent statement or publication contemplated in such limb (c), and even if such Applicable Benchmark continues to be published or provided on such date; or
- (ii) no longer published or provided;

**"Index-Linked Interest Note"** means a Note which bears interest at a rate determined by reference to an index or any other variable as specified in the relevant Pricing Supplement and in respect of which Condition 5(f) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions*) is applicable;

**"Initial Underlying Currency Pair Exchange Rate"** means the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference Currency (as applicable)) specified as such in the relevant Pricing Supplement;

**"Interest Commencement Date"** means the date specified as such in the relevant Pricing Supplement;

**"Interest Determination Date"** means the day determined by the Calculation Agent to be customary for determining the Reference Rate applicable for the relevant Interest Period or as otherwise specified in the relevant Pricing Supplement;

**"Interest Payment Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"IRC"** means the U.S. Internal Revenue Code of 1986;

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor);

**"ISDA Definitions"** has the meaning given in the relevant Pricing Supplement;

**"Issue Date"** means the date specified as such in the relevant Pricing Supplement;

**"LBMA"** means the London Bullion Market Association or its successor;

**"LBMA Physical Settlement Commodity"** means each commodity specified as such in the relevant Pricing Supplement;

**"LBMA Physical Settlement Disruption Event"** means, as determined by the Calculation Agent, an event which is beyond the control of the Issuer or the transferor of the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes and as a result of which the Issuer or such transferor is unable to effect a relevant delivery;

**"LBMA Physical Settlement Fallback Redemption Amount"** means an amount in the Settlement Currency, US Dollar or such other currency as determined by the Calculation Agent in its sole and absolute discretion in respect of each Note determined by the Calculation Agent, in its sole and absolute discretion, with reference to the price of the LBMA Physical Settlement Commodity to in the spot market on the relevant Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as applicable);

**"LBMA Physical Settlement Market Disruption Event"** means: (i) the material suspension of, or the material limitation imposed on, trading in the LBMA Physical Settlement Commodity on any exchange or principal trading market which the Calculation Agent considers material in relation to the Notes; (ii) the disappearance of, or of trading in the LBMA Physical Settlement Commodity; or (iii) the disappearance or permanent discontinuance or unavailability of the Conversion Rate or Underlying Currency Pair Exchange Rate notwithstanding the status of trading in the LBMA Physical Settlement Commodity;

**"LBMA Transfer Notice"** has the meaning given in Condition 9(h) (*Payments – LBMA Physical Settlement*);

**"local banking day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent, is located;

**"Margin"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Maturity Date"** has the meaning ascribed thereto in Condition 7(a) (*Redemption and Purchase - At Maturity*);

**"Maximum Interest Rate"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;



**"Maximum Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Maximum Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Minimum Interest Rate"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Minimum Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Minimum Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"National Currency Unit"** means the national currency unit of any Participating Member State that becomes a denomination of the euro by reason of Council Regulation (EC) No. 1103/97, Council Regulation (EC) No. 974/98 or any other applicable laws;

**"Non-transferability"** means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to transfer Settlement Currency between accounts inside the Settlement Currency Jurisdiction or from an account inside the Settlement Currency Jurisdiction to an account outside the Settlement Currency Jurisdiction or from an account outside the Settlement Currency Jurisdiction to an account inside the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Offshore RMB"** means RMB that is freely deliverable between accounts in the Offshore RMB Centre in accordance with the law and applicable regulation and guidelines issued by relevant authorities in the Offshore RMB Centre prevailing as of the Trade Date of the Notes;

**"Offshore RMB Centre"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Offshore RMB Disruption"** means the occurrence of, as determined by the Calculation Agent, an Offshore RMB Inconvertibility, Offshore RMB Non-transferability or Offshore RMB Illiquidity;

**"Offshore RMB Illiquidity"** means the occurrence of any event after the Trade Date that makes it impossible (where it has previously been possible) for the Issuer to obtain a firm quote of an offer price in respect of any amount in Offshore RMB in order to satisfy its obligation to pay an amount under the Notes (the **"Relevant Disrupted Amount"**), in each case on the due date for payment, Valuation Date, Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as the case may be), either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such Relevant Disrupted Amount, in the general Offshore RMB exchange market in each Offshore RMB Centre in order to perform its obligations under the Notes;

**"Offshore RMB Inconvertibility"** means the occurrence of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to convert an amount of Offshore RMB no less than the Relevant Disrupted Amount into or from USD (or, if the Settlement Currency specified in the Pricing Supplement is other than USD, then such Settlement Currency) in the general Offshore RMB exchange market in each Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Offshore RMB Non-Transferability"** means the occurrence in each Offshore RMB Centre of any event after the Trade Date that makes it impossible (where it had previously been possible) for

the Issuer to transfer Offshore RMB (i) between accounts inside an Offshore RMB Centre, (ii) from an account inside an Offshore RMB Centre to an account outside such Offshore RMB Centre and outside mainland China, or (iii) from an account outside an Offshore RMB Centre and outside mainland China to an account inside such Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation). For the purpose of Offshore RMB Non-Transferability and Hong Kong as an Offshore RMB Centre only, a segregated Chinese Renminbi fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong;

**"Optional Redemption Date (Call Option)"** means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(c) (*Redemption at the Option of the Issuer*);

**"Optional Redemption Date (Put Option)"** means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(d) (*Redemption at the Option of the Noteholders*);

**"Participating Member States"** means any member state of the European Union which adopts the single currency in accordance with the Treaty;

**"Price Materiality"** means the Calculation Agent has determined that the Conversion Rate differs from the Fallback Conversion Rate by the Price Materiality Threshold Percentage or more (**provided that** if the Calculation Agent is unable to determine the Fallback Conversion Rate, the Calculation Agent may determine in its sole discretion whether a Price Materiality has occurred).

**"Price Materiality Threshold Percentage"** means the percentage specified as such in the Pricing Supplement, or is no such percentage is specified, three per cent.

**"Price Source Disruption"** means, in relation to a Relevant Rate, such Relevant Rate is not available for any reason as determined by the Calculation Agent;

**"Rate of Interest"** means:

- (i) where the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest specified as such in the relevant Pricing Supplement;
- (ii) where the Floating Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with Conditions 5(c) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions – Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA*), 5(d) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions – ISDA Determination*), as applicable or 5(e) (*Floating Rate Note, Index Linked Interest Note and other variable-linked interest Note provisions – Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA*); and
- (iii) where the Index-Linked Interest Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with Condition 5(f) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions - Index-Linked Interest*);

**"Redemption Amount"** has the meaning given in Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"Redenomination Date"** means a date (being, in the case of interest-bearing Notes, a date on which interest in respect of such Notes is payable) which:

- (i) is specified by the Issuer in the notice given to the Noteholders pursuant to Condition 10(a) (*Redenomination - General*); and
- (ii) falls on or after such date as the country of the Settlement Currency becomes a Participating Member State;

**"Reference Bank(s)"** means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Reference Dealers"** means leading dealers in the relevant foreign exchange market, as determined by the Calculation Agent;

**"Reference Currency Exchange Rate"** means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Reference Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

**"Reference Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Reference Rate"** has the meaning given in the relevant Pricing Supplement;

**"Regular Period"** means:

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

**"Related Payment Date"** means any payment date on the Notes on which the amount payable is calculated by reference to the Relevant Rate determined on the related Scheduled FX Fixing Date;

**"Relevant Benchmark"** means, in relation to any Series of Notes:

- (a) each Reference Rate, Floating Rate Option or other interest rate, yield, cost of fund or similar rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Reference Rate or Floating Rate Option);

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- (b) each Relevant Rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Relevant Rate);
- (c) each Index specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Index);
- (d) each Commodity Reference Price specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Commodity Reference Price); or
- (e) any other index, benchmark or price source specified in the relevant Pricing Supplement as being applicable to such Notes.

To the extent that any index, benchmark or price source constitutes an Alternative Pre-nominated Index or Replacement Index used pursuant to Condition 15A (*Consequences of a Benchmark Trigger Event*), such index, benchmark or price source, as applicable, shall be a "Relevant Benchmark" from the day on which it is first used;

**"Relevant Benchmark Determination Date"** means, in relation to any Series of Notes and a Relevant Benchmark, a date on which the rate, level or value of such Relevant Benchmark falls to be determined in accordance with the Conditions;

**"Relevant Benchmark Related Payment Date"** means, in relation to any Series of Notes, a Relevant Benchmark and a Relevant Benchmark Determination Date, any payment date under the Notes for which the amount payable is calculated by reference to the Relevant Benchmark as determined on such Relevant Benchmark Determination Date;

**"Relevant Currency"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Currency Business Day"** means, in relation to a Relevant Rate that is the:

- (i) Alternative Payment Currency Exchange Rate or Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate (which is being determined for the purposes of determining the Alternative Payment Currency Exchange Rate), an Alternative Payment Currency Fixing Date;
- (ii) Conversion Rate or Denomination Currency Conversion Rate or Settlement Currency Conversion Rate (which is being determined for the purposes of determining the Conversion Rate), a Conversion Rate Business Day; or
- (iii) Underlying Currency Pair Exchange Rate, Specified Currency Exchange Rate or Reference Currency Exchange Rate, an Underlying Currency Pair Business Day;

**"Relevant Financial Centre Day"** means 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 or centres for the currency in which payment falls to be made (or, where such currency is a National Currency Unit and the Notes have been redenominated into euro pursuant to Condition 10 (*Redenomination*), the former principal financial centre or centres) and in any other place set out in the Pricing Supplement. In the case of payments which fall to be made in euro (save for payments in relation to Notes which have been redenominated into euros pursuant to Condition 10 (*Redenomination*)), a Euro Business Day. The Relevant Financial Centre Days in relation to any Tranche determined in accordance with the above provisions as at the Issue Date shall be specified in the relevant Pricing Supplement;

**"Relevant Financial Centre"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Jurisdiction"** means France;

**"Relevant Nominating Body"** means, in respect of a Relevant Benchmark:

- (a) the central bank for the currency in which the Relevant Benchmark is denominated or any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark; or
- (b) any working group or committee sponsored by, chaired or co-chaired by, or constituted at the request of (i) the central bank for the currency in which the Relevant Benchmark is denominated, (ii) any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark, (iii) a group of those central banks or other supervisors or (iv) the Financial Stability Board or any part thereof;

**"Relevant Rate"** means the Alternative Payment Currency Exchange Rate, Alternative Payment Cross Currency Rate, Conversion Rate, Denomination Currency Conversion Rate, Reference Currency Exchange Rate, Settlement Currency Exchange Rate, Settlement Currency Conversion Rate, Specified Currency Exchange Rate or Underlying Currency Pair Exchange Rate (as applicable);

**"Relevant Reference Asset Fallback Provisions"** means:

- (a) in relation to a Series of Index-Linked Notes where the Affected Relevant Benchmark is an Index, Condition 22(f)(iii) (*Index Cancellation*), as if the relevant Benchmark Trigger Event were an Index Cancellation;
- (b) in relation to a Series of Commodity/Commodity Index-Linked Notes where the Affected Relevant Benchmark is a Commodity Reference Price, Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*), as if the relevant Benchmark Trigger Event were a Disappearance of a Commodity Reference Price;
- (c) in relation to any Series of Notes where the Affected Relevant Benchmark is a Relevant Rate:
  - (i) if (A) "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or (B) neither "Price Source Disruption" nor "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, Condition 9(e) (*Price Source Disruption and FX Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption; and
  - (ii) if "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, Condition 9(f) (*EM Price Source Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption; and
- (d) in relation to any Series of Notes where the Affected Relevant Benchmark is a Reference Rate, the fallback provisions in respect of such Affected Relevant Benchmark contained in Conditions 5(c) (*Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA*) or 5(e) (*Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA*) (as applicable);

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Pricing Supplement;

**"Replacement Index"** has the meaning given to it in Condition 15A(a)(ii)(A) (*Consequences of a Benchmark Trigger Event*);

"Renminbi", "RMB" and "CNY" all refer to the lawful currency of mainland China;

"Scheduled FX Fixing Date" means any day on which the Calculation Agent is required to determine a Relevant Rate;

"Senior Non-Preferred Obligations" means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in article L.613-30-3-I-4° of the French *Code monétaire et financier*;

"Senior Preferred Obligations" means any obligations (including the Notes) or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in article L.613-30-3-I-3° of the French *Code monétaire et financier*. For the avoidance of doubt, all unsubordinated debt securities issued by the Issuer prior to 11 December 2016 constitute Senior Preferred Obligations;

"Settlement Currency" means the currency specified as such in the relevant Pricing Supplement;

"Settlement Currency Conversion Rate" means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

"Settlement Currency Exchange Rate" means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

"Settlement Currency Jurisdiction" means the jurisdiction specified as such in the relevant Pricing Supplement;

"SOR" means the synthetic rate for deposits in Singapore Dollars known as the Singapore Dollar Swap Offer Rate provided by ABS Benchmarks Administration Co Pte. Ltd., as the administrator of the benchmark (or a successor administrator);

"Specified Currency" means the currency specified as such in the relevant Pricing Supplement;

"Specified Currency Exchange Rate" means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Specified Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

"Specified Currency Jurisdiction" means the jurisdiction specified as such in the relevant Pricing Supplement;

"Specified Denomination" means the denomination of such Note;

"Specified Period" has the meaning given in the relevant Pricing Supplement;

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"Trade Date" means the date specified as such in the relevant Pricing Supplement;

"Transfer Expenses" means, with respect to any Notes, all stamp, transfer, registration and similar duties and all expenses, scrip fees, levies and registration charges payable on or in respect of or arising on, or in connection with, the purchase or transfer, delivery or other disposition by the transferor to the order of the relevant Noteholders of any underlying value to which the Notes relate;

"Treaty" means the Treaty on the Functioning of the European Union, as amended;

"Underlying Currency Pair Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the

jurisdiction or place as specified in the relevant Pricing Supplement or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Reference Currency Jurisdiction(s), the Specified Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

**"Underlying Currency Pair Exchange Rate"** means:

- (i) the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference Currency (as applicable)) as published on the Underlying Currency Pair Fixing Page at the Underlying Currency Pair Fixing Time on an Underlying Currency Pair Fixing Date and as observed by the Calculation Agent or
- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Specified Currency Exchange Rate and the Reference Currency Exchange Rate, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Underlying Currency Pair Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent, and (a) if Underlying Currency Pair Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate in accordance with the Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Underlying Currency Pair Exchange Rate in accordance with such Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in its discretion; or (b) if such Underlying Currency Pair Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in accordance with sub-paragraph (X)(A) or (X)(B), as applicable, of Condition 9(e) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

**"Underlying Currency Pair Fixing Date"** means each of the dates specified as such in the relevant Pricing Supplement or, if such date is not an Underlying Currency Pair Business Day the immediately following day that is an Underlying Currency Pair Business Day, or if such date is not specified in the relevant Pricing Supplement, the fifth Underlying Currency Pair Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be an Underlying Currency Pair Business Day if the market was not aware of it not being an Underlying Currency Pair Business Day (by means of a public announcement or by reference to other publicly available information) on the Underlying Currency Pair Fixing Date notwithstanding it subsequently ceases to be an Underlying Currency Pair Business Day for any reason or the market subsequently becomes aware that it was not an Underlying Currency Pair Business Day);

**"Underlying Currency Pair Fixing Page"** means the Reuters or other screen page as specified as such in the Pricing Supplement or any successor page thereof or, if not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate by reference to the relevant spot rate prevailing in the international exchange market;

**"Underlying Currency Pair Fixing Time"** means the time and place as specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Underlying Currency Pair Fixing Page specified in the Pricing Supplement;

**"Unscheduled Holiday"** means, in relation to a Relevant Rate, a day, determined by the Calculation Agent, that is not a Relevant Currency Business Day and the market was not aware of

such fact (by means of a public announcement or by reference to other publicly available information) until on or later than the second Relevant Currency Business Day (or such other number of Relevant Currency Business Days specified in the relevant Pricing Supplement) immediately preceding the Scheduled FX Fixing Date;

"**USD**" means the lawful currency of the United States of America;

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement and in respect of which Condition 6 (*Zero Coupon Notes*) is applicable; and

"**Zero Coupon Note Reference Price**" means the price per Note specified as such in the relevant Pricing Supplement.

*The following provisions of this Condition 1 apply to Alternative General Conditions Notes only.*

As used in these Conditions, the following expressions shall have the following meanings:

"**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the Issue Date of the first Tranche of the Notes of the relevant Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org));

"**Accreted Principal Amount**" has the meaning ascribed thereto in Condition 7(e) (Early Redemption of Zero Coupon Notes);

"**Accrual Yield**" means, in the case of Zero Coupon Notes, the percentage rate per annum specified as such in the relevant Pricing Supplement;

"**Administrator/Benchmark Event**" means, in relation to any Series of Notes and an Applicable Benchmark, an event or circumstance which has the effect that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use such Applicable Benchmark to perform its or their obligations under the Notes;

"**Administrator/Benchmark Event Date**" means, in respect of any Administrator/Benchmark Event, the date from which the Applicable Benchmark may no longer be used under any applicable law or regulation by the Issuer or the Calculation Agent;

"**Affected Relevant Benchmark**" means, in relation to any Series of Notes, the Relevant Benchmark affected by a Benchmark Trigger Event;

"**Aggregate Outstanding Nominal Amount**" means the aggregate outstanding nominal amount of the Notes;

"**Alternative Payment Currency**" means the currency, which may be Offshore RMB, specified as such in the relevant Pricing Supplement or, if no such currency is specified, USD;

"**Alternative Payment Currency Equivalent**" means the relevant amount in the Settlement Currency determined by the Calculation Agent converted into the relevant Alternative Payment Currency using the Alternative Payment Currency Exchange Rate for the relevant Alternative Payment Currency Fixing Date;

"**Alternative Payment Currency Exchange Rate**" means:

- (i) the rate of exchange between the Settlement Currency and Alternative Payment Currency (expressed as the number of units of Alternative Payment Currency per one unit of Settlement Currency or as the number of units of Settlement Currency per one unit of Alternative Payment Currency (as applicable)) as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time on the Alternative Payment Currency Fixing Date and as observed by the Calculation Agent;



- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Alternative Payment Cross Currency Rate and the Settlement Currency Exchange Rate, as determined by the Calculation Agent; or
- (iii) such other rate as may be specified in the relevant Pricing Supplement.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Alternative Payment Currency Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent and (a) if Alternative Payment Currency Exchange Rate Fall Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate in accordance with the Alternative Payment Currency Exchange Rate Fall Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Alternative Payment Currency Exchange Rate in accordance with such Alternative Payment Currency Exchange Rate Fall Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in its discretion; or (b) if such Alternative Payment Currency Exchange Rate Fall Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in accordance with sub-paragraphs (X)(A) or (X)(B), as applicable, of Condition 9(e) (Price Source Disruption and FX Disruption) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

**"Alternative Payment Cross Currency Rate"** means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Alternative Payment Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

**"Alternative Payment Currency Fixing Date"** means:

- (i) the date specified as such in the Pricing Supplement;
- (ii) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate); or
- (iii) otherwise, the fifth day (or such other number of days specified in the relevant Pricing Supplement) prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate).

If such date falls on a day that is a Saturday or Sunday or on which commercial banks are not open for general business and dealings in foreign exchange in the jurisdiction or place specified in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, the Alternative Payment Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction (a "closed day"), then:

- (x) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the Alternative Payment Currency Fixing Date shall be the immediately following calendar day that is not a closed day; and
- (y) otherwise, the Alternative Payment Currency Fixing Date shall be the immediately preceding calendar day that is not a closed day;

**"Alternative Payment Currency Fixing Page"** means the Reuters or other screen page specified as such in the relevant Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate by reference to the spot rate prevailing in the international exchange market;

**"Alternative Payment Currency Fixing Time"** means (i) the time and place specified as such in the relevant Pricing Supplement or, such other time and place as the Calculation Agent determines in the case of a successor page to the Alternative Payment Currency Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page or (ii) if no such time and place is specified in the Pricing Supplement, such time and place as the Calculation Agent determines;

**"Alternative Payment Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement or, if the Alternative Payment Currency Jurisdiction is USD, the United States of America;

**"Alternative Payment Settlement Days"** means the number of local banking days specified as such in the relevant Pricing Supplement or if the relevant Pricing Supplement does not specify any Alternative Payment Settlement Days then the Alternative Payment Settlement Days shall be deemed to be 3 local banking days;

**"Alternative Pre-nominated Index"** means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the relevant Pricing Supplement as an "Alternative Pre-nominated Index" and which is not subject to a Benchmark Trigger Event;

**"Applicable Benchmark"** means any of the following:

- (a) a Relevant Benchmark;
- (b) a Reference Rate;
- (c) any index, benchmark or other price source that is referred to in a Relevant Benchmark;
- (d) any rate that applies as a fallback pursuant to Conditions 5(e)(v), 5(e)(vi) or 5(e)(vii);
- (e) an Alternative Pre nominated Index used pursuant to Condition 15(A) (*Consequences of a Benchmark Trigger Event*); and
- (f) a Replacement Index used pursuant to Condition 15(A) (*Consequences of a Benchmark Trigger Event*);

**"Applicable Fallback Effective Date"** means, in respect of an Applicable Benchmark and an Index Cessation Event or an Administrator/Benchmark Event, the Index Cessation Effective Date or the Administrator/Benchmark Event Date, as applicable;

**"Benchmark Trigger Event"** means:

- (i) in respect of a Series of Notes that references a Relevant Benchmark that is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate:
  - (A) an Index Cessation Event; or
  - (B) an Administrator/Benchmark Event; and
- (ii) in respect of any other Series of Notes, an Administrator/Benchmark Event;

**"Business Centre"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Business Day"** means:

- (i) in relation to a Note in respect of which amounts are payable in euro, a Euro Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Business Centre and on which the relevant Clearing System is open for business; or

- (ii) in relation to any other Note, a day on which commercial banks and foreign exchange markets settle payments generally in each Business Centre and on which the relevant Clearing System is open for business;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Amount"** means the amount in the Denomination Currency specified as such in the relevant Pricing Supplement;

**"Clearing System"** means, in relation to a Series of Notes, Euroclear France, Euroclear and/or Clearstream, Luxembourg and/or any other clearing system specified in the relevant Pricing Supplement in which Notes of the relevant Series are for the time being held, or, in relation to an individual Note, in which that Note is for the time being held;

**"Clearing System Currency Eligibility Event"** means the relevant Clearing System(s) ceases to accept payments in the Settlement Currency;

**"Clearstream, Luxembourg"** means Clearstream Banking S.A.;

**"Combined Global Registered Note"** means a Registered Note in global form eligible for sale in the United States to "qualified institutional buyers" or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers", in each case in reliance on Rule 144A under the Securities Act and to non U.S. persons (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act;

"**Conversion Rate**" means:

- (i) the conversion rate of exchange specified as such in the relevant Pricing Supplement;
- (ii) if such rate is not specified in the relevant Pricing Supplement, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as published on the Conversion Rate Fixing Page at the Conversion Rate Fixing Time on the Conversion Rate Fixing Date and as observed by the Calculation Agent; or
- (iii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the conversion rate of exchange determined in accordance with, or derived from the Denomination Currency Conversion Rate and the Settlement Currency Conversion Rate, as determined by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on a Conversion Rate Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent, and (a) if Conversion Rate Fall Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Conversion Rate in accordance with the Conversion Rate Fall Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Conversion Rate in accordance with such Conversion Rate Fall Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Conversion Rate in its discretion; or (b) if Conversion Rate Fall Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Conversion Rate in accordance with Condition 9(e) (*Price Source Disruption and FX Disruption*) or Condition 9(f) (*EM Price Source Disruption*) (as applicable) or, if neither Price Source Disruption or EM Price Source Disruption are specified as applicable in the relevant Pricing Supplement, in its discretion;

"**Conversion Rate Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place specified as such in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, Denomination Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

"**Conversion Rate Fixing Date**" means each of the dates specified as such in the relevant Pricing Supplement or if such date is not a Conversion Rate Business Day the immediately following day that is a Conversion Rate Business Day or, if such date is not specified in the relevant Pricing Supplement, the fifth Conversion Rate Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be a Conversion Rate Business Day if the market was not aware of it not being a Conversion Rate Business Day (by means of a public announcement or by reference to other publicly available information) on the Conversion Rate Fixing Date notwithstanding it subsequently ceases to be a Conversion Rate Business Day for any reason or the market subsequently becomes aware that it was not a Conversion Rate Business Day);

"**Conversion Rate Fixing Page**" means the Reuters or other screen page specified as such in the Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Conversion Rate by reference to the spot rate prevailing in the international exchange market;

"**Conversion Rate Fixing Time**" means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Conversion Rate Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

"**Cross Currency**" means the currency specified as such in the relevant Pricing Supplement, or if such currency is not specified in the relevant Pricing Supplement, the Cross Currency shall mean USD;

"**Cross Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "Calculation Period"), such day count fraction as may be specified in the relevant Pricing Supplement and:

- (i) if "**Actual/Actual**", "**Actual/Actual (ISDA)**", "**Act/Act**" or "**Act/Act (ISDA)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non leap year divided by 365);
- (ii) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is so specified means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any one year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (iii) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vii) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (viii) if "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

"**Deferral Period**" has the meaning ascribed thereto in Condition 9(e) (Price Source Disruption and FX Disruption);

"**Denomination Currency**" means the currency of denomination of the Notes specified as such in the relevant Pricing Supplement;

"**Denomination Currency Conversion Rate**" means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Denomination Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

"**Denomination Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**Derivative Component**" means the option component(s) or embedded derivative(s) in respect of the nominal amount of the Notes or the interest amount due under the Notes;

"**Derivative Component Market Value**" means, in relation to any Note which is to be redeemed early, the market value of the Derivative Component (which can be positive or negative) as determined by the Calculation Agent by reference to the mark-to-market value of such Derivative Component taking into account the time remaining until the scheduled maturity date of the Notes and calculated in accordance with generally accepted valuation methods for such instruments in the financial markets, **provided that** any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (other than the negative mark-to-market value of such Derivative Component, if applicable), shall not be taken into account when determining the Derivative Component Market Value;

"**Early Redemption Amount**" means, in relation to each Note or Calculation Amount, as applicable,

- (i) where the event giving rise to the early redemption does not constitute Force Majeure
  - (a) an amount equal to the percentage per Calculation Amount;
  - (b) its Fair Market Value;
  - (c) its Market Value 1;
  - (d) its Market Value 2;
  - (e) its Principal Protected Amount;
  - (f) its Highest Value (Vanilla);
  - (g) its Highest Value (Structured); or
  - (h) its Accreted Principal Amount,

in each case (i) as specified in the relevant Pricing Supplement for the event giving rise to the early redemption and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*), and (ii) without prejudice to Condition 7(l) (*Monetisation Option*), if "Monetisation Option" is specified as being applicable in the relevant Pricing Supplement, or

- (ii) where the event giving rise to the early redemption constitutes Force Majeure, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note determined by reference to:

- (a) if the Note is actively traded on a regulated market, multilateral trading facility or over-the-counter market and where recent observable bid and ask prices are available, by reference to such prices;
- (b) if the Note is not traded on a regulated market, multilateral trading facility or over-the-counter market, or where, in the reasonable determination of the Calculation Agent, no recent observable bid and ask prices that represent the market value of such Notes are available, by reference to a generally accepted valuation method for such instrument in the financial markets,

and **provided that** any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (excluding, for the avoidance of doubt, any negative mark-to-market value of the Derivative Component, if applicable), shall not be taken into account when determining such amount.

**"Early Redemption Valuation Date"** means the date on which the Issuer determines that it will exercise its option to redeem the Notes early, such date being notified to Noteholders in the relevant notice of early redemption;

**"EM Deferral Period"** means, in respect of a Scheduled FX Fixing Date, a period of such number of calendar days as specified in the relevant Pricing Supplement, beginning on and including the relevant Scheduled FX Fixing Date;

**"EMU Event"** means the occurrence of any of the following, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner:

- (i) the withdrawal from legal tender of any currency that, before the introduction of the euro, was lawful currency in one of the member states;
- (ii) the redenomination of any underlying value to which the Notes relate into euro;
- (iii) any change in the currency of denomination of any index;
- (iv) any change in the currency in which some or all the securities or other property contained in any index is denominated;
- (v) the disappearance or replacement of a relevant rate option or other price source for the national currency of any member state, or the failure of the agreed sponsor (or successor sponsor) to publish or display a relevant rate, index, price, page or screen; or
- (vi) the change by any organised market, exchange or clearance, payment or settlement system in the unit of account of its operating procedures to the euro;

**"Euro", "euro" "EUR", "€"** each means the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty;

**"Euro Business Day" or "TARGET Business Day"** means a day on which T2 is open for settlement of payments in euro;

**"Euroclear"** means Euroclear Bank S.A./N.V.;

**"Euroclear France"** means Euroclear France S.A.;

**"Fair Market Value"** means, in relation to any Note, its fair market value immediately prior to the relevant redemption date, as determined by the Calculation Agent in consultation with the Issuer, less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements, and any such calculation of the fair market value shall have the effect of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make payments in respect of the Notes which would, but for any early redemption (in the case of any early redemption of such Notes), have fallen due after the relevant early redemption date. For the purposes of calculating the Fair Market Value following an Event of Default pursuant to Condition 11 (Events of Default) only, in



determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes;

**"Fallback Conversion Rate"** means, on any date, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as determined by the Calculation Agent in good faith and published on the Fallback Conversion Rate Fixing Page at the Fallback Conversion Rate Fixing Time for such date;

**"Fallback Conversion Rate Fixing Page"** means the Reuters or other screen page or the relevant section of the EMTA website specified as such in the Pricing Supplement (or any successor page or website thereof), or if such page or section of the EMTA website is not specified in the relevant Pricing Supplement or there is no successor page or website, the Calculation Agent will determine the relevant Conversion Rate from such other source generally applied in the market for determining such exchange rate;

**"Fallback Conversion Rate Fixing Time"** means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Fallback Conversion Rate Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

**"Fee Component"** means any costs, as notified by the Issuer to the Calculation Agent (including but not limited to any structuring costs) which were included in the issue price of the relevant Note in an amount equal to the amount of such costs multiplied by the number of days from the Early Redemption Valuation Date to the Maturity Date and divided by the number of days from the Issue Date until the Maturity Date of such Notes;

**"Final Redemption Amount"** has the meaning ascribed thereto in Condition 7(a) (*Redemption and Purchase at Maturity*);

**"Fixed/Floating Rate Notes"** means a Note for which Fixed Rate Note provisions (for an initial period from the Issue Date) and Floating Rate Note provisions (for a subsequent period) are specified in the relevant Pricing Supplement as applicable;

**"Fixed Rate Note"** means a Note which bears interest at a fixed rate and in respect of which Condition 4 (*Fixed Rate Note Provisions*) is applicable;

**"Floating Rate Note"** means a Note which bears interest at a floating rate and in respect of which the relevant provisions of Condition 5 (*Floating Rate Note, Index Linked Interest Note and other variable-linked interest Note provisions*) are applicable;

**"Floating Rate Option"** means, in relation to a Note to which ISDA Determination applies, a rate or price source specified as such in the relevant Pricing Supplement;

**"Force Majeure"** means any force majeure, act of state, or other event or circumstance occurring after the Issue Date as a consequence of which the fulfilment of the obligations of the Issuer under the Notes has become impossible through the occurrence of an external event that is not attributable to the Issuer;

**"FX Cut-off Date"** has the meaning ascribed thereto in Condition 9(e) (*Price Source Disruption and FX Disruption*);

**"FX Disruption Event"** means the occurrence, as determined by the Calculation Agent, of (i) (a) an Inconvertibility, (b) Non-transferability, (c) Illiquidity or (d) any other event affecting the Denomination Currency, Cross Currency, Reference Currency, Settlement Currency or Specified Currency (as applicable) (the **"FX Disruption Relevant Currency"**) which would make it unlawful or not possible using commercially reasonable efforts for reasons outside the control of the Issuer and/or the Calculation Agent, in whole or in part, (including without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or

judicial power) for the Issuer (or the Issuer's affiliate) to pay or receive amounts in the FX Disruption Relevant Currency; or (ii) if Offshore RMB is specified as the applicable FX Disruption Relevant Currency, each of the events specified in (i) above, plus an Offshore RMB Disruption;

**"Governmental Authority"** means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the Settlement Currency Jurisdiction or, where the Settlement Currency is specified to be RMB, in mainland China and each Offshore RMB Centre;

**"Government Bonds"** means, in relation to a Series of Notes, bonds or any other debt securities issued by a government, government agency or subdivision or a transnational or supranational organisation as specified in the relevant Pricing Supplement and "Government Bond" shall be construed accordingly;

**"Highest Value (Structured)"** means, in relation to any Note which is to be redeemed early, the higher of Market Value 2 and the Principal Protected Amount, **provided that**

- (i) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Highest Value (Structured); and
- (ii) where Highest Value (Structured) is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Highest Value (Structured);

**"Highest Value (Vanilla)"** means, in relation to any Note which is to be redeemed early, the higher of Market Value 1 and the Principal Protected Amount, **provided that**

- (i) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Highest Value (Vanilla); and
- (ii) where Highest Value (Vanilla) is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Highest Value (Vanilla);

**"Illiquidity"** means where the foreign exchange market in the Settlement Currency Jurisdiction becomes illiquid after the Trade Date and, as a result of which, the Issuer cannot obtain sufficient Settlement Currency in order to satisfy its obligation to pay any amount in respect of the Notes as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation (if practicable) with two Reference Dealers;

**"Inconvertibility"** means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the foreign exchange market in the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Index Cessation Event"** means, in respect of a Series of Notes that references an Applicable Benchmark which is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate, the occurrence or existence, as determined by the Issuer, acting in a commercially reasonable manner, of one or more of the following events:

- (a) a public statement or publication of information by or on behalf of the administrator of the Applicable Benchmark announcing that it has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark;

- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Applicable Benchmark, the central bank for the currency of the Applicable Benchmark, an insolvency official with jurisdiction over the administrator for the Applicable Benchmark, a resolution authority with jurisdiction over the administrator for the Applicable Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Applicable Benchmark, which states that the administrator of the Applicable Benchmark has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark;
- (c) if the Applicable Benchmark is the Sterling London interbank offered rate, the Swiss Franc London interbank offered rate, the U.S. Dollar London interbank offered rate, the Euro London interbank offered rate or the Japanese Yen London interbank offered rate (each, a "**Specified Rate**"), or is a swap rate which references a swap transaction with a floating leg of a Specified Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Applicable Benchmark announcing that (i) the regulatory supervisor has determined that such Applicable Benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark is intended to measure and that representativeness will not be restored and (ii) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;
- (d) if the Relevant Benchmark is SOR, if SOR for a tenor equal to the relevant Interest Period (the "relevant tenor") is not published by ABS Benchmarks Administration Co Pte. Ltd. (or any successor administrator) (the "SOR Administrator") or an authorised distributor and is not otherwise provided by the SOR Administrator, and as of the day that is two Singapore and London Banking Days (as defined below) preceding the next following Interest Payment Date, the U.S. Dollar London interbank offered rate for the relevant tenor has been permanently discontinued or is Non-Representative (as defined below) and there is either no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is longer than the relevant tenor or no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is shorter than the relevant tenor (and for these purposes (x) the U.S. Dollar London interbank offered rate in a particular tenor shall be "**Non-Representative**" if the regulatory supervisor for the administrator of such rate (i) has determined and announced that such rate in such tenor is no longer representative of the underlying market and economic reality that such rate is intended to measure and representativeness will not be restored and (ii) is aware that certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts have been or are engaged, and (y) a "**Singapore and London Banking Day**" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Singapore and London); or
- (e) in respect of an Applicable Benchmark which has an Underlying Fallback Rate, a public statement or publication of information by the regulatory supervisor for the administrator of the Underlying Fallback Rate, the central bank for the currency of the Underlying Fallback Rate, an insolvency official with jurisdiction over the administrator for the Underlying Fallback Rate, a resolution authority with jurisdiction over the administrator for the Underlying Fallback Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Underlying Fallback Rate, which states that the administrator of the Underlying Fallback Rate has ceased or will cease to provide the Underlying Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Underlying Fallback Rate (and, for these purposes, an "**Underlying Fallback Rate**" in relation to an Applicable Benchmark shall be such rate (if any) as the Issuer determines is the rate underlying such Applicable Benchmark);

"**Index Cessation Effective Date**" means:

- (a) the first date on which the Applicable Benchmark would ordinarily have been published or provided and is no longer published or provided; or
- (b) in the case of limb (c) of the definition of "Index Cessation Event," the first date on which the Applicable Benchmark would ordinarily have been published or provided and is either:
  - (i) no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark is intended to measure and that representativeness will not be restored, by reference to the most recent statement or publication contemplated in such limb (c), and even if such Applicable Benchmark continues to be published or provided on such date; or
  - (ii) no longer published or provided;

**"Index Linked Interest Note"** means a Note which bears interest at a rate determined by reference to an index or any other variable as specified in the relevant Pricing Supplement and in respect of which Condition 5(f) (*Floating Rate Note, Index Linked Interest Note and other variable linked interest Note provisions*) is applicable;

**"Initial Underlying Currency Pair Exchange Rate"** means the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference Currency (as applicable)) specified as such in the relevant Pricing Supplement;

**"Interest Commencement Date"** means the date specified as such in the relevant Pricing Supplement;

**"Interest Determination Date"** means the day determined by the Calculation Agent to be customary for determining the Reference Rate applicable for the relevant Interest Period or as otherwise specified in the relevant Pricing Supplement;

**"Interest Payment Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"IRC"** means the U.S. Internal Revenue Code of 1986;

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor);

**"ISDA Definitions"** has the meaning given in the relevant Pricing Supplement;

**"Issue Date"** means the date specified as such in the relevant Pricing Supplement;

**"LBMA"** means the London Bullion Market Association or its successor;

**"LBMA Physical Settlement Commodity"** means each commodity specified as such in the relevant Pricing Supplement;

**"LBMA Physical Settlement Disruption Event"** means, as determined by the Calculation Agent, an event which is beyond the control of the Issuer or the transferor of the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes and as a result of which the Issuer or such transferor is unable to effect a relevant delivery;

**"LBMA Physical Settlement Fallback Redemption Amount"** means an amount in the Settlement Currency, US Dollar or such other currency as determined by the Calculation Agent in its sole and absolute discretion in respect of each Note determined by the Calculation Agent, in its sole and absolute discretion, with reference to the price of the LBMA Physical Settlement Commodity to in the spot market on the relevant Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as applicable);

**"LBMA Physical Settlement Market Disruption Event"** means: (i) the material suspension of, or the material limitation imposed on, trading in the LBMA Physical Settlement Commodity on any exchange or principal trading market which the Calculation Agent considers material in relation to the Notes; (ii) the disappearance of, or of trading in the LBMA Physical Settlement Commodity; or (iii) the disappearance or permanent discontinuance or unavailability of the Conversion Rate or Underlying Currency Pair Exchange Rate notwithstanding the status of trading in the LBMA Physical Settlement Commodity;

**"LBMA Transfer Notice"** has the meaning given in Condition 9(h) (*Payments – LBMA Physical Settlement*);

**"local banking day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent, is located;

**"Margin"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Market Value 1"** means, in relation to any Note which is to be redeemed early, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note determined by reference to:

- (a) if the Note is actively traded on a regulated market, multilateral trading facility or over-the-counter market and where recent observable bid and ask prices are available, by reference to such prices;
- (b) if the Note is not traded on a regulated market, multilateral trading facility or over-the-counter market, or where, in the reasonable determination of the Calculation Agent, no recent observable bid and ask prices that represent the market value of such Notes are available, by reference to a generally accepted valuation method for such instrument in the financial markets,

**provided that**

- (i) for the purposes of calculating Market Value 1 following an Event of Default pursuant to Condition 11 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Note;
- (ii) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Market Value 1; and
- (iii) where Market Value 1 is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Market Value 1;

**"Market Value 2"** means, in relation to any Note which is to be redeemed early, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note which shall be the aggregate of (i) the present value of the savings component of the Notes on the Early Redemption Valuation Date (as calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets) and (ii) the Derivative Component Market Value, **provided that**,

- (a) for the purposes of calculating Market Value 2 following an Event of Default pursuant to Condition 11 (Events of Default) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes;
- (b) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (excluding, for the avoidance of doubt, any negative value of the Derivative Component Market Value), shall not be taken into account when determining Market Value 2; and
- (c) where Market Value 2 is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Market Value 2;

**"Maturity Date"** has the meaning ascribed thereto in Condition 7(a) (Redemption and Purchase At Maturity);

**"Maximum Interest Rate"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Maximum Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Maximum Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Minimum Interest Rate"** means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

**"Minimum Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Minimum Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

**"Monetisation Amount"** means, in respect of a Note, the higher of (i) the Principal Protected Amount (if any) and (ii) the amount calculated by the Calculation Agent as follows:

$$(S + D + F) \times (1 + r)^n$$

where:

**"S"** is the present value of the savings component of the Notes on the Early Redemption Valuation Date (calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets);

**"D"** is the Derivative Component Market Value on the Early Redemption Valuation Date;

**"F"** is the Fee Component;

**"r"** is a hypothetical annual interest rate that would be applied on an equivalent hypothetical debt instrument issued by the Issuer with the same maturity as the remaining maturing on the Notes from the Early Redemption Valuation Date until the scheduled maturity date of the Notes; and

**"n"** is the time remaining until the scheduled maturity date of the Notes, expressed as a number of years;

**"National Currency Unit"** means the national currency unit of any Participating Member State that becomes a denomination of the euro by reason of Council Regulation (EC) No. 1103/97, Council Regulation (EC) No. 974/98 or any other applicable laws;

**"Non transferability"** means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to transfer Settlement Currency between accounts inside the Settlement Currency Jurisdiction or from an account inside the Settlement Currency Jurisdiction to an account outside the Settlement Currency Jurisdiction or from an account outside the Settlement Currency Jurisdiction to an account inside the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Offshore RMB"** means RMB that is freely deliverable between accounts in the Offshore RMB Centre in accordance with the law and applicable regulation and guidelines issued by relevant authorities in the Offshore RMB Centre prevailing as of the Trade Date of the Notes;

**"Offshore RMB Centre"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Offshore RMB Disruption"** means the occurrence of, as determined by the Calculation Agent, an Offshore RMB Inconvertibility, Offshore RMB Non-transferability or Offshore RMB Illiquidity;

**"Offshore RMB Illiquidity"** means the occurrence of any event after the Trade Date that makes it impossible (where it has previously been possible) for the Issuer to obtain a firm quote of an offer price in respect of any amount in Offshore RMB in order to satisfy its obligation to pay an amount under the Notes (the **"Relevant Disrupted Amount"**), in each case on the due date for payment, Valuation Date, Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as the case may be), either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such Relevant Disrupted Amount, in the general Offshore RMB exchange market in each Offshore RMB Centre in order to perform its obligations under the Notes;

**"Offshore RMB Inconvertibility"** means the occurrence of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to convert an amount of Offshore RMB no less than the Relevant Disrupted Amount into or from USD (or, if the Settlement Currency specified in the Pricing Supplement is other than USD, then such Settlement Currency) in the general Offshore RMB exchange market in each Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Offshore RMB Non-Transferability"** means the occurrence in each Offshore RMB Centre of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to transfer Offshore RMB (i) between accounts inside an Offshore RMB Centre, (ii) from an account inside an Offshore RMB Centre to an account outside such Offshore RMB Centre and outside mainland China, or (iii) from an account outside an Offshore RMB Centre and outside mainland China to an account inside such Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation). For the purpose of Offshore RMB Non-Transferability and Hong Kong as an Offshore RMB Centre only, a segregated Chinese Renminbi fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong;

**"Optional Redemption Date (Call Option)"** means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(c) (Redemption at the Option of the Issuer);

**"Optional Redemption Date (Put Option)"** means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(d) (Redemption at the Option of the Noteholders);

**"Participating Member States"** means any member state of the European Union which adopts the single currency in accordance with the Treaty;

**"Price Materiality"** means the Calculation Agent has determined that the Conversion Rate differs from the Fallback Conversion Rate by the Price Materiality Threshold Percentage or more (provided that if the Calculation Agent is unable to determine the Fallback Conversion Rate, the Calculation Agent may determine in its sole discretion (acting in a commercially reasonable manner) whether a Price Materiality has occurred);

**"Price Materiality Threshold Percentage"** means the percentage specified as such in the Pricing Supplement, or is no such percentage is specified, three per cent.

**"Price Source Disruption"** means, in relation to a Relevant Rate, such Relevant Rate is not available for any reason as determined by the Calculation Agent;

**"Principal Protected Amount"** means an amount, if any, specified as such in the relevant Pricing Supplement in respect of Notes;

**"Rate of Interest"** means:

- (i) where the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest specified as such in the relevant Pricing Supplement;
- (ii) where the Floating Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with Conditions 5(c) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions – Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA*), 5(d) (*Floating Rate Note, Index Linked Interest Note and other variable linked interest Note provisions – ISDA Determination*), as applicable or 5(e) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions – Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA*); and
- (iii) where the Index Linked Interest Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with Condition 5(f) (*Floating Rate Note, Index Linked Interest Note and other variable linked interest Note provisions Index Linked Interest*);

**"Redemption Amount"** has the meaning given in Condition 7(j) (Redemption and Purchase - Calculation and Rounding);

**"Redemption Amount (Call Option)"** means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"Redemption Amount (Put Option)"** means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*);

**"Redenomination Date"** means a date (being, in the case of interest bearing Notes, a date on which interest in respect of such Notes is payable) which:



- (i) is specified by the Issuer in the notice given to the Noteholders pursuant to Condition 10(a) (*Redenomination General*); and
- (ii) falls on or after such date as the country of the Settlement Currency becomes a Participating Member State;

"**Reference Bank(s)**" means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"**Reference Currency**" means the currency specified as such in the relevant Pricing Supplement;

"**Reference Dealers**" means leading dealers in the relevant foreign exchange market, as determined by the Calculation Agent;

"**Reference Currency Exchange Rate**" means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Reference Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

"**Reference Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**Reference Rate**" has the meaning given in the relevant Pricing Supplement;

"**Regular Period**" means:

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

"**Related Payment Date**" means any payment date on the Notes on which the amount payable is calculated by reference to the Relevant Rate determined on the related Scheduled FX Fixing Date;

"**Relevant Benchmark**" means, in relation to any Series of Notes:

- (a) each Reference Rate, Floating Rate Option or other interest rate, yield, cost of fund or similar rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Reference Rate or Floating Rate Option);
- (b) each Relevant Rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Relevant Rate);
- (c) each Index specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Index);

- (d) each Commodity Reference Price specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Commodity Reference Price); or
- (e) any other index, benchmark or price source specified in the relevant Pricing Supplement as being applicable to such Notes.

To the extent that any index, benchmark or price source constitutes an Alternative Pre-nominated Index or Replacement Index used pursuant to Condition 15A (*Consequences of a Benchmark Trigger Event*), such index, benchmark or price source, as applicable, shall be a "**Relevant Benchmark**" from the day on which it is first used;

"**Relevant Benchmark Determination Date**" means, in relation to any Series of Notes and a Relevant Benchmark, a date on which the rate, level or value of such Relevant Benchmark falls to be determined in accordance with the Conditions;

"**Relevant Benchmark Related Payment Date**" means, in relation to any Series of Notes, a Relevant Benchmark and a Relevant Benchmark Determination Date, any payment date under the Notes for which the amount payable is calculated by reference to the Relevant Benchmark as determined on such Relevant Benchmark Determination Date;

"**Relevant Currency**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Currency Business Day**" means, in relation to a Relevant Rate that is the:

- (i) Alternative Payment Currency Exchange Rate or Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate (which is being determined for the purposes of determining the Alternative Payment Currency Exchange Rate), an Alternative Payment Currency Fixing Date;
- (ii) Conversion Rate or Denomination Currency Conversion Rate or Settlement Currency Conversion Rate (which is being determined for the purposes of determining the Conversion Rate), a Conversion Rate Business Day; or
- (iii) Underlying Currency Pair Exchange Rate, Specified Currency Exchange Rate or Reference Currency Exchange Rate, an Underlying Currency Pair Business Day;

"**Relevant Financial Centre Day**" means 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 or centres for the currency in which payment falls to be made (or, where such currency is a National Currency Unit and the Notes have been redenominated into euro pursuant to Condition 10 (*Redenomination*), the former principal financial centre or centres) and in any other place set out in the Pricing Supplement. In the case of payments which fall to be made in euro (save for payments in relation to Notes which have been redenominated into euros pursuant to Condition 10 (*Redenomination*)), a Euro Business Day. The Relevant Financial Centre Days in relation to any Tranche determined in accordance with the above provisions as at the Issue Date shall be specified in the relevant Pricing Supplement;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Jurisdiction**" means France;

"**Relevant Nominating Body**" means, in respect of a Relevant Benchmark:

- (a) the central bank for the currency in which the Relevant Benchmark is denominated or any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark; or
- (b) any working group or committee sponsored by, chaired or co-chaired by, or constituted at the request of (i) the central bank for the currency in which the Relevant Benchmark is denominated, (ii) any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark, (iii) a

group of those central banks or other supervisors or (iv) the Financial Stability Board or any part thereof;

**"Relevant Rate"** means the Alternative Payment Currency Exchange Rate, Alternative Payment Cross Currency Rate, Conversion Rate, Denomination Currency Conversion Rate, Reference Currency Exchange Rate, Settlement Currency Exchange Rate, Settlement Currency Conversion Rate, Specified Currency Exchange Rate or Underlying Currency Pair Exchange Rate (as applicable);

**"Relevant Reference Asset Fallback Provisions"** means:

- (a) in relation to a Series of Index-Linked Notes where the Affected Relevant Benchmark is an Index, Condition 22(f)(iii) (*Index Cancellation*), as if the relevant Benchmark Trigger Event were an Index Cancellation;
- (b) in relation to a Series of Commodity/Commodity Index-Linked Notes where the Affected Relevant Benchmark is a Commodity Reference Price, Condition 22(c) (Consequences of a Market Disruption Event and Disruption Fallbacks), as if the relevant Benchmark Trigger Event were a Disappearance of a Commodity Reference Price;
- (c) in relation to any Series of Notes where the Affected Relevant Benchmark is a Relevant Rate:
  - (i) if (A) **"Price Source Disruption"** is specified as being applicable in the relevant Pricing Supplement or (B) neither **"Price Source Disruption"** nor **"EM Price Source Disruption"** is specified as being applicable in the relevant Pricing Supplement, Condition 9(e) (*Price Source Disruption and FX Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption; and
  - (ii) if **"EM Price Source Disruption"** is specified as being applicable in the relevant Pricing Supplement, Condition 9(f) (*EM Price Source Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption; and

in relation to any Series of Notes where the Affected Relevant Benchmark is a Reference Rate, the fallback provisions in respect of such Affected Relevant Benchmark contained in Conditions 5(c)(Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA) or 5(e) (Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA) (as applicable);

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Pricing Supplement;

**"Replacement Index"** has the meaning given to it in Condition 15A(a)(ii)(A) (*Consequences of a Benchmark Trigger Event*);

**"Renminbi"**, **"RMB"** and **"CNY"** all refer to the lawful currency of mainland China;

**"Scheduled FX Fixing Date"** means any day on which the Calculation Agent is required to determine a Relevant Rate;

**"Senior Non-Preferred Obligations"** means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in article L.613-30-3-1-4° of the French *Code monétaire et financier*;

**"Senior Preferred Obligations"** means any obligations (including the Notes) or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described

in article L.613-30-3-I-3° of the French *Code monétaire et financier*. For the avoidance of doubt, all unsubordinated debt securities issued by the Issuer prior to 11 December 2016 constitute Senior Preferred Obligations;

**"Settlement Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Settlement Currency Conversion Rate"** means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

**"Settlement Currency Exchange Rate"** means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

**"Settlement Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"SOR"** means the synthetic rate for deposits in Singapore Dollars known as the Singapore Dollar Swap Offer Rate provided by ABS Benchmarks Administration Co Pte. Ltd., as the administrator of the benchmark (or a successor administrator);

**"Specified Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Specified Currency Exchange Rate"** means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Specified Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

**"Specified Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Specified Denomination"** means the denomination of such Note;

**"Specified Period"** has the meaning given in the relevant Pricing Supplement;

**"T2"** means the real time gross settlement system operated by the Eurosystem, or any successor system;

**"Trade Date"** means the date specified as such in the relevant Pricing Supplement;

**"Transfer Expenses"** means, with respect to any Notes, all stamp, transfer, registration and similar duties and all expenses, scrip fees, levies and registration charges payable on or in respect of or arising on, or in connection with, the purchase or transfer, delivery or other disposition by the transferor to the order of the relevant Noteholders of any underlying value to which the Notes relate;

**"Treaty"** means the Treaty on the Functioning of the European Union, as amended;

**"Underlying Currency Pair Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place as specified in the relevant Pricing Supplement or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Reference Currency Jurisdiction(s), the Specified Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

**"Underlying Currency Pair Exchange Rate"** means:

- (i) the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference

Currency (as applicable)) as published on the Underlying Currency Pair Fixing Page at the Underlying Currency Pair Fixing Time on an Underlying Currency Pair Fixing Date and as observed by the Calculation Agent or

- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Specified Currency Exchange Rate and the Reference Currency Exchange Rate, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Underlying Currency Pair Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent, and (a) if Underlying Currency Pair Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate in accordance with the Underlying Currency Pair Exchange Rate Fall Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Underlying Currency Pair Exchange Rate in accordance with such Underlying Currency Pair Exchange Rate Fall Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in its discretion; or (b) if such Underlying Currency Pair Exchange Rate Fall Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in accordance with sub-paragraph (X)(A) or (X)(B), as applicable, of Condition 9(e) (Price Source Disruption and FX Disruption) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

**"Underlying Currency Pair Fixing Date"** means each of the dates specified as such in the relevant Pricing Supplement or, if such date is not an Underlying Currency Pair Business Day the immediately following day that is an Underlying Currency Pair Business Day, or if such date is not specified in the relevant Pricing Supplement, the fifth Underlying Currency Pair Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be an Underlying Currency Pair Business Day if the market was not aware of it not being an Underlying Currency Pair Business Day (by means of a public announcement or by reference to other publicly available information) on the Underlying Currency Pair Fixing Date notwithstanding it subsequently ceases to be an Underlying Currency Pair Business Day for any reason or the market subsequently becomes aware that it was not an Underlying Currency Pair Business Day);

**"Underlying Currency Pair Fixing Page"** means the Reuters or other screen page as specified as such in the Pricing Supplement or any successor page thereof or, if not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate by reference to the relevant spot rate prevailing in the international exchange market;

**"Underlying Currency Pair Fixing Time"** means the time and place as specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Underlying Currency Pair Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

**"Unscheduled Holiday"** means, in relation to a Relevant Rate, a day, determined by the Calculation Agent, that is not a Relevant Currency Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until on or later than the second Relevant Currency Business Day (or such other number of Relevant Currency Business Days specified in the relevant Pricing Supplement) immediately preceding the Scheduled FX Fixing Date;

**"USD"** means the lawful currency of the United States of America;

**"Zero Coupon Note"** means a Note specified as such in the relevant Pricing Supplement and in respect of which Condition 6 (Zero Coupon Notes) is applicable; and

"Zero Coupon Note Reference Price" means the price per Note specified as such in the relevant Pricing Supplement.

2. **Form, Denomination and Title**

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination specified in the relevant Pricing Supplement. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holders**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear and the depositary bank for Clearstream, and "**holder of Notes**" or "**holder of any Note**", "**Holder**" or "**Noteholder**" means the individual or entity whose name appears in the account of the relevant Account Holder.

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of the Notes may only be effected through, registration of the transfer in such books.

Unless this option is expressly excluded in the relevant Pricing Supplement, in accordance with the provisions of Article L.228-2 of the French *Code de commerce*, the Issuer may at any time request from the central depositary the following identification information of the holders of Notes: the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, e-mail address as well as the quantity of Notes held by each of them.

3. **Status**

- (a) The Notes are direct, unconditional, senior preferred and unsecured obligations of the Issuer and rank and will rank at all times:
  - (i) *pari passu* without any preference among themselves and with other Senior Preferred Obligations of the Issuer;
  - (ii) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking junior to Senior Non-Preferred Obligations; and
  - (iii) junior to all present and future claims benefiting from statutory preferences.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Preferred Obligations rank:

- (A) junior to present and future claims benefiting from other preferred exceptions; and
  - (B) senior to Senior Non Preferred Obligations.
- (b) The Notes do not create or transfer in favour of the Noteholder any legal, proprietary, beneficial or other interest in (including, without limitation, voting rights, as applicable) or right to acquire or dispose of any underlying (including, without limitation, any reference asset or reference index) or any related purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) as determined in its absolute discretion by the Issuer or an affiliate in order to hedge, individually or on a portfolio basis, a Note ("**Hedging Positions**") and Noteholders shall have no legal, proprietary, beneficial or other interest in any underlying or Hedging Position by virtue of any investment in the Notes.

- (c) The Issuer is not required to hedge the Notes by holding any corresponding Hedging Positions in any underlying and has discretion to decide its hedging strategy.

4. **Fixed Rate Note Provisions**

(a) ***Application***

This Condition 4 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) ***Accrual of interest***

Fixed Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, payment of the Final Redemption Amount or any other redemption amount, as the case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4 (*Fixed Rate Note Provisions*) (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 relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

(c) ***Fixed Coupon Amount***

Only if Fixed Coupon Amount is specified in the relevant Pricing Supplement, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount.

(d) ***Calculation of interest amount***

The amount of interest payable in respect of the Notes for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, the Aggregate Outstanding Nominal Amount of the Notes; or
- (ii) if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Calculation Amount,

and, in each case, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Settlement Currency (as defined in Condition 1 (*Definitions*)) (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

5. **Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions**

*The following provisions of this Condition 5 apply to all Notes other than Alternative General Conditions Notes*

(a) ***Application***

This Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note provisions, the Index-Linked Interest Note provisions or other variable-linked

interest Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) ***Accrual of interest***

Floating Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, payment of the Final Redemption Amount or any other redemption amount, as the case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) (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 relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

*The following provisions of this Condition 5(c) apply to all Notes other than Alternative General Conditions Notes*

(c) ***Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA***

If Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA is specified in the relevant Pricing Supplement as being applicable, then the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis, subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*):

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, and unless otherwise specified in the relevant Pricing Supplement, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time;
  - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Settlement Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Settlement Currency) on the first day of the relevant Interest Period for loans in the Settlement Currency to leading European banks for a



period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

**provided, however, that** if the Calculation Agent or the Issuer acting in a commercially reasonable manner (in consultation with the Calculation Agent) determines that in its opinion (x) there is no realistic prospect of the Reference Banks providing the quotations specified in (iii)(A) above or (y) any such quotations are unlikely to be representative of an underlying market:

- (A) the Calculation Agent shall not be required to request the quotations specified in (iii)(A) above or to make the determination specified in (iv) above; and
- (B) the Calculation Agent may (in consultation with the Issuer) determine a rate by reference to such other sources and/or methodology as directed by the Issuer acting in good faith and a commercially reasonable manner.

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to (or where the above proviso applies, elects not to) determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions or the relevant Pricing Supplement in relation to any Interest Period: (i) subject to (ii) below, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period; or (ii) if the Notes are Fixed/Floating Rate Notes for which no Rate of Interest has yet been determined under this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*), the Rate of Interest applicable to the Notes during such Interest Period will be the rate applicable to the Notes in respect of the preceding Interest Period for which Condition 4 (*Fixed Rate Note Provisions*) applied.

*The following provisions of this Condition 5(c) apply to Alternative General Conditions Notes only.*

(c) **Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA**

If Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA is specified in the relevant Pricing Supplement as being applicable, then the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis, subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*):

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, and unless otherwise specified in the relevant Pricing Supplement, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time;

- (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Settlement Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Settlement Currency) on the first day of the relevant Interest Period for loans in the Settlement Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions or the relevant Pricing Supplement in relation to any Interest Period: (i) subject to (ii) below, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period; or (ii) if the Notes are Fixed/Floating Rate Notes for which no Rate of Interest has yet been determined under this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*), the Rate of Interest applicable to the Notes during such Interest Period will be the rate applicable to the Notes in respect of the preceding Interest Period for which Condition 4 (*Fixed Rate Note Provisions*) applied.

(d) **ISDA Determination**

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i)
  - (A) the "Floating Rate Option" is as specified in the relevant Pricing Supplement;
  - (B) the "Designated Maturity", if applicable, is a period specified in the relevant Pricing Supplement;
  - (C) the relevant "Reset Date" unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions; and
  - (D) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Pricing Supplement and:
    - (I) if Compounding with Lookback is specified as the Compounding Method in the relevant Pricing Supplement, then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Pricing Supplement;

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- (II) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Pricing Supplement, then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
  - (III) if Compounding with Lockout is specified as the Compounding Method in the relevant Pricing Supplement, then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Pricing Supplement and:
- (I) if Averaging with Lookback is specified as the Averaging Method in the relevant Pricing Supplement, then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in relevant Pricing Supplement;
  - (II) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Pricing Supplement, then (a) Averaging with Overnight Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
  - (III) if Averaging with Lockout is specified as the Averaging Method in the relevant Pricing Supplement, then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (F) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (ii) references in the ISDA definitions to:
- (A) "Confirmation" shall be references to the relevant Pricing Supplement;
  - (B) "Calculation Period" shall be references to the relevant Interest Period;

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- (C) "Termination Date" shall be references to the final Interest Period End Date; and
- (D) "Effective Date" shall be references to the Interest Commencement Date;
- (iii) an "Administrator/Benchmark Event" shall be deemed to have occurred for the purpose of the 2021 ISDA Definitions and this Condition 5(d) if there is an event or circumstance which has the effect that the Issuer acting in a commercially reasonable manner or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the Applicable Benchmark (as defined in the 2021 ISDA Definitions) under such interest rate swap transaction to perform its or their obligations under the Notes; and
- (iv) unless otherwise defined capitalised terms used in this Condition 5(d) shall have the meaning ascribed to them in the ISDA Definitions.,

**provided, however, that:**

- (1) if in relation to any Interest Period the application of the above provisions does not result in the determination of an ISDA Rate and the Issuer acting in a commercially reasonable manner (in consultation with the Calculation Agent) has not determined a Benchmark Trigger Event to have occurred, then (a) the Calculation Agent shall determine the ISDA Rate for such Interest Period having regard to such facts and circumstances as it considers relevant and (b) the Calculation Agent shall not be required to obtain quotations from Reference Banks (as defined in the ISDA Definitions) for purposes of determining the ISDA Rate for such Interest Period notwithstanding that it might otherwise be required to do so as a fallback procedure for the relevant Floating Rate Option pursuant to the ISDA Definitions; and
  - (2) if in relation to any Interest Period the Issuer acting in a commercially reasonable manner (in consultation with the Calculation Agent) determines a Benchmark Trigger Event to have occurred, then (a) the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) shall apply and (b) the Calculation Agent shall not be required to obtain quotations from Reference Banks (as defined in the ISDA Definitions) for purposes of determining the ISDA Rate for such Interest Period notwithstanding that it might otherwise be required to do so as a fallback procedure for the relevant Floating Rate Option pursuant to the ISDA Definitions.
- (e) ***Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA***
- (i) If Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA is specified in the relevant Pricing Supplement as being applicable, then the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the Relevant Rate, all as determined by the Calculation Agent on the Interest Determination Date for such Interest Period.
  - (ii) If the Notes become due and payable in accordance with Condition 11 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which the Notes became due and payable and the Rate of Interest applicable to the Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.
  - (iii) If "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, all references in these Conditions to interest on the Notes being

payable on an Interest Payment Date shall be read as reference to interest on the Notes being payable on an Effective Interest Payment Date instead.

(iv) *Definitions*

"**Applicable Period**" means,

- (A) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, in relation to any Interest Period, the Observation Period relating to such Interest Period; and
- (B) where "Lag", "Lock-Out" or "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period.

"**d**" means the number of calendar days in the Applicable Period.

"**d<sub>0</sub>**" means the number of Reference Rate Business Days in the Applicable Period.

"**Effective Interest Payment Date**" means each date specified as such in the relevant Pricing Supplement.

"**i**" means a series of whole numbers from one to  $d_0$ , each representing the relevant Reference Rate Business Day in the Applicable Period in chronological order from (and including) the first Reference Rate Business Day in the Applicable Period (each a "**Reference Rate Business Day(i)**").

"**n<sub>i</sub>**" means, in relation to any Reference Rate Business Day(i), the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day.

"**Non-Reset Date**" means each Reference Rate Business Day(i) in an Applicable Period, the Reference Rate Determination Date in relation to which falls on or after the Rate Cut-Off Date (if any).

"**Observation Period**" means, in relation to an Interest Period, the period from (and including) the date which is "p" Reference Rate Business Days prior to the first day of such Interest Period (and in respect of the first Interest Period, the Interest Commencement Date) and ending on (but excluding) the date which is "p" Reference Rate Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Reference Rate Business Days prior to such earlier date, if any, on which the Notes become due and payable).

"**p**" means the whole number specified as such in the Pricing Supplement representing a number of Reference Rate Business Days.

"**Rate Cut-Off Date**" means:

- (A) where "Lock-Out" is specified as the Observation Method in the relevant Pricing Supplement and "SONIA" is specified as the relevant Reference Rate, in relation to any Interest Period, the Reference Rate Business Day immediately prior to the Interest Determination Date;
- (B) where "Lock-Out" is specified as the Observation Method in the relevant Pricing Supplement and a Reference Rate other than SONIA is specified as the relevant Reference Rate, in relation to any Interest Period, the second Reference Rate Business Day falling prior to the Interest Determination Date;

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- (C) where "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, and:
- (I) "SONIA" is specified as the relevant Reference Rate, the Reference Rate Business Day immediately prior to the Interest Determination Date in relation to the final Interest Period only;
  - (II) a Reference Rate other than SONIA is specified as the relevant Reference Rate, the second Reference Rate Business Day falling prior to the Interest Determination Date; and
- (D) in any other circumstances, no Rate Cut-Off Date shall apply.

**"Reference Rate"** means in relation to any Reference Rate Business Day:

- (A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such Reference Rate Business Day as provided by the administrator of SONIA (or any successor administrator of such rate) to authorised distributors, or as otherwise published by such authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day;
- (B) where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Secured Overnight Financing Rate ("**SOFR**") as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the next succeeding Reference Rate Business Day for trades made on such Reference Rate Business Day;
- (C) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily euro short-term rate ("**€STR**") for such Reference Rate Business Day as published by the European Central Bank, as administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day;
- (D) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Singapore Overnight Rate Average ("**SORA**") rate for such Reference Rate Business Day as provided by the Monetary Authority of Singapore as the administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day; or
- (E) where "TONA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Tokyo Overnight Average Rate ("**TONA**") rate for such Reference Rate Business Day as provided by the Bank of Japan as the administrator of such rate (or any successor administrator of such rate) or as published by its authorised distributors, on the Reference Rate Business Day immediately following such Reference Rate Business Day.

**"Reference Rate(i)"** or "**REF<sub>i</sub>**" means in relation to any Reference Rate Business Day(i), the Reference Rate for the Reference Rate Determination Date in relation to such Reference Rate Business Day(i), *provided that* where either "Lock Out" or "Payment Delay" are specified as the Observation Method in the relevant Pricing Supplement, Reference Rate(i) (or REF<sub>i</sub>) in respect of each Interest Non-

Reset Date (if any) in an Applicable Period shall be Reference Rate(i) (or REF<sub>i</sub>) as determined in relation to the Rate Cut-Off Date.

**"Reference Rate Business Day"** means:

- (A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in London;
- (B) where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement, means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association ("SIFMA") recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;
- (C) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a Euro Business Day;
- (D) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in Singapore; or
- (E) where "TONA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in Tokyo.

**"Reference Rate Determination Date"** means, in relation to any Reference Rate Business Day(i):

- (A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the Reference Rate Business Day falling "p" Reference Rate Business Days prior to such Reference Rate Business Day(i); and
- (B) otherwise, such Reference Rate Business Day(i).

**"Relevant Rate"** means with respect to an Interest Period:

- (A) where "Compounded Daily Rate" is specified as the Determination Method in the relevant Pricing Supplement, the rate of return of a daily compound interest investment (with the applicable Reference Rate specified in the Pricing Supplement as reference rate for the calculation of interest) calculated as follows, with the resulting percentage rounded, if necessary, (i) in the case of SONIA, €STR and SORA, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards and (ii) in the case of SOFR and TONA to the nearest one hundred-thousandth of a percentage point (0.00001%), with 0.000005% being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{REF_i \times n_i}{Y} \right) - 1 \right] \times \frac{Y}{d}$$

- (B) where "Weighted Average Rate" is specified as the Determination Method in the relevant Pricing Supplement the arithmetic mean of Reference Rate(i) for each Reference Rate Business Day during such Applicable Period (each **"Reference Rate Business Day(i)"**), calculated

by multiplying the relevant Reference Rate(i) for any Reference Rate Business Day(i) by the number of days such Reference Rate(i) is in effect (being the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Applicable Period.

"Y" is the number specified as such in the relevant Pricing Supplement, or if no number is so specified, a number reflecting the denominator for day count fractions customarily used to calculate floating rate interest amounts on instruments denominated in the Specified Currency and with an original maturity equal to that of the Notes, as determined by the Calculation Agent.

- (v) Additional Provisions applicable where "SONIA" or "€STR" is specified as the Reference Rate in the relevant Pricing Supplement:

Subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) (as applicable):

- (A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date and neither (A) an Index Cessation Event and an Index Cessation Event Effective Date nor (B) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date, in each case with respect to the Reference Rate, have occurred, Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published or otherwise provided as set out in the relevant definition thereof.
- (B) If the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Reference Rate(i), then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv):
- (I) Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be deemed to be the Relevant Recommended Rate;
- (II) if there is a Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date, but neither the administrator of the Relevant Recommended Rate nor authorised distributors provide or publish the Relevant Recommended Rate in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, then, subject to paragraph (III) below, in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Relevant Recommended Rate prior to the related Reference Rate Determination Date. If there is no last provided or published



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Relevant Recommended Rate, then in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Reference Rate (without taking into account any deemed changes to the term "Reference Rate" pursuant to Condition 5(e)(v)(B)(I) above) prior to the related Reference Rate Determination Date; and

- (III) if:
- (x) there is no Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date referred to in the first paragraph of Condition 5(e)(v)(B) above; or
  - (y) there is a Relevant Recommended Rate and the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Relevant Recommended Rate,

then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be deemed to be the Final Fallback Rate. In respect of any day for which the Final Fallback Rate is required, references to the Final Fallback Rate will be deemed to be references to the last provided or published Final Fallback Rate as at close of business in the RFR Financial Centre on that day.

- (C) Definitions for the purposes of this Condition 5(e)(v) and Condition 5(e)(vii):

**"EDFR"** means, in respect of any relevant day, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem, in respect of that day;

**"EDFR Spread"** means:

- (1) if no Relevant Recommended Rate is recommended before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to the Reference Rate referred to in the first paragraph of Condition 5(e)(v)(B), the arithmetic mean of the daily difference between €STR and EDFR over an observation period of 30 Reference Rate Business Days starting 30 Reference Rate Business Days prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event with respect to the Reference Rate referred to in the first paragraph of Condition 5(e)(v)(B) occurs and ending on the Reference Rate Business Day immediately preceding such day; or
- (2) if an Index Cessation Event or Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs, the

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arithmetic mean of the daily difference between the Relevant Recommended Rate and EDFR over an observation period of 30 Reference Rate Business Days starting 30 Reference Rate Business Days prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs and ending on the Euro Business Day immediately preceding such day;

**"Final Fallback Rate" means** in respect of any relevant day:

- (1) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the official bank rate as determined by the Monetary Policy Committee of the Bank of England and published by the Bank of England from time to time, in effect on that day; or
- (2) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a rate equal to EDFR in respect of that day, plus the EDFR Spread;

**"RFR Financial Centre" means:**

- (1) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, London; or
- (2) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, Frankfurt; and

**"Relevant Recommended Rate" means** in respect of any relevant day:

- (1) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for SONIA by (i) the administrator of SONIA if the administrator of SONIA is a national central bank, or (ii) if the national central bank administrator of SONIA does not make a recommendation or the administrator of SONIA is not a national central bank, a committee designated for this purpose by one or both of the Financial Conduct Authority (or any successor thereto) and the Bank of England and as provided by the then administrator or provider of that rate, or if that rate is not provided by the then administrator or provider thereof, published by an authorised distributor, in respect of that day;
- (2) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by:
  - (I) the European Central Bank (or any successor administrator for €STR); or
  - (II) a committee officially endorsed or convened by (a) the European Central Bank (or any successor administrator of €STR) and/or (b) the European Securities and Markets Authority,

in each case for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day;

- (3) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for SORA by the Monetary Authority of Singapore or by a committee officially endorsed or convened by the Monetary Authority of Singapore (which rate may be produced by the Monetary Authority of Singapore or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day; or
- (4) where "TONA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day.

- (vi) Additional Provisions applicable where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement:

Subject always to the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) (as applicable):

- (A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date, and:
  - (1) where "ARRC Fallbacks" are specified as applicable in the relevant Pricing Supplement, a SOFR Transition Event and a related SOFR Replacement Date have not both occurred; or
  - (2) where "ARRC Fallbacks" are not specified as applicable in the relevant Pricing Supplement, and neither (A) an Index Cessation Event and an Index Cessation Event Effective Date nor (B) an Administrator/Benchmark Event and an Administrator Benchmark Event Date, in each case with respect to SOFR, have occurred,

Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published or otherwise provided as set out in the relevant definition thereof.

- (B) Where "ARRC Fallbacks" are specified as applicable in the relevant Pricing Supplement, if the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee acting in a commercially reasonable manner (in consultation with the Issuer) determines that a SOFR Transition Event and the related SOFR Replacement Date have occurred in relation to the Reference Rate (or any SOFR Replacement Rate previously determined in accordance with this Condition 5(e)(vi)) on the Reference Rate Business Day on which a determination of Reference Rate is due to be made the SOFR Replacement Rate will replace the then-current Reference Rate for all purposes and in respect of all

determinations on such Reference Rate Business Day and (without prejudice to the further operation of this Condition 5(e)(vi)) all subsequent determinations; provided that, if the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or its designee acting in a commercially reasonable manner (in consultation with the Issuer) is unable to or does not determine a SOFR Replacement Rate in accordance with the provisions below prior to 5:00 p.m. (New York time) on the relevant Interest Determination Date, the interest rate for the related Interest Period will be equal to (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period) provided, however, that if the Notes are Fixed/Floating Rate Notes for which no Rate of Interest has yet been determined under this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*), the Rate of Interest applicable to the Notes during such Interest Period will be the rate applicable to the Notes in respect of the preceding Interest Period for which Condition 4 (*Fixed Rate Note Provisions*) applied.

- (C) If "ARRC Fallbacks" are not specified as applicable in the relevant Pricing Supplement, if the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee acting in a commercially reasonable manner (in consultation with the Issuer) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to SOFR, then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv),
- (I) Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be deemed to be the rate (inclusive of any adjustments or spreads) that was recommended as the replacement for SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for SOFR (which rate may be produced by the Federal Reserve Bank of New York or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof, published by an authorised distributor, in respect of that day (the "**Fed Recommended Rate**") as determined in relation to related Reference Rate Determination Date for such Reference Rate Business Day(i);
- (II) if there is a Fed Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to SOFR, but neither the administrator nor authorised distributors provide or publish the Fed Recommended Rate, then, subject to paragraph (III) below, in respect of any day for which the Fed Recommended Rate is

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required, references to the Fed Recommended Rate will be deemed to be references to the last provided or published Fed Recommended Rate. However, if there is no last provided or published Fed Recommended Rate, then in respect of any day for which the Fed Recommended Rate is required, references to the Fed Recommended Rate will be deemed to be references to the last provided or published SOFR;

- (III) if:
- (x) there is no Fed Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to SOFR; or
  - (y) there is a Fed Recommended Rate and the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee acting in a commercially reasonable manner (in consultation with the Issuer) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Fed Recommended Rate,

then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in relation to each Reference Rate Business Day (i) falling on or after the Applicable Fallback Effective Date with respect to SOFR or the Applicable Fallback Effective Date with respect to the Fed Recommended Rate (as applicable) will be the Overnight Bank Funding Rate ("**OBFR**") administered by the Federal Reserve Bank of New York (or a successor administrator), as determined in relation to the related Reference Rate Determination Date for such Reference Rate Business Day(i) but as if references to "Reference Rate Business Day(i)" were to "New York Fed Business Day", but so that in the case of the Applicable Period in which the Applicable Fallback Effective Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the Applicable Fallback Effective Date and (y) the number of New York Fed Business Days in the Applicable Period relating to such Interest Period from (and including) the Applicable Fallback Effective Date (and "i" shall be construed accordingly);

- (IV) if neither the administrator nor authorised distributors provide or publish the OBFR, then, subject to paragraph (V) below, in respect of any day for which the OBFR is required, references to the OBFR will be deemed to be references to the last provided or published OBFR;

- (V) if:
- (x) there is no Fed Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to SOFR, or there is a Fed Recommended Rate and an

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Applicable Fallback Effective Date subsequently occurs with respect to it; and

- (y) there is an OBFR and the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee acting in a commercially reasonable manner (in consultation with the Issuer) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator Benchmark Event Date have occurred, in each case with respect to the OBFR, then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv),

Reference Rate(i) in relation to each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date with respect to OBFR (or, if the Applicable Fallback Effective Date with respect to SOFR or the Applicable Fallback Effective Date with respect to the Fed Recommended Rate (as applicable) is later, the Reference Rate Business Day(i) occurring on or after the Applicable Fallback Rate with respect to SOFR or the Fed Recommended Rate, as applicable) will be the short-term interest rate target set by the Federal Open Market Committee, as prevailing on such Reference Rate Determination Date, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as prevailing on such Reference Rate Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards) (the "**FOMC Target Rate**") determined in accordance with the definition of Reference Rate(i), but as if references to "Reference Rate Business Day(i)" were to "New York City Business Day", but so that in the case of the Applicable Period in which the Applicable Fallback Effective Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the Applicable Fallback Effective Date and (y) the number of New York City Business Days in the Applicable Period relating to such Interest Period from (and including) the Applicable Fallback Effective Date (and "i" shall be construed accordingly); and

- (z) In respect of any day for which the FOMC Target Rate is required, references to the FOMC Target Rate will be deemed to be references to the last provided or published FOMC Target Rate as at close of business in New York City on that day.

- (D) Definitions for purposes of this Condition 5(e)(vi):

"**designee**" means an affiliate or any other agent of the Issuer.

"**Federal Reserve Board**" means the Board of Governors of the U.S. Federal Reserve System.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor

thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Reference Rate for the applicable tenor.

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**"New York City Business Day"** a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in New York City.

**"New York Fed Business Day"** means any day except for a Saturday, Sunday or a day on which the Fedwire Securities Services or the Fedwire Funds Service of the Federal Reserve Bank of New York is closed.

**"Reference Time"** with respect to any determination of the Reference Rate means (1) if the Reference Rate is SOFR, the time specified for such determination specified in the definition of the Reference Rate, and (2) if the Reference Rate is not SOFR, the time determined by the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee acting in a commercially reasonable manner (in consultation with the Issuer).

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**"SIFMA"** means the Securities Industry and Financial Markets Association or any successor thereto.

**"SOFR Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee acting in a commercially reasonable manner (in consultation with the Issuer) as of the SOFR Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (2) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee acting in a commercially reasonable manner (in consultation

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with the Issuer) giving due consideration to any industry-accepted spread adjustments, or method for calculating or determining such spread adjustment, for the replacement of the then-current Reference Rate with the applicable Unadjusted SOFR Replacement for U.S. dollar-denominated floating rate notes at such time.

**"SOFR Replacement Date"** means the earliest to occur of the following events with respect to the then-current Reference Rate (including the daily published component used in the calculation thereof):

- (1) in the case of clause (1) or (2) of the definition of "SOFR Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Reference Rate permanently or indefinitely ceases to provide the Reference Rate (or such component); or
- (2) in the case of clause (3) of the definition of "SOFR Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**"SOFR Replacement Rate"** means the first alternative set forth in the order below that can be determined by the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee acting in a commercially reasonable manner (in consultation with the Issuer) as of the SOFR Replacement Date:

- (1) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Reference Rate and (ii) the SOFR Replacement Adjustment;
- (2) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment; or
- (3) the sum of: (i) the alternate rate of interest that has been selected by the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee acting in a commercially reasonable manner (in consultation with the Issuer) as the replacement for the then-current Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Reference Rate for U.S. dollar-denominated floating rate notes at such time and (ii) the SOFR Replacement Adjustment.

**"Corresponding Tenor"** with respect to a SOFR Replacement Rate means a tenor (including overnight) having approximately the same length (disregarding business day adjustments) as the applicable tenor for the then-current Reference Rate.

**"SOFR Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Reference Rate



(including the daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Reference Rate (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Reference Rate (or such component); or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate (or such component), the central bank for the currency of the Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate (or such component) has ceased or will cease to provide the Reference Rate (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Reference Rate (or such component); or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate announcing that the Reference Rate is no longer representative.

**"Unadjusted SOFR Replacement"** means the SOFR Replacement Rate excluding the SOFR Replacement Rate Adjustment.

- (vii) Additional Provisions applicable where "SORA" or "TONA" is specified as the Reference Rate in the relevant Pricing Supplement :

Subject always to the provisions of Condition 15A (Consequences of a Benchmark Trigger Event) (as applicable):

- (A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date, and neither (A) an Index Cessation Event and an Index Cessation Event Effective Date nor (B) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date, in each case with respect to the Reference Rate, have occurred, Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published or otherwise provided as set out in the relevant definition thereof.
- (B) If the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Reference Rate(i), then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv):

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- (I) Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be deemed to be the Relevant Recommended Rate;
- (II) if there is a Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date, but neither the administrator of the Relevant Recommended Rate nor authorised distributors provide or publish the Relevant Recommended Rate in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, then, subject to paragraph (III) below, in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Relevant Recommended Rate prior to the related Reference Rate Determination Date. If there is no last provided or published Relevant Recommended Rate, then in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Reference Rate (without taking into account any deemed changes to the term "Reference Rate" pursuant to Condition 5(e)(vii)(B)(I) above) prior to the related Reference Rate Determination Date; and
- (III) if:
  - (i) there is no Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date referred to in the first paragraph of Condition 5(e)(vii)(B) above; or
  - (ii) there is a Relevant Recommended Rate and the Issuer acting in a commercially reasonable manner (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and an Index Cessation Event Effective Date have occurred or (B) both an Administrator/Benchmark Event and an Administrator/Benchmark Event Date have occurred, in each case with respect to the Relevant Recommended Rate,

then, for the purposes of determining the Relevant Rate in accordance with Conditions 5(e)(i) – 5(e)(iv), Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be a commercially reasonable alternative for the Applicable Benchmark determined by the Calculation Agent (failing which, the Issuer), taking into account all available information that in good faith it considers relevant including a rate implemented by the central counterparties and/or futures exchanges (if any), in each case with trading volumes in derivatives or futures referencing the Applicable Benchmark that the Calculation Agent considers sufficient for that rate to be a representative alternative rate.

- (C) The definitions set out in Condition 5(e)(v)(C) shall be equally applicable to this Condition 5(e)(vii).

(f) ***Index-Linked Interest***

If the Index-Linked Interest Note provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

(g) ***Maximum or Minimum Interest Rate***

If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(h) ***Calculation of Interest Amount***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Notes for such Interest Period. Unless otherwise provided in the relevant Pricing Supplement, the Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, the Aggregate Outstanding Nominal Amount of the Notes notwithstanding that the formula specified in the relevant Pricing Supplement may provide for calculation in relation to the Calculation Amount; or
- (ii) if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Calculation Amount,

and, in each case, multiplying the product by the Day Count Fraction for such Interest Period, rounding the resulting figure to the nearest sub-unit of the Settlement Currency (as defined in Condition 1 (*Definitions*)) (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

If interest is required to be paid in respect of the Notes in relation to a period other than an Interest Period, then such interest shall be calculated in accordance with the above paragraph but as if reference therein to "Interest Period" were to such other period.

If the relevant Pricing Supplement specifies an alternative method of calculation of interest amount and "Aggregate Outstanding Nominal Amount Rounding" is specified in such Pricing Supplement as being applicable, then such interest shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes and rounded to the nearest currency sub-unit notwithstanding that the formula specified in such Pricing Supplement may provide for the interest amount to be calculated in relation to the Calculation Amount.

(i) ***Calculation of other amounts***

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

(j) ***Dividend Equivalent Payments***

In respect of any Series of Notes where the principal and/or interest in respect to such Notes is determined by reference to one or more variables such as an index, formula, security, commodity, currency exchange rate, interest rate, inflation index, the credit of

one or more entities or other factor (each variable being a "Reference Asset" or, if it is comprised in a basket of variables, a "Reference Asset Component"), if the Pricing Supplement in respect of such Notes states the Notes are "Section 871(m) Notes", the Pricing Supplement shall further specify whether the "Dividend Withholding" or "Issuer Withholding" approach to withholding in relation to Section 871(m) IRC shall be applicable to the Notes.

If "Dividend Withholding" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall provide for the Issuer to make payments to Noteholders in respect of any dividend equivalent amounts received or deemed received in respect of any Reference Asset or Reference Asset Component and shall include provisions relating to the amount and timing of such payments.

If "Issuer Withholding" is specified in the relevant Pricing Supplement, the Pricing Supplement shall specify whether any dividend equivalent amounts are to be treated as being reinvested during the term of the Notes and what portion thereof is expected as of the Issue Date to be treated for U.S. federal income tax purposes as having been withheld from a payment due to the Noteholders.

(k) **Publication**

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s), to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the fourth Business Day thereafter. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period as a result of the early redemption or the termination of the Notes pursuant to:

- (i) Condition 7(b) (*Redemption for Taxation Reasons*), Condition 7(c) (*Redemption at the Option of the Issuer (Call Option)*), Condition 7(d) (*Redemption at the Option of the Noteholder (Put Option)*), Condition 7(f) (*Early Redemption for Illegality*) or Condition 11 (*Events of Default*) or as a result of the provisions of Condition 9(e) (*Price Source Disruption and FX Disruption*), Condition 10(*Redenomination*), or
- (ii) where "Part D - Product Supplement for Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes" applies to any Notes, Condition 22(f) (*Adjustment to Indices*), Condition 22(g) (*Adjustments and Events affecting Securities*), Condition 22(h) (*Additional Disruption Events*), Condition 22(i) (*Adjustments where the Securities are Units in a Fund*), Condition 22(j) (*Adjustment to Indices for Inflation Rate-Linked Notes*), Condition 22(k) (*Events relating to DR-Linked Notes*), or
- (iii) where "Part E - Product Supplement for Commodity/Commodity Index Linked Notes" applies to any Notes, Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*), Condition 22(d) (*Consequences of an Additional Disruption Event*), or
- (iv) where "Part H - Product Supplement for Fund-Linked Notes" applies to any Notes, Condition 22(b) (*Occurrence of a Reference Fund Disruption Event*), Condition 22(e) (*Effects of Reference Fund Events*), or
- (v) any other provisions set out in the relevant Pricing Supplement or otherwise.

*The following provisions of this Condition 5(l) apply to all Notes other than Alternative General Conditions Notes.*

(l) **Linear interpolation**

Where "**Linear Interpolation**" is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the Relevant Screen Page, one of which shall be determined as if the Interest Period were the period for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Interest Period were the period for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

*The following provisions of this Condition 5(l) apply to Alternative General Conditions Notes only.*

(l) **Linear interpolation**

Where "**Linear Interpolation**" is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the Relevant Screen Page, one of which shall be determined as if the Interest Period were the period for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Interest Period were the period for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate in accordance with the provisions of paragraphs (iii)(A) and (B), (iv) and the final proviso of Condition 5(c).

(m) **Notifications etc.**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

6. **Zero Coupon Notes**

- (i) This Condition 6 (*Zero Coupon Notes*) is applicable to the Notes only if the Zero Coupon Note provisions are specified in the relevant Pricing Supplement as being applicable.
- (ii) If any amount payable in respect of a Zero Coupon Note is improperly withheld or refused, then:
  - (A) if the relevant Pricing Supplement specifies that Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) applies to the Notes, such an amount shall thereafter be an amount equal to the sum of:
    - (1) the Zero Coupon Note Reference Price; and
    - (2) the product of the Accrual Yield (compounded annually) being applied to the Zero Coupon Note Reference Price on the basis of the relevant Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of this Condition 6 (*Zero Coupon Notes*) and Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon*

Notes) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply) from (and including) the Issue Date to (but excluding) 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 relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment); and

- (B) if the relevant Pricing Supplement does not specify that Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) applies to the Notes, such an amount shall thereafter be an amount equal to the sum of:
- (1) the Early Redemption Amount in relation to the Notes; and
  - (2) the product of the Accrual Yield (compounded annually) being applied to the Early Redemption Amount on the basis of the relevant Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of this Condition 6 (*Zero Coupon Notes*) and Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply) from (and including) the date on which the Early Redemption Amount was due and payable to (but excluding) 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 relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7. **Redemption and Purchase**

*The following provisions of this Condition 7 apply to all Notes other than Alternative General Conditions Notes.*

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled, and subject as otherwise set out in the relevant Pricing Supplement, each Note will be redeemed by the Issuer at an amount (the "**Final Redemption Amount**") as determined by the Calculation Agent and as calculated in accordance with Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*) and the formula or other means specified in the relevant Pricing Supplement, where applicable, in the relevant Settlement Currency on the date specified in the relevant Pricing Supplement as the scheduled date on which such Note is to be redeemed (the "**Maturity Date**") (or, in the case of Instalment Notes, in such number of instalments and in such amounts ("**Instalment Amounts**") as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement), in accordance with the provisions set out in the relevant Pricing Supplement.

(b) ***Redemption for Taxation Reasons***

- (1) If in respect of a Series of Notes Condition 8B (*Taxation - No gross-up*) is not specified as applicable in the relevant Pricing Supplement, and:
  - (i) on a subsequent date for the payment of interest on such Series of Notes the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*); or
  - (ii) if the Issuer were to seek to redeem such Notes (for which purpose no regard shall be had to whether or not the Issuer would otherwise be entitled to redeem such Notes), the Issuer would be required to pay any

additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*);

the Issuer may, having given not less than 30 nor more than 45 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the Noteholders in respect of such Series of Notes, redeem all, but not some only, of such Notes, at their Early Redemption Amount determined by the Issuer in accordance with the Conditions and calculated in accordance with the formula or other means specified in the relevant Pricing Supplement together with interest accrued and unpaid, if any, to the date fixed for redemption **provided that** no such notice of redemption shall be given earlier than 90 days (or in the case of Floating Rate Notes a number of days which is equal to the lesser of the aggregate of the number of days in the then current Interest Period plus 60 days and 90 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.

The Issuer may exercise such option in respect of any Note notwithstanding the prior exercise by the Holder thereof or the Issuer of their respective options to require the redemption of such Note under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) respectively, below, if the due date for redemption under this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) would occur prior to that under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively, but not otherwise and, in such circumstances, the exercise of the option under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively shall be rendered ineffective.

Prior to giving any notice of redemption pursuant to this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) the Issuer may obtain a certificate of an independent legal adviser or accountant to the effect either that such a circumstance does exist or that, upon a change in or amendment to the laws of the Relevant Jurisdiction (including any regulations pursuant thereto), or in the interpretation or administration thereof, which at the date of such certificate is proposed and in the opinion of such legal adviser or accountant is reasonably expected to become effective on or prior to the date on which the relevant payment of principal or interest in respect of the Notes would otherwise be made, becoming so effective, such circumstances would exist, and any such certificate shall be sufficient to establish the circumstances required by this Condition 7(b).

- (2) If the Issuer, on the next redemption of principal or payment of interest or other revenues in respect of the Notes, is prevented by French law from making payment to the Holders of the full amounts then payable, notwithstanding the undertaking to pay as described in Condition 8 below, then the Issuer shall forthwith give notice of such fact to the Principal Paying Agent and the Issuer shall, subject to giving not less than seven (7) calendar days' prior notice to the Holders in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount plus, unless specified otherwise in the relevant Pricing Supplement, any interest accrued to the date set for redemption on (A) the latest Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes provided that if such notice expires after such Interest Payment Date, the date for redemption of Holders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due in respect of the Notes and (ii) fourteen (14) calendar days after giving notice to the Principal Paying Agent or (B) if so specified in the relevant Pricing Supplement, on any date, provided that the scheduled date for redemption of which notice

hereunder shall be given shall be the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes, or, if that date is passed, as soon as practicable thereafter.

(c) ***Redemption at the Option of the Issuer (Call Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of the Issuer, the Issuer may at any time or otherwise as set out in the relevant Pricing Supplement, having given not less than 5 nor more than 30 days' notice (or such other notice period as may be specified in the relevant Pricing Supplement) to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), elect to redeem on the Optional Redemption Date (Call Option) all or some only of the Notes then outstanding on the Optional Redemption Date (Call Option) and at the Redemption Amount (Call Option) as determined by the Issuer in accordance with the Conditions and as calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

If the Notes of a Series are to be redeemed in part only on any date in accordance with this paragraph (c): the Notes shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, **provided always that** the amount redeemed in respect of each Note shall be equal to the denomination thereof, subject always to compliance with all applicable laws and the requirements of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation.

Where a Minimum Redemption Amount (Call Option) and/or a Maximum Redemption Amount (Call Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Call Option) shall not be less than the Minimum Redemption Amount (Call Option) and shall not be more than the Maximum Redemption Amount (Call Option).

(d) ***Redemption at the Option of the Noteholder (Put Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of Noteholders, then where a Noteholder has given not less than 15 nor more than 30 days' notice to the Issuer with a copy to the Issue Agent in accordance with Condition 13 (*Notices*), (which notices shall be irrevocable), the Issuer shall, following receipt of such notice from the Noteholder and confirmation from the Issue Agent that it has been duly notified, redeem on the Optional Redemption Date (Put Option), so many of the Notes in respect of which such Noteholder has exercised such option as are outstanding on the Optional Redemption Date (Put Option) and at the Redemption Amount (Put Option) as determined by the Issuer in accordance with the Conditions and as calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

Where a Minimum Redemption Amount (Put Option) and/or a Maximum Redemption Amount (Put Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Put Option) shall not be less than the Minimum Redemption Amount (Put Option) and shall not be more than the Maximum Redemption Amount (Put Option).

To exercise such option or any other option offered to Noteholders that may be set out in the relevant Pricing Supplement the Noteholder should send to a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form that may be obtained during normal business hours from any Paying Agent within the specified notice period. The Noteholder should transfer, or cause to be transferred, the Notes to be redeemed to the account of the Paying Agent with an office in Paris, as specified in the Exercise Notice. Any option so exercised and any Note so transferred may not be withdrawn without the prior written consent of the Issuer.



(e) **Early Redemption of Zero Coupon Notes**

- (i) Unless otherwise specified in the relevant Pricing Supplement, the redemption amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount calculated in accordance with Condition 7(j) (*Redemption and Purchase - Calculation and Rounding*) and equal to the sum of:
- (A) the Zero Coupon Note Reference Price; and
  - (B) the product of the Accrual Yield (compounded annually) being applied to the Zero Coupon Note Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.
- (ii) Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of Condition 6 (*Zero Coupon Notes*) and this Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply).

(f) **Early Redemption for Illegality**

The Issuer shall have the right to terminate its obligations under the Notes, if the Calculation Agent shall have determined that the performance of such obligations under the Notes (or the Issuer's or the Issuer's designated affiliates' obligations under any hedging arrangements established in connection therewith) shall after the Trade Date:

- (i) have become unlawful, or
- (ii) unless "Early Redemption for Impracticability" is specified as not applicable in the relevant Pricing Supplement, have become impracticable,

in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; **provided, however, that** if the Calculation Agent determines that the relevant obligations have become unlawful, the Issuer may obtain an opinion of an independent legal adviser to that effect prior to terminating its obligations under the Notes, and any such opinion shall be sufficient to establish the circumstances required by this Condition 7(f). In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 (*Notices*).

(g) **Purchases**

Each of the Issuer and any person directly or indirectly connected with the Issuer may at any time purchase Notes at any price in the open market or otherwise, and such Notes may be transferred by the Issuer to the Principal Paying Agent for cancellation or, unless otherwise specified in the Pricing Supplement, held in custody by or on behalf of the Issuer and/or sold, resold or otherwise disposed of by the Issuer in accordance and within the limits set by French law from time to time.

(h) **Cancellation**

All Notes which are redeemed pursuant to Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) and 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) and all Notes purchased by the Issuer for cancellation pursuant to Condition 7(g) (*Redemption*

and Purchase – Purchases), shall be cancelled forthwith. All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or resold.

(i) **No Other Redemption Provisions**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) and 7(f) (*Redemption and Purchase – Early Redemption for Illegality*).

(j) **Calculation and Rounding**

Any redemption amount payable on redemption of a Note (the "**Redemption Amount**") shall be calculated pursuant to this Condition 7 (*Redemption and Purchase*) and in rounding any values determined or calculated in connection with such Redemption Amount, the Calculation Agent shall apply the following rounding conventions:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, the Redemption Amount shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes, rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention) notwithstanding that the formula specified in the relevant Pricing Supplement may provide for the Redemption Amount to be calculated in relation to the Calculation Amount; or
- (ii) if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Redemption Amount shall be calculated in relation to the Calculation Amount rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention).

For this purpose a "**sub-unit**" means, conjoin the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

*The following provisions of this Condition 7 apply to Alternative General Conditions Notes only.*

(a) **At Maturity**

Unless previously redeemed or purchased and cancelled, and subject as otherwise set out in the relevant Pricing Supplement, each Note will be redeemed by the Issuer at an amount (the "**Final Redemption Amount**") as determined by the Calculation Agent and as calculated in accordance with Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*) and the formula or other means specified in the relevant Pricing Supplement, where applicable, in the relevant Settlement Currency on the date specified in the relevant Pricing Supplement as the scheduled date on which such Note is to be redeemed (the "**Maturity Date**") (or, in the case of Instalment Notes, in such number of instalments and in such amounts ("**Instalment Amounts**") as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement), in accordance with the provisions set out in the relevant Pricing Supplement.

(b) **Redemption for Taxation Reasons**

- (1) If in respect of a Series of Notes Condition 8B (*Taxation - No gross-up*) is not specified as applicable in the relevant Pricing Supplement, and:

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- (i) on a subsequent date for the payment of interest on such Series of Notes the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*); or
- (ii) if the Issuer were to seek to redeem such Notes (for which purpose no regard shall be had to whether or not the Issuer would otherwise be entitled to redeem such Notes), the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*);

the Issuer may, having given not less than 30 nor more than 45 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the Noteholders in respect of such Series of Notes, redeem all, but not some only, of such Notes, at their Early Redemption Amount determined by the Issuer in accordance with the Conditions and calculated in accordance with the formula or other means specified in the relevant Pricing Supplement together with interest accrued and unpaid, if any, to the date fixed for redemption provided that no such notice of redemption shall be given earlier than 90 days (or in the case of Floating Rate Notes a number of days which is equal to the lesser of the aggregate of the number of days in the then current Interest Period plus 60 days and 90 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.

The Issuer may exercise such option in respect of any Note notwithstanding the prior exercise by the Holder thereof or the Issuer of their respective options to require the redemption of such Note under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) respectively, below, if the due date for redemption under this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) would occur prior to that under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively, but not otherwise and, in such circumstances, the exercise of the option under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively shall be rendered ineffective.

Prior to giving any notice of redemption pursuant to this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) the Issuer may obtain a certificate of an independent legal adviser or accountant to the effect either that such a circumstance does exist or that, upon a change in or amendment to the laws of the Relevant Jurisdiction (including any regulations pursuant thereto), or in the interpretation or administration thereof, which at the date of such certificate is proposed and in the opinion of such legal adviser or accountant is reasonably expected to become effective on or prior to the date on which the relevant payment of principal or interest in respect of the Notes would otherwise be made, becoming so effective, such circumstances would exist, and any such certificate shall be sufficient to establish the circumstances required by this Condition 7(b).

- (2) If the Issuer, on the next redemption of principal or payment of interest or other revenues in respect of the Notes, is prevented by French law from making payment to the Holders of the full amounts then payable, notwithstanding the undertaking to pay as described in Condition 8

below, then the Issuer shall forthwith give notice of such fact to the Principal Paying Agent and the Issuer shall, subject to giving not less than seven (7) calendar days' prior notice to the Holders in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount plus, unless specified otherwise in the relevant Pricing Supplement, any interest accrued to the date set for redemption on (A) the latest Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes provided that if such notice expires after such Interest Payment Date, the date for redemption of Holders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due in respect of the Notes and (ii) fourteen (14) calendar days after giving notice to the Principal Paying Agent or (B) if so specified in the relevant Pricing Supplement, on any date, provided that the scheduled date for redemption of which notice hereunder shall be given shall be the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes, or, if that date is passed, as soon as practicable thereafter.

(c) ***Redemption at the Option of the Issuer (Call Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of the Issuer, the Issuer may at any time or otherwise as set out in the relevant Pricing Supplement, having given not less than 5 nor more than 30 days' notice (or such other notice period as may be specified in the relevant Pricing Supplement) to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), elect to redeem on the Optional Redemption Date (Call Option) all or some only of the Notes then outstanding on the Optional Redemption Date (Call Option) and at the Redemption Amount (Call Option) as determined by the Issuer in accordance with the Conditions and as calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

If the Notes of a Series are to be redeemed in part only on any date in accordance with this paragraph (c): the Notes shall be redeemed (so far as may be practicable) pro rata to their principal amounts, provided always that the amount redeemed in respect of each Note shall be equal to the denomination thereof, subject always to compliance with all applicable laws and the requirements of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation.

Where a Minimum Redemption Amount (Call Option) and/or a Maximum Redemption Amount (Call Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Call Option) shall not be less than the Minimum Redemption Amount (Call Option) and shall not be more than the Maximum Redemption Amount (Call Option).

(d) ***Redemption at the Option of the Noteholder (Put Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of Noteholders, then where a Noteholder has given not less than 15 nor more than 30 days' notice to the Issuer with a copy to the Issue Agent in accordance with Condition 13 (*Notices*), (which notices shall be irrevocable), the Issuer shall, following receipt of such notice from the Noteholder and confirmation from the Issue Agent that it has been duly notified, redeem on the Optional Redemption Date (Put Option), so many of the Notes in respect of which such Noteholder has exercised such option as are outstanding on the Optional Redemption Date (Put Option) and at the Redemption Amount (Put Option) as determined by the Issuer in accordance with the Conditions and as

calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

Where a Minimum Redemption Amount (Put Option) and/or a Maximum Redemption Amount (Put Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Put Option) shall not be less than the Minimum Redemption Amount (Put Option) and shall not be more than the Maximum Redemption Amount (Put Option).

To exercise such option or any other option offered to Noteholders that may be set out in the relevant Pricing Supplement the Noteholder should send to a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form that may be obtained during normal business hours from any Paying Agent within the specified notice period. The Noteholder should transfer, or cause to be transferred, the Notes to be redeemed to the account of the Paying Agent with an office in Paris, as specified in the Exercise Notice. Any option so exercised and any Note so transferred may not be withdrawn without the prior written consent of the Issuer.

(e) ***Early Redemption of Zero Coupon Notes***

(i) Unless otherwise specified in the relevant Pricing Supplement, the redemption amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount calculated in accordance with Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*) and equal to (i) the Early Redemption Amount (if specified in the relevant Pricing Supplement) or (ii) (if no Early Redemption Amount is specified in the relevant Pricing Supplement) the sum of:

(A) the Zero Coupon Note Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Zero Coupon Note Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable ((A) and (B) together the "**Accreted Principal Amount**").

(ii) Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of Condition 6 (*Zero Coupon Notes*) and this Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply).

(f) ***Early Redemption for Illegality***

The Issuer shall have the right to terminate its obligations under the Notes, if the Calculation Agent shall have determined that the performance of such obligations under the Notes shall after the Trade Date have become unlawful in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; provided, however, that if the Calculation Agent determines that the relevant obligations have become unlawful, the Issuer may obtain an opinion of an independent legal adviser to that effect prior to terminating its obligations under the Notes, and any such opinion shall be sufficient to establish

the circumstances required by this Condition 7(f). In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 (*Notices*).

(g) ***Early Redemption for Significant Change Event***

The Issuer shall have the right (but not the obligation) to terminate its obligations under the Notes, if the Issuer shall have determined that an event or circumstance or combination of events or circumstances has occurred that is not attributable to the Issuer but which has as its consequence that the economic balance of the Notes as at the Issue Date is significantly altered, including, without limitation, where such event causes a material increased cost for the Issuer as a consequence of change in tax laws, solvency or regulatory capital requirements, nationalisation, or regulatory action. In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 (*Notices*).

(h) ***Purchases***

Each of the Issuer and any person directly or indirectly connected with the Issuer may at any time purchase Notes at any price in the open market or otherwise, and such Notes may be transferred by the Issuer to the Principal Paying Agent for cancellation or, unless otherwise specified in the Pricing Supplement, held in custody by or on behalf of the Issuer and/or sold, resold or otherwise disposed of by the Issuer in accordance and within the limits set by French law from time to time.

(i) ***Cancellation***

All Notes which are redeemed pursuant to Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) and 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) and all Notes purchased by the Issuer for cancellation pursuant to Condition 7(h) (*Redemption and Purchase – Purchases*), shall be cancelled forthwith. All Notes redeemed or purchased and cancelled as aforesaid may not be re issued or resold.

(j) ***No Other Redemption Provisions***

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) and 7(f) (*Redemption and Purchase – Early Redemption for Illegality*).

(k) ***Calculation and Rounding***

Any redemption amount payable on redemption of a Note (the "**Redemption Amount**") shall be calculated pursuant to this Condition 7 (*Redemption and Purchase*) and in rounding any values determined or calculated in connection with such Redemption Amount, the Calculation Agent shall apply the following rounding conventions:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, the Redemption Amount shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes, rounded to the nearest currency sub-unit

(half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention) notwithstanding that the formula specified in the relevant Pricing Supplement may provide for the Redemption Amount to be calculated in relation to the Calculation Amount; or

- (ii) if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Redemption Amount shall be calculated in relation to the Calculation Amount rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention).

For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(l) ***Monetisation option***

If "Monetisation Option" is specified in the relevant Pricing Supplement as being applicable, and an event occurs as a consequence of which the Issuer exercises its right to redeem the Notes at the applicable Early Redemption Amount:

- (a) the Noteholder shall receive, on the Maturity Date (and notwithstanding the early redemption notice) the Monetisation Amount, unless the Noteholder elects, in accordance with this Condition 7(l), to receive the Early Redemption Amount on the date fixed for early redemption of the Notes; and
- (b) the Issuer's notice of early redemption must include the following:
  - (i) the cut-off date and time for each Noteholder to elect to receive the Early Redemption Amount on the date fixed for early redemption of the Notes;
  - (ii) the instructions to allow such Noteholder to make such election, substantially in accordance with the paragraph below; and
  - (iii) the Early Redemption Amount Valuation Date;
  - (iv) the Early Redemption Amount;
  - (v) the amount calculated by the Calculation Agent as the Monetisation Amount; and
  - (vi) a confirmation that, in the absence of making an election to receive the Early Redemption Amount, such Noteholder will receive the Monetisation Amount on the Maturity Date.

In order to elect to receive the Early Redemption Amount on the date fixed for early redemption of the Notes, a Noteholder should send to a Paying Agent at its specified office, no later than the cut-off date and time set out in the Issuer's notice of early redemption, a duly completed option election notice (the "**Election Notice**") in the form that is set out in the Issuer's notice of early redemption. The Noteholder should transfer, or cause to be transferred, the Notes to be redeemed to the account of the Paying Agent with an office in Paris, as specified in the Election Notice. Any election so made and any Note so transferred may not be withdrawn without the prior written consent of the Issuer.

8. **Taxation**

8A. ***Taxation - Gross-up***

This Condition 8A will be applicable to all Series of Notes unless it is specified in the relevant Pricing Supplement that Condition 8B (*Taxation - No gross-up*) is applicable.

All payments by the Issuer of principal, interest and other revenues in respect of the Notes will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the Relevant Jurisdiction unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges.

In the event that the Issuer is so required by law to withhold or deduct, it will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts of principal, interest and other revenues which would have been receivable in respect of the Notes, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note to, or to a third party on behalf of, a Holder of a Note who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of it having some connection with the Relevant Jurisdiction or any other relevant jurisdiction, other than the mere holding of such Note.

As used herein,

the "**Relevant Date**" means, in respect of any Series of Notes, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or if payment thereof is unjustifiably delayed) the date on which payment in full of the amount outstanding is made.

Any reference in these Conditions to principal, interest or other revenues or any of them in respect of the relevant Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable under this Condition 8 (*Taxation*);
- (ii) the principal amount payable on the relevant Notes on the Maturity Date;
- (iii) the principal amount payable on redemption of the relevant Notes prior to such Maturity Date; and
- (iv) any premium and any other amounts which may be payable under or in respect of the relevant Notes.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts permitted or required by the rules of IRC Section 871(m), or IRC Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**U.S. Permitted Withholding**"). Neither the Issuer nor any Paying Agent will have any obligation to pay additional amounts or otherwise indemnify a holder for any U.S. Permitted Withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of U.S. Permitted Withholding.

8B. ***Taxation - No gross-up***

This Condition 8B will only be applicable to a Series of Notes where it is specified in the relevant Pricing Supplement that Condition 8B (*Taxation - No gross-up*) is applicable.

All payments by the Issuer of principal, interest and other revenues in respect of the Notes will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the Relevant Jurisdiction unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges. **In the event that the Issuer is so required by law to withhold or deduct, the Issuer shall not be required to pay any additional amounts in connection with such withholding or deduction.**



9. **Payments**

(a) ***Method of Payment***

Payments of principal and interest in respect of the Notes shall be made in the relevant Settlement Currency by transfer to the account denominated in the relevant Settlement Currency of the relevant Account Holders for the benefit of the Noteholders. Any payment validly made to any such Account Holders will be an effective discharge of the Issuer in respect of such payment.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 8 (*Taxation*).

(b) ***Payments on Relevant Financial Centre Days***

If the due date for payment of any amount due in respect of any Note is not a Relevant Financial Centre Day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

(c) ***General Provisions***

Without prejudice to the generality of the foregoing, the Issuer reserves the right to require any person receiving payment of principal or, as the case may be, payment of interest or other revenues with respect to any Note to provide a Paying Agent with such certification or information as may be required to enable the Issuer or any parent or holding company of the Issuer or any subsidiary of any such parent or holding company to comply with the requirements of the US Federal Income Tax laws or such other laws as the Issuer or any such parent or holding company or subsidiary thereof may be required to comply with.

(d) ***Payment of Alternative Payment Currency Equivalent***

If:

- (i) "Payment of Alternative Payment Currency Equivalent" is specified as applicable in the relevant Pricing Supplement, or is applicable in accordance with the proviso to Condition 9(e)(Y); or
- (ii) a Clearing System Currency Eligibility Event has occurred and is continuing,

then, if by reason of a FX Disruption Event, a Clearing System Currency Eligibility Event or any other event specified in the relevant Pricing Supplement as an Additional Alternative Payment Currency Event, the Issuer is not able to satisfy payments in respect of the Notes when due in the Settlement Currency, the Issuer may, settle any such payment in U.S. dollars or any other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement on (i) the due date at the Alternative Payment Currency Equivalent of any such amount due or (ii) if in the applicable Pricing Supplement "Condition 1" is specified as applicable to the Alternative Payment Currency Fixing Date, the date falling the Alternative Payment Settlement Days after the due date at the Alternative Payment Currency Equivalent of any such amount due and, in each case, no further payment on account of interest or otherwise shall be due in respect of such postponed payment.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9(d) (*Payments – Payment of Alternative Payment Currency Equivalent*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and all Noteholders. By acceptance thereof, purchasers of the Notes will be deemed to have acknowledged and agreed and to have

waived any and all actual or potential conflicts of interest that may arise as a result of the calculation of the Alternative Payment Currency Equivalent by the Calculation Agent.

(e) **Price Source Disruption and FX Disruption**

*The following provisions of this Condition 9(e) (Payments – Price Source Disruption and FX Disruption) apply to all Notes other than Alternative General Conditions Notes.*

- (X) If "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then, if on any Scheduled FX Fixing Date:
- (A) a Price Source Disruption occurs, (other than as a result of an Unscheduled Holiday) and no Alternative Payment Currency Exchange Rate Fall-Back provisions, Underlying Currency Pair Exchange Rate Fall-Back provisions and/or Conversion Rate Fall-Back provisions (as applicable) are specified in the relevant Pricing Supplement, then the Calculation Agent shall:
- (1) determine the Relevant Rate by reference to the rate of exchange published by available recognised financial information vendors (as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner) on the Scheduled FX Fixing Date (the "**Fallback Reference Price**"); or
  - (2) unless the Pricing Supplement specifies Dealer Poll as not applicable, in the event that the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market, the Calculation Agent will request four Reference Dealers to provide a quotation of their rate for the Relevant Rate as of the Scheduled FX Fixing Date. If at least two quotations are provided, the Relevant Rate will be the arithmetic mean of such quotations; and
  - (3) if (i) the Pricing Supplement specifies Dealer Poll as not applicable and the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; (ii) the Calculation Agent determines that the Relevant Rate determined in accordance with paragraph (2) above does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; or (iii) fewer than 2 quotations are provided by Reference Dealers following the Calculation Agent's request pursuant to paragraph (2) above, the Calculation Agent will determine the Relevant Rate on the first succeeding Business Day on which the Price Source Disruption ceases to exist; **provided, however, that** if the Price Source Disruption continues for thirty consecutive calendar days (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (the "**FX Cut-off Date**"), the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that FX Cut-off Date; or

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- (B) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the Scheduled FX Fixing Date for such Relevant Rate and all other Relevant Rates which have the same Scheduled FX Fixing Date shall be postponed to the first succeeding Relevant Currency Business Day; **provided, however, that** in the event that the Scheduled FX Fixing Date is postponed as a result of the occurrence of an Unscheduled Holiday (a "**Postponed FX Fixing Date**"), and if the Postponed FX Fixing Date has not occurred on or before the thirtieth consecutive calendar day (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (any such period being a "**Deferral Period**"), then the next day after the Deferral Period that is or would have been a Relevant Currency Business Day but for an Unscheduled Holiday, shall be deemed to be the Postponed FX Fixing Date and the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that Postponed FX Fixing Date.
- (Y) Except to the extent that (i) "EM Price Source Disruption" is specified as being applicable, and (ii) "FX Disruption Event" is specified as being not applicable in the relevant Pricing Supplement, if at any time, a FX Disruption Event occurs, the Issuer, acting in a commercially reasonable manner, may elect to either:
- (A) having given not less than five days' notice to the Noteholders in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount (and, if the FX Disruption Event occurs on a Scheduled FX Fixing Date on which there is a Price Source Disruption or Unscheduled Holiday, for the purposes of determining such Early Redemption Amount the Calculation Agent shall first determine any Relevant Rate (if required) (a) in accordance with sub-paragraph (X)(A) or (X)(B) above, as applicable, of Condition 9(e) (*Price Source Disruption and FX Disruption*) if "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or, alternatively (b) in good faith and in a commercially reasonable manner, on the date notified to the Noteholders); or
- (B) instruct the Calculation Agent to make such adjustment(s) to the Conditions as it determines to be necessary or desirable to reflect or account for any market practice that develops in respect of the FX Disruption Event,

**provided, however, that** in relation to sub-paragraphs (Y)(A) and (Y)(B) above, if as a result of the FX Disruption Event the Issuer is not able to satisfy payments in respect of the Notes when due in the Settlement Currency, the Issuer may settle any such payment pursuant to the provisions of Condition 9(d) (*Payment of Alternative Payment Currency Equivalent*).

*The following provisions of this Condition 9(e) (Payments – Price Source Disruption and FX Disruption) apply to Alternative General Conditions Notes only.*

- (X) If "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then, if on any Scheduled FX Fixing Date:
- (A) a Price Source Disruption occurs, (other than as a result of an Unscheduled Holiday) and no Alternative Payment Currency Exchange Rate Fall-Back provisions, Underlying Currency Pair Exchange Rate Fall-Back provisions and/or Conversion Rate Fall-Back provisions (as applicable) are specified in the relevant Pricing Supplement, then the Calculation Agent shall:

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- (1) determine the Relevant Rate by reference to the rate of exchange published by available recognised financial information vendors (as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner) on the Scheduled FX Fixing Date (the "**Fallback Reference Price**"); or
  - (2) unless the Pricing Supplement specifies Dealer Poll as not applicable, in the event that the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market, the Calculation Agent will request four Reference Dealers to provide a quotation of their rate for the Relevant Rate as of the Scheduled FX Fixing Date. If at least two quotations are provided, the Relevant Rate will be the arithmetic mean of such quotations; and
  - (3) if (i) the Pricing Supplement specifies Dealer Poll as not applicable and the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; (ii) the Calculation Agent determines that the Relevant Rate determined in accordance with paragraph (2) above does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; or (iii) fewer than 2 quotations are provided by Reference Dealers following the Calculation Agent's request pursuant to paragraph (2) above, the Calculation Agent will determine the Relevant Rate on the first succeeding Business Day on which the Price Source Disruption ceases to exist; provided, however, that if the Price Source Disruption continues for thirty consecutive calendar days (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (the "**FX Cut-off Date**"), the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that FX Cut-off Date; or
- (B) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the Scheduled FX Fixing Date for such Relevant Rate and all other Relevant Rates which have the same Scheduled FX Fixing Date shall be postponed to the first succeeding Relevant Currency Business Day; provided, however, that in the event that the Scheduled FX Fixing Date is postponed as a result of the occurrence of an Unscheduled Holiday (a "**Postponed FX Fixing Date**"), and if the Postponed FX Fixing Date has not occurred on or before the thirtieth consecutive calendar day (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (any such period being a "**Deferral Period**"), then the next day after the Deferral Period that is or

would have been a Relevant Currency Business Day but for an Unscheduled Holiday, shall be deemed to be the Postponed FX Fixing Date and the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that Postponed FX Fixing Date.

- (Y) Except to the extent that (i) "EM Price Source Disruption" is specified as being applicable, and (ii) "FX Disruption Event" is specified as being not applicable in the relevant Pricing Supplement, if at any time, a FX Disruption Event occurs, the Issuer, acting in a commercially reasonable manner, may elect to either:
- (A) having given not less than five days' notice to the Noteholders in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount (and, if the FX Disruption Event occurs on a Scheduled FX Fixing Date on which there is a Price Source Disruption or Unscheduled Holiday, for the purposes of determining such Early Redemption Amount the Calculation Agent shall first determine any Relevant Rate (if required) (a) in accordance with sub-paragraph (X)(A) or (X)(B) above, as applicable, of Condition 9(e) (Price Source Disruption and FX Disruption) if "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or, alternatively (b) in good faith and in a commercially reasonable manner, on the date notified to the Noteholders); or
  - (B) instruct the Calculation Agent to make such adjustment(s) to the Conditions as it determines to be necessary or desirable to reflect or account for the FX Disruption Event with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant FX Disruption Event;

provided, however, that in relation to sub-paragraphs (Y)(A) and (Y)(B) above, if as a result of the FX Disruption Event the Issuer is not able to satisfy payments in respect of the Notes when due in the Settlement Currency, the Issuer may settle any such payment pursuant to the provisions of Condition 9(d) (Payment of Alternative Payment Currency Equivalent).

(f) ***EM Price Source Disruption***

*The following provisions of this Condition 9(f) (Payments – EM Price Source Disruption) apply to all Notes other than Alternative General Conditions Notes.*

If "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then:

- (i) subject to sub-paragraph (iii) below and **provided that** no Conversion Rate Fall-Back provisions are specified in the relevant Pricing Supplement, if on any Scheduled FX Fixing Date:
  - (A) Price Materiality is specified as applicable and a Price Materiality occurs, the Relevant Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. For the avoidance of doubt, any rate achieved by the Issuer pursuant to a relevant hedging agreement shall be deemed to be a commercially reasonable rate;
  - (B) a Price Source Disruption occurs or is continuing, the relevant Conversion Rate Fixing Date shall be postponed until the first

Conversion Rate Business Day after such Scheduled FX Fixing Date on which no Price Source Disruption exists (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period, the Conversion Rate will be determined in accordance with sub-paragraph (ii) below; or

- (C) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the relevant Conversion Rate Fixing Date shall be postponed to the first succeeding Conversion Rate Business Day (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period the Conversion Rate will be determined in accordance with sub-paragraph (ii) below;
- (ii) subject to sub-paragraph (iii) below, notwithstanding the provisions of sub-paragraphs (i)(B) and (i)(C) above, in no event shall the total number of consecutive calendar days for which a fixing date is deferred due to (i) an Unscheduled Holiday, or (ii) a Price Source Disruption (or any combination of (i) and (ii)), exceed the EM Deferral Period. Accordingly, if on the first Conversion Rate Business Day (or date which would have been a Conversion Rate Business Day but for the occurrence of an Unscheduled Holiday) after such period has lapsed (the "**Cut-off Fixing Date**") (X) an Unscheduled Holiday occurs or is continuing (but no Price Source Disruption occurs or is continuing on such day), then the Conversion Rate shall be a rate determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, or (Y) a Price Source Disruption occurs or is continuing on such day, then the Conversion Rate shall be the Fallback Conversion Rate determined on the Cut-off Fixing Date; and
- (iii) notwithstanding any other provision of this Condition 9(f), if the Fallback Conversion Rate is not available or, at any time following the determination of the Conversion Rate or Fallback Conversion Rate, the Calculation Agent determines that such rate does not accurately represent the rate which the Calculation Agent determines that the Issuer could have achieved in the general foreign exchange market at the time such Conversion Rate or Fallback Conversion Rate was determined, the applicable Conversion Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. For the avoidance of doubt, any rate achieved by the Issuer pursuant to a relevant hedging agreement shall be deemed to be a commercially reasonable rate.

*The following provisions of this Condition 9(f) (Payments – EM Price Source Disruption) apply to Alternative General Conditions Notes.*

If "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then:

- (iv) subject to sub-paragraph (vi) below and **provided that** no Conversion Rate Fall-Back provisions are specified in the relevant Pricing Supplement, if on any Scheduled FX Fixing Date:
  - (A) Price Materiality is specified as applicable and a Price Materiality occurs, the Relevant Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;
  - (B) a Price Source Disruption occurs or is continuing, the relevant Conversion Rate Fixing Date shall be postponed until the first Conversion Rate Business Day after such Scheduled FX Fixing Date on which no Price Source Disruption exists (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period, the Conversion Rate will be determined in accordance with sub-paragraph (v) below; or

- (C) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the relevant Conversion Rate Fixing Date shall be postponed to the first succeeding Conversion Rate Business Day (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period the Conversion Rate will be determined in accordance with sub-paragraph (v) below;
  - (v) subject to sub-paragraph (vi) below, notwithstanding the provisions of sub-paragraphs (iv)(B) and (iv)(C) above, in no event shall the total number of consecutive calendar days for which a fixing date is deferred due to (i) an Unscheduled Holiday, or (ii) a Price Source Disruption (or any combination of (i) and (ii)), exceed the EM Deferral Period. Accordingly, if on the first Conversion Rate Business Day (or date which would have been a Conversion Rate Business Day but for the occurrence of an Unscheduled Holiday) after such period has lapsed (the "**Cut-off Fixing Date**") (X) an Unscheduled Holiday occurs or is continuing (but no Price Source Disruption occurs or is continuing on such day), then the Conversion Rate shall be a rate determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, or (Y) a Price Source Disruption occurs or is continuing on such day, then the Conversion Rate shall be the Fallback Conversion Rate determined on the Cut-off Fixing Date; and
  - (vi) notwithstanding any other provision of this Condition 9(f), if the Fallback Conversion Rate is not available or, at any time following the determination of the Conversion Rate or Fallback Conversion Rate, the Calculation Agent determines that such rate does not accurately represent the rate which the Calculation Agent determines that the Issuer could have achieved in the general foreign exchange market at the time such Conversion Rate or Fallback Conversion Rate was determined, the applicable Conversion Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.
- (g) **Postponement of Payments**
- (i) If a Scheduled FX Fixing Date is postponed in accordance with Condition 9(e) (*Price Source Disruption and FX Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable.
  - (ii) If a Scheduled FX Fixing Date is postponed in accordance with Condition 9(f) (*EM Price Source Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Conversion Rate Fixing Date or, if later, the Cut-off Fixing Date or Postponed FX Fixing Date, as applicable.
  - (iii) Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 9(g) (*Postponement of Payments*) (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Related Payment Date which is so postponed shall be calculated as if such Related Payment Date had not been postponed pursuant to this Condition 9(g) (*Postponement of Payments*)) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

(h) ***LBMA Physical Settlement***

The following provisions apply where LBMA Physical Settlement is specified as being applicable in the relevant Pricing Supplement.

A. *LBMA Transfer Notice*

- (i) Each Noteholder shall, on or before 4:00 pm (London time) on the date falling 5 Conversion Rate Business Days or Underlying Currency Pair Business Days (as applicable) before the relevant Interest Payment Date, the Maturity Date or date of early redemption of the Notes (as applicable) (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Paying Agents and the Noteholders accordingly) send to the relevant Clearing System, in accordance with its then applicable operating procedures, and copied to the Principal Paying Agent, an irrevocable notice (an "**LBMA Transfer Notice**") in the form from time to time approved by the Issuer, which must:
- (A) specify the name and address of the Noteholder;
  - (B) specify the number of Notes in respect of which he is the Noteholder;
  - (C) specify the number of the Noteholder's account at the relevant Clearing System, to be debited with such Notes;
  - (D) irrevocably instruct and authorise the relevant Clearing System, (1) to debit the Noteholder's account with such Notes on the relevant Interest Payment Date, the Maturity Date or the relevant early redemption date of the Notes (as applicable) and (2) that no further transfers of the Notes specified in the LBMA Transfer Notice may be made;
  - (E) contain a representation and warranty from the Noteholder to the effect that the Notes to which the LBMA Transfer Notice relates are free from all liens, charges, encumbrances and other third party rights;
  - (F) specify the number and account name of the account in London with a member of the LBMA where the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes shall be credited;
  - (G) contain an irrevocable undertaking to pay the Transfer Expenses (if any) and an irrevocable instruction to the relevant Clearing System, to debit on or after the relevant Interest Payment Date, the Maturity Date or the relevant early redemption date of the Notes (as applicable) the cash or other account of the Noteholder with the relevant Clearing System, specified in the LBMA Transfer Notice with such Transfer Expenses; and
  - (H) authorise the production of the LBMA Transfer Notice in any applicable administrative or legal proceedings.
- (ii) An LBMA Transfer Notice, once delivered to the relevant Clearing System, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of an LBMA Transfer Notice following delivery of such LBMA Transfer Notice to the relevant Clearing System. A LBMA Transfer Notice shall only be valid to the extent that the relevant Clearing System have not received conflicting prior instructions in respect of the Notes which are the subject of the LBMA Transfer Notice.
- (iii) Failure properly to complete and deliver a LBMA Transfer Notice may result in such notice being treated as null and void with the consequence set out in subparagraph (C). Any determination as to whether such notice has been properly



completed and delivered as provided shall be made by the relevant Clearing System, after consultation with the Principal Paying Agent and shall be conclusive and binding on the Issuer and the Noteholder.

- (iv) The Principal Paying Agent shall promptly on the local banking day following receipt of a LBMA Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.

B. *Delivery obligation*

Subject to the other provisions of this Condition 9(h), if the LBMA Physical Settlement provisions are specified in the relevant Pricing Supplement as being applicable, the Issuer shall discharge its obligation to deliver the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes by crediting, or procuring the credit of, the same on the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) to the account in London with a member of the LBMA specified in the LBMA Transfer Notice of the relevant Noteholder.

C. *LBMA Physical Settlement Fallback Redemption Amount*

In the event that any Noteholder fails to deliver a valid LBMA Transfer Notice by 4:00 pm on the day falling 5 Conversion Rate Business Days or Underlying Currency Pair Business Days (as applicable) before the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Paying Agents and the Noteholders accordingly), the Calculation Agent shall determine the LBMA Physical Settlement Fallback Redemption Amount and the Issuer shall pay the LBMA Physical Settlement Fallback Redemption Amount in respect of each Note held by such Noteholder on the Maturity Date, the relevant Interest Payment Date or date of early redemption of the Notes.

D. *Disruption*

(i) *LBMA Physical Settlement Market Disruption Event*

If a LBMA Physical Settlement Market Disruption Event occurs or exists on any date on which the Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) is to be determined, the Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) shall be the rate determined by the Calculation Agent taking into consideration the latest available Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) as of a date on which no LBMA Physical Settlement Market Disruption Event occurred or existed and any other information which the Calculation Agent considers relevant.

(ii) *Settlement Disruption of LBMA Physical Settlement*

The Calculation Agent shall determine whether or not at any time a LBMA Physical Settlement Disruption Event has occurred and where it determines such an event has occurred and has prevented any delivery on the original day that but for such LBMA Physical Settlement Disruption Event would have been the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable), then such date will be the first succeeding day on which the relevant delivery can take place unless a LBMA Physical Settlement Disruption Event prevents settlement on each of the ten (10) Business Days immediately following the original date that, but for the LBMA Physical Settlement Disruption Event, would have been the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable). In that case, (a) if the relevant delivery can be effected in any other

commercially reasonable manner, then the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) will be that tenth (10<sup>th</sup>) Business Day with delivery being effected in such manner, and (b) if such delivery cannot be effected in any other commercially reasonable manner, then the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) will be postponed until delivery can be effected in another commercially reasonable manner.

(i) **Conversion**

If Conversion provisions are specified as being applicable in the relevant Pricing Supplement in relation to any specified amount payable in respect of the Notes, the relevant amount payable in respect of the Notes will be determined in accordance with the relevant Conversion provisions specified in the relevant Pricing Supplement. Notwithstanding anything contained in these Conditions or the relevant Pricing Supplement, the currency of payment in respect of such amount shall be as determined in accordance with such Conversion provisions, such currency shall be deemed to be the Settlement Currency in respect of such payment and the "Settlement Currency Jurisdiction" specified in the relevant Pricing Supplement shall be deemed to be modified accordingly in relation to such amount.

(j) **Physical Settlement**

The following provisions apply where Physical Settlement is specified as being applicable in the relevant Pricing Supplement:

A. Physical Settlement (*Pre-trade letter*)

Each Noteholder shall prior to the Issue Date complete and return to the Issuer a physically settled notes investment pre-trade letter (the "**Pre-trade letter**") in the form obtainable from the Issuer, which must:

- (A) specify the name and address of the Noteholder;
- (B) specify the number of the Noteholder's unallocated bullion account with HSBC Bank plc (the "**Nominated Account**");
- (C) contain an agreement and confirmation from the Noteholder to the effect that it will (i) maintain the Nominated Account; (ii) notify the Issuer of any changes to the administrative details of the Nominated Account; and (iii) remain the owner of the Notes at all times (whether for its own account or for the account of others) and that it will not transfer or otherwise dispose of any interest in the Notes; and
- (D) contain an indemnity from the Noteholder in relation to any claim, demand, action, liability, cost, loss or expense which the Issuer may incur in connection with a breach of the Pre-trade letter.

B. Delivery obligation

If Physical Settlement is specified in the relevant Pricing Supplement, the Issuer shall discharge its obligation to deliver the relevant amount in respect of interest, Final Redemption Amount and/or any other amount in respect of the Notes by crediting, or procuring the credit of, the same on the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) to the Nominated Account as specified in the Pre-trade letter.

**Settlement of accounts to be delivered under the Notes shall be made only to the Nominated Account. Accordingly, if Notes are at any time transferred to a person other than the initial Noteholder, then the transferee may be unable to receive such amounts. The Issuer shall have no obligation to deliver any amounts other than by credit to the relevant Nominated Account and shall have no liability to any transferee of Notes in relation to any such delivery.**

10. **Redenomination**

(a) **General**

Where redenomination is specified in the relevant Pricing Supplement as being applicable, and in respect of Notes denominated in a National Currency Unit (as defined in Condition 1 (*Definitions*)), the Issuer may, without the consent of the Noteholders, upon giving at least 30 days' prior notice to the Noteholders in accordance with Condition 13 (*Notices*), designate a Redenomination Date.

With effect from the Redenomination Date:

- (i) each Note shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated into such amount of euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Settlement Currency, converted into euro at the rate for the conversion of the relevant Settlement Currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with EC regulations); **provided, however, that** if the Issuer acting in a commercially reasonable manner determines that market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (ii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the relevant Settlement Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro, as though references in the Notes to the Settlement Currency were to euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union; and
- (iii) such other changes will be made to the terms and conditions of the Notes as the Issuer acting in a commercially reasonable manner may decide to conform such Notes to conventions then applicable to Notes denominated in euro. Any such other changes will not take effect until after it has been notified to the Noteholders in accordance with Condition 13 (*Notices*).

Neither the Issuer nor any Paying Agent will be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of euro or any currency conversion or rounding effected in connection therewith.

(b) **Interest**

Following redenomination of the Notes pursuant to Condition 10(a) (*Redenomination – General*):

- (i) in respect of Fixed Rate Notes where interest is payable annually, any interest required to be calculated for a period of less than one year in respect of the Notes shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365); **provided, however, that** if the

Issuer acting in a commercially reasonable manner determines that the market practice in respect of internationally offered euro denominated securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;

- (ii) in respect of Fixed Rate Notes where interest is payable quarterly or semi-annually, the amount of interest payable in respect of each Note on any Interest Payment Date shall be calculated by applying the Rate of Interest to the principal amount of such Note, dividing the product by four or two (as the case may be) and rounding the figure down to the nearest euro 0.01. If interest is required to be calculated for any other period, it shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365); **provided, however, that** if the Issuer acting in a commercially reasonable manner determines that the market practice in respect of internationally offered euro denominated securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (iii) in respect of Floating Rate Notes, the Interest Amount payable in respect of the Notes for each Interest Period will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during the Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 360 and rounding the resulting figure down to the nearest euro 0.01; and
- (iv) in respect of Floating Rate Notes, the Rate of Interest for any subsequent Interest Period shall be determined by the Calculation Agent on the basis of provisions which it determines reflect the market practice in respect of internationally offered euro denominated securities.

11. **Events of Default**

*The following provisions of this Condition 11 apply to all Notes other than Alternative General Conditions Notes.*

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing in relation to a Series of Notes:

- (a) the Issuer fails to remedy a default in the repayment of any principal due on the Notes of such Series or any of them or in the payment of any interest due in respect of the Notes of such Series or any of them, in each case within 14 days of notice of such default having been given to the Principal Paying Agent or other Paying Agent or the Registrar (as the case may be) by the Representative, acting upon request of any Noteholder, **provided that** it shall not be such a default to withhold or refuse any such payment (1) if the Issuer determines, acting in good faith and in a commercially reasonable manner, that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment (and any such determination made by the Issuer in accordance with advice given at any time by

independent legal advisers shall be conclusive and binding on the Noteholders) or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability; or

- (b) the Issuer applies for or is subject to a judgment rendered (i) for its judicial liquidation (*liquidation judiciaire*) or (ii) for a transfer of the whole of the Issuer's business (*cession totale de l'entreprise*) or the Issuer makes any assignment for the benefit of, or enters into any agreement with, its creditors,

then the Representative, acting upon request of any Noteholder, may, upon written notice addressed to the Issuer and the Principal Paying Agent, effective upon the date of receipt thereof by the Issuer (such date the "**Early Redemption Date**"), declare all the Notes held by such Noteholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, as specified in the relevant Pricing Supplement, together with interest accrued and unpaid until the date of its redemption, without presentment, demand, protest or other notice of any kind.

*The following provisions of this Condition 11 apply to Alternative General Conditions Notes only.*

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing in relation to a Series of Notes:

- (a) the Issuer fails to remedy a default in the repayment of any principal due on the Notes of such Series or any of them or in the payment of any interest due in respect of the Notes of such Series or any of them, in each case within 14 days of notice of such default having been given to the Principal Paying Agent or other Paying Agent or the Registrar (as the case may be) by the Representative, acting upon request of any Noteholder; **provided that** it shall not be such a default to withhold or refuse any such payment (1) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time during the said period of 14 days by independent legal advisers acceptable to the Principal Paying Agent as to such validity or applicability; or
- (b) the Issuer applies for or is subject to a judgment rendered (i) for its judicial liquidation (*liquidation judiciaire*) or (ii) for a transfer of the whole of the Issuer's business (*cession totale de l'entreprise*) or the Issuer makes any assignment for the benefit of, or enters into any agreement with, its creditors,

then the Representative, acting upon request of any Noteholder, may, upon written notice addressed to the Issuer and the Principal Paying Agent, effective upon the date of receipt thereof by the Issuer (such date the "**Early Redemption Date**"), declare all the Notes held by such Noteholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, as specified in the relevant Pricing Supplement, together with interest accrued and unpaid until the date of its redemption, without presentment, demand, protest or other notice of any kind.

12. **Prescription**

Claims against the Issuer for payment in respect of any amount due under the Notes shall be prescribed and become void unless made within 10 years (in the case of the principal) or five years (in the case of interest) from the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect thereof.

13. **Notices**

(a) ***Notices to Noteholders***

All notices to the Holders of Notes will be valid: (i) if published in one leading daily newspaper with circulation in London (which is expected to be the *Financial Times* or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe); or (ii) by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared; **provided that**, in each case, in the case of Notes admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system the rules of such listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation have been complied with. Any such notice shall be deemed to have been given on the date of such publication or delivery or, if published more than once, on the date of the first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

(b) ***Notices from Noteholders***

Notices given by any Noteholder shall be in writing and given by lodging the same with the Principal Paying Agent or other Paying Agent at its specified office.

14. **Principal Paying Agent, Paying Agent and Calculation Agent**

*The following provisions of this Condition 14 (Principal Paying Agent, Paying Agent and Calculation Agent) apply to all Notes other than Alternative General Conditions Notes.*

- (a) The names of the initial Principal Paying Agent, the other initial Paying Agents and the initial Calculation Agents and their respective initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or Calculation Agent, and/or approve any change in the specified office through which any Paying Agent or Calculation Agent, Issue Agent acts, **provided that** so long as any Notes are outstanding, there will at all times be a Principal Paying Agent.

- (b) Any variation, termination, appointment or change shall only take effect (other than in the case of an insolvency, when it shall be of immediate effect) after notice has been given to the Noteholders in accordance with Condition 13 (*Notices*).

- (c) Except as otherwise provided in these Conditions or in a relevant Pricing Supplement, all calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Notes (including any determinations by the Calculation Agent as to the exercise or non-exercise by it of its powers, duties and discretions for such purposes) shall be made in good faith and in a commercially reasonable manner.

- (d) The Paying Agents and the Calculation Agent shall not act as agents for the Noteholders but shall be agents of the Issuer. All calculation functions required of the Calculation Agent under these Conditions may be delegated to any such person as the Calculation Agent, in its absolute discretion, may decide.

*The following provisions of this Condition 14 (Principal Paying Agent, Paying Agent and Calculation Agent) apply to Alternative General Conditions Notes only.*

- (a) The names of the initial Principal Paying Agent, the other initial Paying Agents and the initial Calculation Agents and their respective initial specified offices are set out below.
- The Issuer is entitled to vary or terminate the appointment of any Paying Agent or Calculation Agent, and/or approve any change in the specified office through which any Paying Agent or Calculation Agent, Issue Agent acts, **provided that** so long as any Notes are outstanding, there will at all times be a Principal Paying Agent.
- (b) Any variation, termination, appointment or change shall only take effect (other than in the case of an insolvency, when it shall be of immediate effect) after notice has been given to the Noteholders in accordance with Condition 13 (*Notices*).
- (c) All calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Notes (including any determinations by the Calculation Agent as to the exercise or non-exercise by it of its powers, duties and discretions for such purposes) shall be made in good faith and in a commercially reasonable manner and, in exercising any discretion to amend or adjust the Conditions, the Calculation Agent will exercise such discretion with a view to replicating as closely as possible the economic position that existed prior to the occurrence of the event giving rise to the exercise of such discretion.
- (d) The Paying Agents and the Calculation Agent shall not act as agents for the Noteholders but shall be agents of the Issuer. All calculation functions required of the Calculation Agent under these Conditions may be delegated to any such person as the Calculation Agent, in its absolute discretion, may decide.

15. **Meetings of Noteholders**

(a) ***Representation of Noteholders***

The Noteholders will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a masse (the "**Masse**") which will be governed by the provisions of articles L.228-46 *et seq.* of the French *Code de commerce* as amended, except for those Notes with a denomination of less than €100,000 (or its equivalent in any other currency), by this Condition 15.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, without prejudice to the rights that Noteholders may exercise individually in accordance with, and subject to, the provisions of the Conditions of the Notes.

(b) ***Legal Personality***

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the Noteholders (the "**Collective Decisions**").

(c) ***Representative***

The names and addresses of the Representative (the "**Initial Representative**") and its alternate (if any) (the "**Alternative Representative**"), will be set out in the relevant Pricing Supplement. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all subsequent Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Pricing Supplement. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, such Representative will be replaced by the Alternative Representative,

if any. In addition, another Representative may be appointed in such event, pursuant to a Collective Decision of the Noteholders.

Any appointment or change of the Representative in accordance with this paragraph (c) will be notified to the Noteholders in accordance with the provisions of Condition 13 (*Notices*)).

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the Alternative Representative (if any) at the head office of the Issuer.

(d) ***Powers of Representative***

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers. All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

(e) ***Collective Decisions***

Collective Decisions are adopted either (i) in a general meeting (the "**General Meeting**"), or (ii) by the consent of one or more Noteholders holding together at least 66.67 per cent. of the principal amount of the Notes outstanding, following a written consultation (the "**Written Resolution**").

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 13 (*Notices*). The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

(f) ***General Meeting***

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 13 (*Notices*) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation if the quorum requirement for the General Meeting on first convocation is not met.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two thirds majority of votes cast by the Noteholders attending such General Meeting or represented thereat.

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified



in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(g) ***Written Resolutions and Electronic Consent***

Pursuant to Article L.228-46-1 of the French Code de commerce, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders of such Series by way of a Written Resolution. Subject to the following sentence, a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders of such Series. Pursuant to Article L.228-46-1 of the French Code de commerce, approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders ("**Electronic Consent**").

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 13 (*Notices*) no less than 15 calendar days prior to the date fixed for the passing of such Written Resolution (the "**Written Resolution Date**"). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will, by virtue of having expressed their approval or rejection before the Written Resolution Date, have irrevocably undertaken not to dispose of their Notes until after the Written Resolution Date.

Written Resolutions shall be signed by one or more Noteholders holding together at least 66.67 per cent. of the principal amount of the Notes of the relevant Series which are outstanding, without having to comply with formalities and time limits referred to in Condition 13 (*Notices*). Approval of a Written Resolution may also be given by Electronic Consent. Any Written Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of the Noteholders.

(h) ***Exclusion of certain provisions of the French Code de commerce***

The provisions of Article L.228-65 I 1°, 3° and 4° of the French Code de commerce, and the related provisions of the French Code de commerce, shall not apply to Notes with a denomination equal to or greater than €100,000 (or its equivalent in any other currency).

(i) ***Expenses***

The Issuer shall pay all reasonable expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(j) ***Sole Noteholder***

If and for so long as the Notes of any Series are held by a sole Noteholder, such sole Noteholder shall exercise all the powers, rights and obligations entrusted with the Representative and the Collective Decisions by the provisions of this Condition 15 (*Meetings of Noteholders*), as appropriate. The Issuer shall hold a register of the decisions the sole Noteholder will have taken in such capacity and shall make them available, upon request, to any subsequent holder of any of the Notes of such Series.

(k) ***Single Masse***

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 16 (*Further Issues*), shall, for the defence of their respective common interests, be grouped in a single Masse.

For the avoidance of doubt, in this Condition 15 (*Meetings of Noteholders*), the term "outstanding" shall not include those Notes that are held by the Issuer and not cancelled.

15A. ***Consequences of a Benchmark Trigger Event***

*The following provisions of this Condition 15A (Consequences of a Benchmark Trigger Event) apply to Notes other than Alternative General Conditions Notes.*

(a) If the Issuer acting in a commercially reasonable manner determines that a Benchmark Trigger Event has occurred in relation to a Relevant Benchmark relating to a Series of Notes, then:

(i) if an Alternative Pre-nominated Index has been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement:

(A) unless the Issuer acting in a commercially reasonable manner determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Relevant Benchmark shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and

(B) the Issuer acting in a commercially reasonable manner shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Alternative Pre-nominated Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; and

(ii) if an Alternative Pre-nominated Index has not been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement or the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, the Issuer acting in a commercially reasonable manner shall do any of the following:

(A) determine that references to such Relevant Benchmark shall be deemed to be replaced by references to such index, benchmark or price source as the Issuer determines would have the effect of placing the Issuer in an economically equivalent position to that which it would have been in had the Benchmark Trigger Event not occurred (the "**Replacement Index**") (and in making such determination the Issuer acting in a commercially reasonable manner shall be entitled to take into account such facts and circumstances as it considers relevant including, without limitation, (i) any index, benchmark or other price source which measures the same market or economic reality as the Relevant Benchmark and which is

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formally designated, nominated or recommended by the administrator or sponsor of the Relevant Benchmark or (ii) any index, benchmark or other price source which is formally designated, nominated or recommended by any Relevant Nominating Body, in each case to replace the Relevant Benchmark), in which case:

- (1) references to such Relevant Benchmark shall be deemed to be replaced with references to such Replacement Index with effect from such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and
  - (2) the Issuer acting in a commercially reasonable manner shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Replacement Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; or
- (B) follow the steps for determining the relevant rate or level set out in the Relevant Reference Asset Fallback Provisions (if any); or
- (C) determine that the Notes shall be redeemed, in which case the Issuer shall redeem the Notes at the Early Redemption Amount specified in the relevant Pricing Supplement on the date selected by the Issuer acting in a commercially reasonable manner and give notice of such redemption to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 13 (*Notices*);

**provided, however, that** if (1) it is or would be unlawful at any time under applicable law or regulation or (2) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Notes, then such provision shall not apply and the Issuer shall not make such determination (as the case may be) and the Issuer shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements.

- (b) If the Issuer is not able to determine the Relevant Benchmark in accordance with the provisions of this Condition 15A on any Relevant Benchmark Determination Date, then the Relevant Benchmark Determination Date shall be postponed to such date as it is able to make such determination and any Relevant Benchmark Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Relevant Benchmark Determination Date.
- (c) Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 15A (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Relevant Benchmark Related Payment Date which is so postponed shall be calculated as if such Relevant Benchmark Related Payment Date had not been postponed pursuant to this Condition 15A) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.
- (d) The Issuer shall promptly following the determination of any replacement for a Relevant Benchmark pursuant to paragraph (a)(i)(A) or (a)(ii)(A) above give notice thereof and of any changes pursuant to paragraph (a)(i)(B) or (a)(ii)(A)(2) (as applicable) to the Principal

Paying Agent, the Calculation Agent and the Noteholders (in accordance with Condition 13 (*Notices*)).

- (e) Without prejudice, in the case of any Index-Linked Notes, to Condition 22(f)(ii) (*Index Modification*), if the definition, methodology or formula for a Relevant Benchmark in respect of a Series of Notes, or other means of calculating the Relevant Benchmark in respect of a Series of Notes, is changed, then references to such Relevant Benchmark shall be to such Relevant Benchmark as so changed.
- (f) In making any determination under this Condition 15A, the Issuer acting in a commercially reasonable manner shall take account of such facts and circumstances as it considers relevant, including, without limitation, prevailing market practice, any determinations made in respect of any of the Issuer's hedging arrangements in relation to the Notes (including, without limitation, in respect of any termination or re-establishment of hedging arrangements), and the Issuer's funding costs. Except to the extent such exclusion is prohibited by law, in the absence of fraud or gross negligence on the part of the Issuer, no liability will attach to the Issuer in connection with any determination made by the Issuer pursuant to this Clause 15A.

*The following provisions of this Condition 15A (Consequences of a Benchmark Trigger Event) apply to Alternative General Conditions Notes only.*

- (a) If the Issuer acting in a commercially reasonable manner determines that a Benchmark Trigger Event has occurred in relation to a Relevant Benchmark relating to a Series of Notes, then:
  - (i) if an Alternative Pre-nominated Index has been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement:
    - (A) unless the Issuer acting in a commercially reasonable manner determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Relevant Benchmark shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from the such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and
    - (B) the Issuer acting in a commercially reasonable manner shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Alternative Pre-nominated Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; and
  - (ii) if an Alternative Pre-nominated Index has not been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement or the Issuer acting in a commercially reasonable manner determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, the Issuer acting in a commercially reasonable manner shall do any of the following:
    - (A) determine that references to such Relevant Benchmark shall be deemed to be replaced by references to such index, benchmark or price source as the Issuer determines would have the effect of placing the Issuer in an economically equivalent position to that which it would have been in had the Benchmark Trigger Event not occurred (the "**Replacement Index**") (and in making such determination the Issuer acting in a commercially reasonable manner shall be entitled to take into account such facts and circumstances as it considers relevant including, without limitation, (i) any index, benchmark or other price source which measures the same market or economic reality as the Relevant Benchmark and which is

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formally designated, nominated or recommended by the administrator or sponsor of the Relevant Benchmark or (ii) any index, benchmark or other price source which is formally designated, nominated or recommended by any Relevant Nominating Body, in each case to replace the Relevant Benchmark), in which case:

- (1) references to such Relevant Benchmark shall be deemed to be replaced with references to such Replacement Index with effect from such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and
  - (2) the Issuer acting in a commercially reasonable manner shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Replacement Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; or
- (B) follow the steps for determining the relevant rate or level set out in the Relevant Reference Asset Fallback Provisions (if any); or
- (C) determine that the Notes shall be redeemed, in which case the Issuer shall redeem the Notes at the Early Redemption Amount specified in the relevant Pricing Supplement on the date selected by the Issuer acting in a commercially reasonable manner and give notice of such redemption to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 13 (*Notices*);

**provided, however, that** if (A)(1) it is or would be unlawful at any time under applicable law or regulation or (2) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Notes, then such provision shall not apply and the Issuer shall not make such determination (as the case may be) and the Issuer shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements and (B) the Issuer will, notwithstanding any other provision of this Condition, make any determination and exercise any discretion as to whether the Alternative Pre-Nominated Index is to be used following such Benchmark Trigger Event or which Replacement Index is to be used, and which adjustments are to be made to the Conditions following such replacement, in such manner as to put the Issuer and the Noteholder in substantially the same economic position as prior to the occurrence of the Benchmark Trigger Event, in each case without prejudice to the right of the Issuer to redeem the Notes in accordance with this Condition.

- (b) If the Issuer is not able to determine the Relevant Benchmark in accordance with the provisions of this Condition 15A on any Relevant Benchmark Determination Date, then the Relevant Benchmark Determination Date shall be postponed to such date as it is able to make such determination and any Relevant Benchmark Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Relevant Benchmark Determination Date.
- (c) Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 15A (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Relevant Benchmark Related Payment Date which is so postponed shall be calculated as if such Relevant Benchmark Related Payment Date had not been postponed pursuant to this Condition 15A) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest

shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

- (d) The Issuer shall promptly following the determination of any replacement for a Relevant Benchmark pursuant to paragraph (a)(i)(A) or (a)(ii)(A) above give notice thereof and of any changes pursuant to paragraph (a)(i)(B) or (a)(ii)(A)(2) (as applicable) to the Principal Paying Agent, the Calculation Agent and the Noteholders (in accordance with Condition 13 (*Notices*)).
- (e) Without prejudice, in the case of any Index-Linked Notes, to Condition 22(f)(ii) (*Index Modification*), if the definition, methodology or formula for a Relevant Benchmark in respect of a Series of Notes, or other means of calculating the Relevant Benchmark in respect of a Series of Notes, is changed, then references to such Relevant Benchmark shall be to such Relevant Benchmark as so changed.
- (f) In making any determination under this Condition 15A, the Issuer acting in a commercially reasonable manner shall take account of such facts and circumstances as it considers relevant, including, without limitation, prevailing market practice. Except to the extent such exclusion is prohibited by law, in the absence of fraud or gross negligence on the part of the Issuer, no liability will attach to the Issuer in connection with any determination made by the Issuer pursuant to this Clause 15A.

16. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Holders of Notes of any Series to create and issue further notes ranking equally in all respects with the Notes of such Series so that the same shall be consolidated and form a single series with such Notes for the time being outstanding.

17. **Effects of European Economic and Monetary Union**

Following the occurrence of an EMU Event, the Calculation Agent shall make such adjustment (and determine the effective date of such adjustment) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount, Early Redemption Amount or any amount of interest set out in the relevant Pricing Supplement and/or any other adjustment and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes.

Following the occurrence of an EMU Event, without prejudice to the generality of the foregoing, the Issuer acting in a commercially reasonable manner shall be entitled to make such conversions between amounts denominated in the National Currency Units and the euro, and the euro and the National Currency Units, in each case, in accordance with the conversion rates and rounding rules in Regulation (EC) No. 1103/97 as it determines to be appropriate.

Neither the Issuer nor the Calculation Agent will be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection therewith.

18. **Governing Law**

(a) ***Governing law***

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by and shall be construed in accordance with French law.

(b) ***French courts***

The Commercial Courts of Paris have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with the Notes (including any Dispute regarding the existence, validity or termination of the Notes or the consequence of their nullity).

19. **Determinations by the Issuer**

Notwithstanding any provision of these Conditions or any Pricing Supplement to the contrary, all calculations and determinations made by the Issuer pursuant to the Conditions for the purposes of the Notes shall be made in a commercially reasonable manner.

20. **[Intentionally blank]**

21. **[Intentionally blank]**

**PART B3 -  
*PRO FORMA PRICING SUPPLEMENTS FOR NOTES ISSUED BY HBCE***

For Notes other than Alternative General Conditions Notes, please refer to Part B1 - Pro Forma pricing supplement for the Notes (in section B1 of this Offering Memorandum) and select HSBC Continental Europe as the Issuer.

For Alternative General Conditions Notes only, please refer to Part B2 – Pro Forma pricing supplement for Notes (Alternative Note General Conditions) (in section B2 of this Offering Memorandum) and select HSBC Continental Europe as the Issuer.



**PART B4 -  
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

Notes may, subject to all applicable legal and regulatory requirements, be issued in Tranches or Series comprising either Bearer Notes, Registered Notes or Uncertificated Registered Notes as specified in the relevant Pricing Supplement. No single Tranche or Series of Notes offered in reliance on Rule 144A may include Bearer Notes.

All Bearer Notes, other than in respect of Bearer Notes cleared through the CMU, will be issued in either (i) new global note form (a "**New Global Note**" or "**NGN**"), as set out in Part A and Part B of Schedule 1 to the Issuing and Paying Agency Agreement or, (ii) if not intended to be issued in NGN form, will be issued in classic global note form (a "**Classic Global Note**" or "**CGN**"), as set out in Part A and Part B of Schedule 2 to the Issuing and Paying Agency Agreement, as specified in the relevant Pricing Supplement or in such other form as the relevant parties may agree.

The NGN form has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the Eurosystem, **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form were to be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 would only be eligible as collateral for Eurosystem operations if the NGN form was used.

Registered Notes may be issued under the new safekeeping structure (the "**New Safekeeping Structure**" or "**NSS**") or, if not intended to be issued under the NSS, will be issued under the classic safekeeping structure or such other structure as the relevant parties may agree.

Following the introduction of the NGN form in June 2006, the Eurosystem required the ICSDs to review the custody arrangements for international debt securities in global registered form. Further to this review, the NSS was introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Each time that Bearer Notes are issued in NGN form or Registered Notes are issued under the NSS, the relevant Pricing Supplements shall specify whether or not such Notes are to be held in a manner which will permit them to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations of the Eurosystem.

All Bearer Notes cleared through the CMU will be issued as a temporary global CMU Note or, if so specified in the relevant Pricing Supplement, a permanent global CMU Note which, in either case, will be delivered on or prior to the original issue date of the Tranche to a sub-custodian for the CMU. In respect of a Bearer Global Note held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited by CMU and, save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

**Registered Notes**

In the case of Registered Notes, the relevant Pricing Supplement may specify that the Notes will be issued in global form ("**Global Registered Notes**") held in specified clearing systems, as described below, or in definitive form ("**Definitive Registered Notes**").

**Global Registered Notes**

If Notes are to be issued in the form of Global Registered Notes, the Issuer will deliver:

- (a) a Regulation S Global Registered Note;

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- (b) a Registered Global CMU Note;
- (c) a Rule 144A Global Registered Note;
- (d) an Unrestricted Global Registered Note and a Restricted Global Registered Note; or
- (e) a Combined Global Registered Note,

(as each such term is defined below), subject to the Issuing and Paying Agency Agreement (as defined herein) in accordance with their respective terms and as specified in the relevant Pricing Supplement.

### Regulation S Global Registered Notes

In the case of a Series or Tranche of Registered Notes offered and sold solely outside the United States (as defined in Regulation S) in reliance on Regulation S to non-U.S. persons, such Series or Tranche of Registered Notes may be represented by a Global Registered Note without interest coupons (a "**Regulation S Global Registered Note**"), which will be deposited on or about the closing date (the "**Closing Date**") for the relevant Series or Tranche with the common depository for Euroclear and/or Clearstream, Luxembourg and registered in the name of a nominee for such common depository. Interests in any Regulation S Global Registered Note will be exchangeable (in circumstances described below under "*Exchange and Transfer of Global Registered Notes for Definitive Registered Notes*") for Definitive Registered Notes without any Rule 144A legend ("**Regulation S Definitive Registered Notes**").

Each Regulation S Global Registered Note will have an ISIN number and a CUSIP number.

### Global Registered CMU Notes

In the case of a Series or Tranche of Registered Notes offered and sold solely outside the United States (as defined in Regulation S) in reliance on Regulation S to non U.S. persons and cleared through the CMU, such Series or Tranche of Registered Notes may be represented by a Global Registered CMU Note without interest coupons (a "**Regulation S Global Registered Note**"), which will be deposited on or about the closing date (the "**Closing Date**") for the relevant Series or Tranche with a sub-custodian of the CMU. Interests in any Global Registered CMU Note will be exchangeable (in circumstances described below under "*Exchange and Transfer of Global Registered CMU Notes for Individual CMU Note Certificate*") for individual CMU note certificate without any Rule 144A legend ("**Individual CMU Note Certificate**").

Each Global Registered CMU Note will have a CMU Instrument number.

### Unrestricted and Restricted Global Registered Notes, Rule 144A Global Registered Notes and Combined Global Registered Notes

In the case of a Tranche of Registered Notes offered and sold both pursuant to Regulation S and in reliance on Rule 144A such Tranche of Registered Notes will be represented either by (i) two Global Registered Notes, each without interest coupons (in the case of Registered Notes forming part of such Tranche which are sold pursuant to Regulation S, an "**Unrestricted Global Registered Note**" and, in the case of Registered Notes forming part of such Tranche which are sold in reliance on Rule 144A, a "**Restricted Global Registered Note**"), or (ii) a Rule 144A Global Registered Note without interest coupons (a "**Rule 144A Global Registered Note**"), or (iii) a combined Global Registered Note without interest coupons (a "**Combined Global Registered Note**").

The Unrestricted Global Registered Note will be deposited on or about the issue date for the relevant Tranche with, and registered either in the name of the common depository for Euroclear and Clearstream, Luxembourg, or, in relation to Notes issued under the NSS, in the name of the common safekeeper (the "**Common Safekeeper**") (or its nominee). A beneficial interest in the Unrestricted Global Registered Note may at all times be held only through Euroclear and Clearstream, Luxembourg. The Restricted Global Registered Note will either be deposited on or about the issue date for the relevant Tranche with HSBC Bank USA, National Association as custodian for, and registered in the name of Cede & Co. as nominee for, DTC or will be deposited on or about such Closing Date with, and be registered in the name of a nominee for the common depository for Euroclear and Clearstream, Luxembourg. In the circumstances described below under "*Exchange and Transfer of Global Registered Notes for Definitive Registered Notes*", interests in any Unrestricted Global Registered Note will be exchangeable for Regulation S Definitive Registered Notes and interests in any Restricted Global Registered Note will be exchangeable

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for US Definitive Registered Notes and Regulation S Definitive Registered Notes. Restricted Global Registered Notes (and any US Definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Notes as set out below under "*Transfer Restrictions*".

Each Unrestricted Global Registered Note and each Restricted Global Registered Note will have an ISIN number and a CUSIP number.

Each Rule 144A Global Registered Note will either be deposited on or about the Closing Date for the relevant Tranche with HSBC Bank USA, National Association as custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, DTC or will be deposited on or about such Closing Date with, and be registered in the name of a nominee for the common depository for Euroclear and Clearstream, Luxembourg. Interests in any Rule 144A Global Registered Note will be exchangeable (in the circumstances described below under "*Exchange and Transfer of Global Registered Notes for Definitive Registered Notes*") for Definitive Registered Notes bearing a Rule 144A legend ("**US Definitive Registered Notes**"). Rule 144A Global Registered Notes (and any US Definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in such Rule 144A legend appearing on the face of such Note as set out below under "*Transfer Restrictions*".

Each Rule 144A Global Registered Note will have an ISIN number and a CUSIP number.

Each Combined Global Registered Note will either be deposited on or about the Closing Date for the relevant Tranche with the Custodian for, and registered in the name of Cede & Co. as nominee for, DTC or will be deposited on or about such Closing Date with, and be registered in the name of a nominee for the common depository for Euroclear and Clearstream, Luxembourg. Interests in any Combined Global Registered Note will be exchangeable (in the circumstances described below under "*Exchange and Transfer of Global Registered Notes for Definitive Registered Notes*") for Definitive Registered Notes bearing a Rule 144A legend ("**Combined Definitive Registered Notes**"). Combined Global Registered Notes (and any Combined Definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in such Rule 144A legend appearing on the face of such Note as set out below under "*Transfer Restrictions*".

Each Combined Registered Note will have an ISIN number and a CUSIP number.

#### **Exchange of Interests in Unrestricted and Restricted Global Registered Notes, Transfers within and between DTC, Euroclear and Clearstream, Luxembourg and CMU**

On or prior to the 40<sup>th</sup> day after the later of the commencement of the offering of the relevant Tranche and the issue date for that Tranche, a beneficial interest in the relevant Unrestricted Global Registered Note may be transferred to a person who wishes to take delivery of such beneficial interest through the relevant Restricted Global Registered Note only upon receipt by the Registrar (as defined in the Issuing and Paying Agency Agreement) of a written certification from the transferor (in the applicable form provided in the Issuing and Paying Agency Agreement) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction. After such 40<sup>th</sup> day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Restricted Global Registered Note, as set out below under "*Transfer Restrictions*".

Beneficial interests in a Restricted Global Registered Note may be transferred to a person who wishes to take delivery of such beneficial interest through the relevant Unrestricted Global Registered Note, whether before, on or after such 40<sup>th</sup> day, only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Issuing and Paying Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A under the Securities Act (if available) or to the Issuer or its affiliates.

Any beneficial interest in either the Restricted Global Registered Note or the Unrestricted Global Registered Note relating to any Series that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Registered Note relating to such Series will, upon transfer, cease to be a beneficial interest in such Global Registered Note and become a beneficial interest in the other Global

Registered Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Registered Note for as long as it remains such an interest.

#### **Owner of Global Registered Notes and Payments**

Subject to certain provisions of the Issuing and Paying Agency Agreement relating to directions, sanctions and consents of Holders of Registered Notes and to meetings of Holders of Notes, so long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depository or the Common Safekeeper, a sub-custodian of the CMU, as the case may be, is the registered owner or holder of a Global Registered Note, DTC, Euroclear, Clearstream, Luxembourg or such nominee, or a sub-custodian of the CMU, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Registered Note for all purposes under the Issuing and Paying Agency Agreement and the Notes. Payments of principal, interest and additional amounts, if any, pursuant to Condition 9 (Payments), on Global Registered Notes will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee thereof, common service provider acting as agent for Euroclear and Clearstream, Luxembourg, or the CMU, as the case may be, or the registered holder thereof. None of the Issuer, the Registrar, the CMU Registrar, any Paying Agent or the CMU Lodging and Paying Agent or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Each such payment in respect of a Global Registered Note will be made to the person shown as the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the Register at the close of business (in the relevant clearing system) on the business day on which each clearing system for which the Global Registered Note is being held is open for business which is the business day of each such clearing system before the due date for such payment.

#### **Exchange and Transfer of Global Registered Notes for Definitive Registered Notes**

In the case of Rule 144A Global Registered Notes or Restricted Global Registered Notes held through DTC, beneficial interests in a Rule 144A Global Registered Note or a Restricted Global Registered Note will be exchangeable for US Definitive Registered Notes: (i) if DTC notifies the Issuer that it is no longer willing or able to properly discharge its responsibilities as depository with respect to the relevant Restricted Global Registered Note or ceases to be a clearing agency registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depository; or (ii) if the Issuer, at its option, elects to terminate the book entry system through DTC; or (iii) if an Event of Default occurs as set out in *Condition 11 (Events of Default)*; or (iv) unless otherwise provided in the Pricing Supplement, at the option of the Issuer, if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Notes in definitive form; or (v) if the Issuer so elects, where the Issuer or any Paying Agent, by reason of any change in, or amendment to, the laws of the Relevant Jurisdiction, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if such Notes were in definitive form.

Beneficial interests in a Regulation S Global Registered Note or an Unrestricted Global Registered Note will be exchangeable, in whole but not in part, for Regulation S Definitive Registered Notes and, if held through Euroclear or Clearstream, Luxembourg, pursuant to the relevant Pricing Supplement, beneficial interests in a Rule 144A Global Registered Note or a Restricted Global Registered Note will be exchangeable for US Definitive Registered Notes: (i) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or in fact does so; or (ii) if the Issuer, at its option, elects to terminate the book-entry system through Euroclear and Clearstream, Luxembourg; or (iii) if the Notes become immediately repayable in accordance with Condition 11 (*Events of Default*); or (iv) unless otherwise provided in the Pricing Supplement, at the option of the Issuer, if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Notes in definitive form; or (v) if the Issuer so elects, where the Issuer or any Paying Agent, by reason of any change in, or amendment to, the laws of the Relevant Jurisdiction, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if such Notes were in definitive form.

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Beneficial interests in a Registered Global CMU Note will be exchangeable, in whole but not in part, for Individual CMU Note Certificate: (i) if the CMU is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or in fact does so; or (ii) if the Notes become immediately repayable in accordance with Condition 11 (*Events of Default*); or (iii) unless otherwise provided in the Pricing Supplement, at the option of the Issuer, if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Notes in definitive form; or (iv) if the Issuer so elects, where the Issuer or the CMU Lodging and Paying Agent, by reason of any change in, or amendment to, the laws of the Relevant Jurisdiction, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if such Notes were in definitive form.

Beneficial interests in a Combined Global Registered Note will be exchangeable, in whole but not in part, for Combined Definitive Registered Notes: (i) if Euroclear or Clearstream, Luxembourg or any other clearing system by which the Notes have been accepted for clearing is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or in fact does so; or (ii) if the Issuer, at its option, elects to terminate the book entry system through Euroclear and/or Clearstream, Luxembourg; or (iii) the Notes become immediately repayable in accordance with Condition 11 (*Events of Default*); or (iv) unless otherwise provided in the Pricing Supplement, at the option of the Issuer, if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Notes in definitive form; or (v) if the Issuer so elects, where the Issuer or any Paying Agent, by reason of any change in, or amendment to, the laws of the Relevant Jurisdiction, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if such Notes were in definitive form.

In such circumstances, (a) the Registrar, or in the case of CMU Notes, the CMU Registrar, will be required to notify all Holders of interests in the relevant Global Registered Notes registered in the name of DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depositary, the Common Safekeeper or a sub-custodian of the CMU, as the case may be, of the availability of Definitive Registered Notes and (b) the Issuer will, at the cost of the Issuer, cause sufficient Regulation S Definitive Registered Notes and/or US Definitive Registered Notes or Combined Definitive Registered Notes or Individual CMU Note Certificates, as the case may be, to be executed and delivered to the Registrar, or in the case of CMU Notes, the CMU Registrar, for completion, authentication and dispatch to the relevant Holders. A person having an interest in the relevant Global Registered Note must provide the Registrar, or in the case of CMU Notes, the CMU Registrar, with a written order containing instructions and such other information as the Issuer and the Registrar, or in the case of CMU Notes, the CMU Registrar, may require to complete, execute and deliver the relevant Definitive Registered Note and:

- (a) in the case of a Rule 144A Global Registered Note or a Restricted Global Registered Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. US Definitive Registered Notes issued in exchange for a beneficial interest in a Rule 144A Global Registered Note or a Restricted Global Registered Note will bear the legends applicable to transfers pursuant to Rule 144A (as set out below under "*Transfer Restrictions*"); or
- (b) in the case of a Combined Global Registered Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A or Regulation S, a certification that the transfer is being made in compliance with the provisions of Rule 144A or Regulation S, as applicable. Combined Definitive Registered Notes issued in exchange for a beneficial interest in a Combined Global Registered Note will bear the legends applicable to transfers pursuant to Rule 144A and Regulation S (as set out below under "*Transfer Restrictions*").

If an Unrestricted Global Registered Note relating to a Series or (if issued in Tranches) Tranche of Notes of which the Restricted Global Registered Note forms a part has, pursuant to its terms, been exchanged in whole, but not in part, for Regulation S Definitive Registered Notes, beneficial interests in the Restricted Global Registered Note may be transferred to a person who wishes to take delivery thereof in the form of a Regulation S Definitive Registered Note. Such Regulation S Definitive Registered Notes shall be

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registered in such name(s) as DTC, Euroclear or Clearstream, Luxembourg, as applicable, shall direct in writing.

Upon (i) notification to the Registrar by the Custodian (in the case of a Restricted Global Registered Note held in DTC) or the common depository or Common Safekeeper for Euroclear and Clearstream, Luxembourg (in the case of a Restricted Global Registered Note held in Euroclear and Clearstream Luxembourg) that the appropriate debit entry has been made in the account of the relevant participant of DTC and (ii) receipt by the Registrar of a certificate, in the form scheduled to the Issuing and Paying Agency Agreement, given by the transferee of the beneficial interest in the Restricted Global Registered Note and stating that the transfer of such interest has been made in compliance with the transfer restrictions applicable to the Notes, and pursuant to and in accordance with Regulation S under the Securities Act, the Issuer shall procure that the Registrar will (against presentation by DTC or HSBC Bank USA, National Association, as Custodian, or, (as the case may be) the common depository (or HSBC Issuer Services Common Depository Nominee (UK) Limited as its nominee) or the Common Safekeeper (or its nominee) of the Restricted Global Registered Note at the specified office of the Registrar or the Transfer Agent, all in accordance with the provisions of the Issuing and Paying Agency Agreement), decrease the aggregate principal amount of Notes registered in the name of the holder of, and represented by, the Restricted Global Registered Note and shall, without charge, procure, in exchange therefor, the delivery, within five Relevant Banking Days of the receipt by the Registrar of the Restricted Global Registered Note of the notification and certification referred to in paragraphs (i) and (ii) above, and registration information required to authenticate and deliver such Regulation S Definitive Registered Notes, of an equal aggregate principal amount of duly authenticated and completed Regulation S Definitive Registered Notes.

The holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 2 (*Form, Denomination and Title*).

The holder of a Definitive Registered Note may transfer such Note by surrendering it at the specified office of the Registrar, or in the case of CMU Notes, the CMU Registrar, or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of US Definitive Registered Notes issued in exchange for beneficial interests in a Rule 144A Global Registered Note or a Restricted Global Registered Note bearing the legend as set out below under "Transfer Restrictions", or upon specific request for removal of the legend on a US Definitive Registered Note, the Issuer will only deliver US Definitive Registered Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar, or in the case of CMU Notes, the CMU Registrar, such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the legend nor the restriction on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar, or in the case of CMU Notes, the CMU Registrar, will not register the transfer of or exchange of interests in a Global Registered Note for Definitive Registered Notes for a period of 15 calendar days preceding the due date for any payment in respect of the Notes.

With respect to the registration of transfer of any US Definitive Registered Notes, the Registrar will register the transfer of any such US Definitive Registered Notes if the transferor, in the form of transfer on such US Definitive Registered Notes, has certified to the effect that such transfer is (i) to persons who the transferor reasonably believes to be qualified institutional buyers within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, (ii) in accordance with Regulation S, (iii) pursuant to an exemption from Rule 144 under the Securities Act (if available) or (iv) to the Issuer or its affiliates.

Regulation S Definitive Registered Notes may be exchangeable for or transferable to a person wanting to take delivery thereof in the form of interests in a Restricted Global Registered Note, and US Definitive Registered Notes may be transferable to a person wanting to take delivery thereof in the form of interests in an Unrestricted Global Registered Note, in each case, upon receipt by the Registrar of a duly completed certificate in the form of Schedule 7 to the Issuing and Paying Agency Agreement and in accordance with the requirements of the Issuing and Paying Agency Agreement.

#### **Transfer Restrictions**

Notes offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers",

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in each case in reliance on Rule 144A will be subject to the following transfer restrictions and such Notes will bear the legend set forth below.

Because of the following restrictions, purchasers of Notes offered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and this Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that the Pricing Supplement and this Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of the Pricing Supplement and this Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of the Pricing Supplement and this Offering Memorandum or any documents referred to herein.

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as the investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (i) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (ii) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (iii) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes, Combined Global Registered Notes and any US Definitive Registered Notes or Combined Definitive Registered Notes (as defined in "*Part B4 - Summary of Provisions relating to the Notes while in Global Form*" in the accompanying Offering Memorandum) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "**QUALIFIED INSTITUTIONAL BUYERS**", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION**

S")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*<sup>30</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

*OR*<sup>31</sup>

[EACH EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "BENEFIT PLAN INVESTOR" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i)

<sup>30</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

<sup>31</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".



SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW) AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS NOTE OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.]

In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes will be required to acknowledge that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it will be required to represent that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in this Offering Memorandum.

If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter, in its fiduciary and individual capacity), on

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each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Notes or any interests therein will not be), and is not (and for so long as it holds such Notes or interests therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Note or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction.

Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above.

#### Bearer Notes

Bearer Notes treated as issued in bearer form for U.S. federal income tax purposes will be issued in accordance with the provisions of United States Treasury Regulations 1.163-5(c)(1)(ii) and 1.163-5(c)(2)(i)(D) ("**TEFRA D**", which definition shall include any successor rules in substantially the same form as TEFRA D for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")), unless the relevant Pricing Supplement provides that such Notes will be issued in accordance with the provisions of United States Treasury Regulations 1.163-5(c)(1)(ii) and 1.163-5(c)(2)(i)(C) ("**TEFRA C**", which definition shall include any successor rules in substantially the same form as TEFRA C for the purposes of Section 4701 of the Code). Bearer Notes issued in accordance with TEFRA D will be represented upon issue by a temporary global note in bearer form without interest coupons (a "**Temporary Global Note**"). Bearer Notes issued in accordance with TEFRA C will be represented upon issue by a permanent global note in bearer form without interest coupons (a "**Permanent Global Note**") or by a Temporary Global Note. Each Temporary Global Note or, as the case may be, Permanent Global Note which is not intended to be issued in NGN form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear and/or Clearstream, Luxembourg and/or the CMU and/or any other relevant clearing system. Each Temporary Global Note or, as the case may be, Permanent Global Note which is intended to be issued in NGN form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Beneficial interests in a Temporary Global Note issued in accordance with TEFRA C will be exchangeable at any time and without any requirement for certification for Bearer Notes in definitive form ("**Definitive Bearer Notes**"), in accordance with the terms of such Temporary Global Note and as specified in the relevant Pricing Supplement. Interests in a Temporary Global Note issued in accordance with TEFRA D will be exchangeable either for Definitive Bearer Notes or for interests in a Permanent Global Note, on or after the date which is forty days after the date on which such Temporary Global Note is issued and upon certification as to non-U.S. beneficial ownership thereof or otherwise as required by U.S. Treasury Regulations, in accordance with the terms of such Temporary Global Note and as specified in the relevant Pricing Supplement.

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For the purposes of complying with TEFRA D, Bearer Notes may not be offered or sold to a United States person. "**United States person**" means any person who is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organised under the laws of the United States or any political subdivision thereof or therein or (iii) an estate or trust the income of which is subject to United States taxation regardless of its source.

The forms of Temporary Global Note and Permanent Global Note (each, a "**Global Note**") will contain provisions applicable to the Notes represented thereby, some of which may modify the effect of the Conditions of the Notes. Certain of these are summarised in this section.

All payments, if any, in respect of Bearer Notes when represented by a Temporary Global Note or Permanent Global Note in CGN form or in NGN form, or a temporary global CMU Note or permanent global CMU Note, will be made against presentation and surrender or, as the case may be, presentation of the relevant temporary global note or permanent global note at the specified office of any of the Paying Agents. On each occasion on which a payment is so made, the Issuer shall procure that, in respect of a CGN or a CMU Note, record of such payment is noted on a schedule to the relevant Global Note and, in respect of an NGN, the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

In respect of Bearer Notes represented by Global Notes, each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg, the CMU and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg, the CMU and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg, the CMU and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes.

The records of the relevant clearing systems which reflect the amount of Noteholders' interests in the Notes shall be conclusive evidence of the nominal amount of Notes represented by the Global Notes.

An exchange of a Temporary Global Note for Definitive Notes or, as the case may be, a Permanent Global Note will be made only on or after the Exchange Date (as set out in the relevant Pricing Supplement) and provided certification as to the beneficial ownership thereof as required by the US Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depositary) has been received.

The bearer of any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole or in part) for a Permanent Global Note or for delivery of Definitive Notes, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

If any date on which a payment of principal or interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by a Temporary Global Note, the related principal or interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by the US Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depositary) has been received by Euroclear or Clearstream, Luxembourg, the CMU or any other relevant clearing system or depositary. Payments of amounts due in respect of a Permanent Global Note will be made through any of Euroclear or Clearstream, Luxembourg, the CMU or any other relevant clearing system or depositary without any requirement for certification.

Interests in a Permanent Global Note will be exchanged, at the cost and expense of the Issuer, by the Issuer in whole, for Definitive Notes (a) at the option of the holder of such Permanent Global Note, for Definitive Notes, if the Notes of the relevant Series become immediately repayable in accordance with Condition 11 (*Events of Default*), or (b) if any of Euroclear or Clearstream, Luxembourg, the CMU or any other relevant clearing system or depositary is closed for business for a continuous period of fourteen days (other than by

#### Part B4 - Summary of Provisions relating to the Notes while in Global Form

reason of public holidays) or announces an intention to cease business permanently or in fact does so, or (c) at the option of the Issuer, (i) unless otherwise provided in the Pricing Supplement, if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Notes in definitive form; or (ii) where the Issuer or any Paying Agent, by reason of any change in, or amendment to, the laws of the Relevant Jurisdiction, is or will be required to make any deduction or withholding from any payment under the Notes, which would not be required if the Notes were in definitive form.

Where a Permanent Global Note is exchangeable for Definitive Notes, then such Notes shall be tradable only in principal amounts of at least the Denomination (or if there is more than one Denomination, the lowest Denomination).

The Issuer may, at any time in writing, waive or limit its right to exchange a Permanent Global Note for Definitive Notes in the circumstances described above, where the Issuer at its sole discretion considers such limitation or waiver to be desirable in respect of a particular Series of Notes.

Definitive Bearer Notes will, if interest-bearing and if so specified in the relevant Pricing Supplement, have Coupons and, if applicable, a talon for further Coupons attached. All Definitive Bearer Notes will, if the principal thereof is repayable by instalments, have endorsed thereon a grid for recording the payment of principal.

Following redenomination of the Notes pursuant to Condition 10 (*Redenomination*):

- (i) if Notes are required to be issued in definitive form, they shall be issued at the expense of the Issuer in the denominations of euro 0.01, euro 1,000, euro 10,000, euro 100,000 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders; and
- (ii) the amount of interest due in respect of Notes represented by the Temporary Global Note and the Permanent Global Note will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest euro 0.01.

All notices to the Holders of Notes or the Coupons appertaining thereto will be valid, in the case of Notes in global form, if delivered to Euroclear and/or Clearstream, Luxembourg, the CMU and/or any other relevant clearing system, depository or common safekeeper (as may be agreed between the Issuer and the Dealer) for communication by them to the persons shown in their respective records as having interests therein; **provided that**, in each case, in the case of Notes that have been admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, the rules of such listing authority, stock exchange and/or quotation system have been complied with. Any such notice shall be deemed to have been given on the date of such delivery or, if the Notes are admitted to listing, trading and/or quotation and publication is required under the applicable rules of the relevant listing authority, stock exchange and/or quotation system, on the date of publication or, if published more than once, on the date of the first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

Holders of any Coupons appertaining to Bearer Notes will be deemed for all purposes to have notice of the contents of any notice given to the Holders of such Bearer Notes in accordance herewith.

**PART B4 -  
SUBSCRIPTION AND SALE OF NOTES**

**General**

- (1) Each Dealer has, in a Master Note Issuance Agreement, agreed with the Issuer a basis upon which it may from time to time agree either as principal or agent of the Issuer to subscribe for or purchase, to underwrite or, as the case may be, to procure subscribers or purchasers for Notes. When entering into any such agreement to subscribe for or purchase, to underwrite, or as the case may be, to procure subscribers for or purchasers for any particular Series of Notes, the Issuer and the relevant Dealer(s) will agree details relating to the form of such Notes and the Conditions relating to such Notes, the price at which such Notes will be purchased by the relevant Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription or purchase. The Master Note Issuance Agreement contains provisions for the Issuer to appoint other Dealers from time to time either generally in respect of the Programme or in relation to a particular Tranche of Notes.
- (2) Other than with respect to the admission to listing, trading and/or quotation by one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the Pricing Supplement, no action has been or will be taken in any country or jurisdiction by the Issuer or the relevant Dealer(s) that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Memorandum or any Pricing Supplement comes are required by the Issuer and the relevant Dealer(s) to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute this Offering Memorandum or any Pricing Supplements or related offering material, in all cases at their own expense.

**Australia**

This Offering Memorandum is not a disclosure document under Chapter 6D or Part 7.9 of the *Corporations Act 2001* (Cth) and has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"). This Offering Memorandum does not purport to include the information required of a disclosure document under Chapter 6D or Part 7.9 of the *Corporations Act 2001* (Cth). The offer of Notes referred to in this Offering Memorandum is made only to persons to whom it is lawful to offer securities in Australia without a disclosure document lodged with ASIC and complies with the terms of any authority granted under the *Banking Act 1959* (Cth) of Australia. This means the offer is directed only to investors who come within one of the categories set out in section 708(8) or 708(11) of the *Corporations Act 2001* (Cth) ("**Sophisticated Investors**" and "**Professional Investors**", respectively).

As no formal disclosure document (such as an offering memorandum) will be lodged with ASIC, the Notes may only be offered and issued to one of the categories of Sophisticated or Professional Investors. If any recipient of this Offering Memorandum is not a Sophisticated Investor or a Professional Investor, no offer of, or invitation to apply for, the Notes shall be deemed to be made to such recipient and no applications for the Notes will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient.

If a person to whom Notes are issued (an "**Investor**") on-sells the Notes within 12 months from their issue, the Investor will be required to lodge a prospectus with ASIC unless either:

- (a) that sale is to another Sophisticated Investor or Professional Investor; or
- (b) the sale offer is received outside Australia.

Each Investor acknowledges the above and, by applying for Notes under this Offering Memorandum, gives an undertaking not to sell those Notes in any circumstances other than those described in paragraphs (a) and (b) above for 12 months after the date of issue of such Notes.

In addition, each Dealer and Investor has represented and agreed that it will comply with Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated by the Australian Prudential Regulation Authority and which requires all offers and transfers to be in parcels of not less than A\$500,000 in aggregate principal amount. Banking exemption No. 1 does not apply to transfers which occur outside Australia.

This Offering Memorandum is not, and under no circumstances is to be construed as, an advertisement or public offering of the Notes in Australia.

This Offering Memorandum is distributed to investors in Australia and any offer of Notes is made to investors in Australia, in each case subject to the conditions set out above, on behalf of each of the institutional managers by their respective licensed affiliates, each of which holds an Australian Financial Services License which permits such licence holder to distribute this Offering Memorandum and offer the Notes to investors in Australia.

The Issuer is not licensed to provide financial product advice in Australia and nothing in this Offering Memorandum takes into account the investment objectives, financial situation and particular needs of any individual investors. The Issuer and Dealers recommend that investors read this Offering Memorandum before making a decision to acquire Notes.

#### **Arab Republic of Egypt**

The Notes have not been and will not be publicly offered, sold, promoted or advertised in Egypt, other than in compliance with any laws applicable in Egypt governing the issue, offering and sale of securities. This Offering Memorandum does not constitute a public offer of Notes in Egypt and is not intended to be a public offer. The Notes to be issued under the Programme and this Offering Memorandum have not been reviewed, filed or registered with the Egyptian Financial Regulatory Authority or other relevant authorities in Egypt.

#### **Dubai International Financial Centre**

The Notes have not been and may not be offered to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the "DFSA") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

#### **European Economic Area**

##### ***Prohibition of Sales to EEA Retail Investors***

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"); and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

#### **Public Offer Selling Restriction Under the EU Prospectus Regulation**

In relation to any Notes if the Pricing Supplement in respect of such Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in a Member State of the European Economic Area (an "**EEA Member State**") except that it may make an offer of such Notes to the public in that EEA Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

**provided that** no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended).

#### ***Selling Restrictions Addressing Additional Belgian Securities Laws***

This Offering Memorandum has not been submitted for approval to the Belgian Financial Services and Markets Authority. Accordingly, Notes that have a maturity of less than 12 months and qualify as money market instruments (and that therefore fall outside the scope of the Prospectus Regulation) may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 4, 2° of the Belgian law of 11 July 2018 on the offer of investment instruments to the public and the admission of investment instrument to trading on a regulated market.

Notes other than Alternative General Conditions Notes are not intended to be sold to Belgian Consumers (as defined below). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes other than Alternative General Conditions Notes to Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, the Offering Memorandum, the relevant Pricing Supplement or any other offering material relating to Notes other than Alternative General Conditions Notes to Belgian Consumers.

For these purposes, a "**Belgian Consumer**" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.

#### ***Selling Restrictions Addressing Additional French Securities Laws***

Notes may not be offered or sold, directly or indirectly, nor may this Offering Memorandum, any relevant Pricing Supplement or any other offering material relating to the Notes be distributed or caused to be distributed in France other than (i) to qualified investors (*investisseurs qualifiés*) as referred to in Article L.411-2 1° of the French *Code monétaire et financier* and defined in Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, or otherwise (ii) in compliance with all applicable French laws and regulations.

***Selling Restrictions Addressing Additional Republic of Italy Securities Laws***

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, and no copies of this Offering Memorandum and any other document relating to the Notes may be distributed in the Republic of Italy except:

1. to "**qualified investors**", as defined in Regulation (EU) 2017/1129 of 14 June 2017 (as amended, the "**EU Prospectus Regulation**");
2. that Notes may be offered, sold or delivered or copies of any prospectus relating to such Notes may be distributed in an offer to the public in the period commencing on the date of publication of such prospectus, **provided that** such prospectus has been approved in another Member State and notified to CONSOB, all in accordance with the EU Prospectus Regulation, Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"), and ending on the date which is 12 months after the date of approval of such prospectus; and
3. in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under the EU Prospectus Regulation, Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020); and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

*Provisions relating to the secondary market in Italy*

Investors should also note that in any subsequent distribution of the Notes in the Republic of Italy the EU Prospectus Regulation and Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, Article 100-bis of Decree No. 58 provides that where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the EU Prospectus Regulation or Decree No. 58 applies.

***Selling Restrictions Addressing Additional Netherlands Securities Laws***

*Compliance with Dutch Savings Certificates Act:* Zero Coupon Notes (as defined below) in definitive form of any Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside



The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein, "**Zero Coupon Notes**" are notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

*"Selling restriction for Notes issued by HBME:* Notes and Warrants issued by HBME may not be offered or sold, directly or indirectly, nor may this Offering Memorandum, any relevant Pricing Supplement or any other offering material relating to the Notes be distributed or caused to be distributed in The Netherlands other than to qualified investors (*gekwalificeerde beleggers*) as defined in Article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)."

***Selling Restrictions Addressing Additional Norway Securities Laws***

Notes denominated in Norwegian Krone (NOK) may not be offered or sold, directly or indirectly, within the Kingdom of Norway or to or for the benefit of Norwegian purchasers. Each purchaser of Notes denominated in Norwegian Krone (NOK) will be deemed to have acknowledged, represented and agreed that such Notes may not be offered or resold within the Kingdom of Norway or to or for the benefit of Norwegian purchasers.

***Selling Restrictions Addressing Additional Kingdom of Spain Securities Laws***

Neither the Notes nor this Offering Memorandum have been registered with the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, the Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

The Notes may only be offered or sold in Spain by institutions authorised under Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (the "**Spanish Securities Markets and Investment Services Law**"), Royal Decree 217/2008 of 15 February on the legal regime applicable to investment services companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*) as amended and restated or replaced from time to time and related legislation to provide investment services in Spain and in accordance with the provisions of the Spanish Securities Markets and Investment Services Law and further developing legislation.

**Bolivia**

Neither the Notes nor this Offering Memorandum have been registered with the Bolivian Financial System Controlling Authority (ASFI) nor with the Bolivian Stock Exchange Commission and it is not intended that the Notes or this Offering Memorandum will be registered with such institutions.

The Notes may not be offered or sold, directly or indirectly, nor may this Offering Memorandum, any relevant Pricing Supplement or any other offering material relating to the Notes be distributed or caused to be distributed to the public in Bolivia. An offer of Notes to the public in Bolivia will be made only in compliance with the applicable laws, regulations and procedures in Bolivia and formalities required by Bolivian laws and regulations to permit the offering and sale of Notes in Bolivia to the public.

The Notes may only be offered or sold, directly or indirectly in Bolivia, without a prior license from the Bolivian Financial System Controlling Authority (ASFI) and the Bolivian Stock Exchange Commission under a private placement regime. Therefore, the Offering Memorandum, the Notes or any material relating thereto, shall not be circulated or distributed, whether directly or indirectly, in Bolivia or to Bolivian citizens, corporations or residents, except in a manner that will not be considered as a "public offer", or as "habitual", under the prevailing law and regulations in Bolivia.

**Gibraltar**

An invitation or inducement to enter or offer to enter into an agreement the making or performance of which by either party constitutes the carrying on of a regulated activity (within the meaning of section 12 of the Financial Services Act 2019 of Gibraltar (the "**FSA19**")) may only be communicated or caused to be communicated in connection with the issue or sale of Notes in circumstances in which section 12(1) of the

FSA19 does not apply to HBME or HBCE (in the case of Notes issued by HBME or HBCE) or would not, if it was not an authorised person, apply to HBEU (in case of Notes issued by HBEU).

All applicable provisions of the FSA19 must be complied with in respect of anything done in connection with the Notes in, from or otherwise involving Gibraltar.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in Gibraltar where the issuance or marketing of such Notes are subject to the supervision of the Gibraltar Financial Services Commission (the "GFSC") and to the Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of section 6 of the European Union (Withdrawal) Act 2019 of Gibraltar (the "**Gibraltar PRIIPS Regulations**"). Consequently, the requirements of the Gibraltar PRIIPS Regulations in respect of Packaged Retail Investment Products have not been met and therefore offering or selling the Notes in, from or into Gibraltar may not be permitted without complying with the requirements set out in the Gibraltar PRIIPS Regulations and other applicable laws and regulations in Gibraltar.

### **Guernsey**

The Notes may only be offered or sold in, or from within the Bailiwick of Guernsey either (i) to or by persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 or (ii) to persons licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 2020 or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002 or (iv) to persons licensed under the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 or (v) to licensees under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020.

This Offering Memorandum has not been registered with the Guernsey Financial Services Commission and it is not intended that this Offering Memorandum will be registered with the Guernsey Financial Services Commission under the Prospectus Rules and Guidance, 2021, on the basis that an offer will be in respect of Notes to be listed on Euronext Dublin's Official List and trading on its Global Exchange Market.

Where the Notes are not to be so listed and traded, the offer will not be made to the public in Guernsey. Therefore, the number of persons in Guernsey to whom an offer for Notes that are not listed on Euronext Dublin's Official List and trading on its Global Exchange Market is so communicated must not exceed fifty.

### **Hong Kong**

Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) may not be offered or sold in Hong Kong by means of any document other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) may be issued or held in the possession of the Issuer or any Dealer or any other offeror nominated by the Issuer for the purpose of such issue of Notes, whether in Hong Kong or elsewhere, other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### **Indonesia**

No registration statement with respect to this Offering Memorandum and Pricing Supplement has been and no such registration statement will be filed with the Financial Services Authority (*Otoritas Jasa Keuangan* or OJK) of the Republic of Indonesia. The Notes, therefore, shall not be offered or sold or be the subject of an invitation for subscription or purchase, and this Offering Memorandum, Pricing Supplement or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, shall not be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the prevailing law and regulations in the Republic of Indonesia.

### Isle of Man

Each Dealer appointed under the Programme (other than the Issuer) will be required to represent and agree that it shall only offer or sell Notes in or from the Isle of Man if it holds an appropriate financial services licence issued by the Isle of Man Financial Services Authority (the "FSA") under section 7 of the Isle of Man Financial Services Act 2008 (the "FS Act") or, where it does not hold such a licence, it shall only offer or sell Notes to an "Isle of Man person" (within the meaning of the Isle of Man Regulated Activities Order 2011, as amended (the "Order")) where it is an "overseas person" (within the meaning of the Order) who is authorised to offer and sell the Notes by a regulator outside the Isle of Man and either (i) the offer or sale of the Notes is the direct result of an approach made to such Dealer by or on behalf of the Isle of Man person which has not been solicited by such Dealer (otherwise than by means of an advertisement which is neither targeted at Isle of Man persons nor disseminated by a medium which is targeted at Isle of Man persons); or (ii) the Isle of Man person: (A) holds a licence issued by the FSA under section 7 of the FS Act to carry on a regulated activity; or (B) is a person falling within exclusion 2(r) contained in Schedule 1 to the Order; or (C) is a person whose ordinary business activities involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of his business.

### Israel

This Offering Memorandum has not been approved by the Israeli Securities Authority and must not be distributed to Israeli residents in a manner that would constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 1968 (the "Securities Law"). The Notes may only be offered to those categories of investors listed in the First Addendum (the "Addendum") to the Securities Law ("**Sophisticated Investors**") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing Notes for themselves), members of the Tel-Aviv Stock Exchange (purchasing Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing Notes for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, other than formed for the specific purpose of an acquisition pursuant to an offer, with a shareholders' equity in excess of NIS 50 million, and individuals investing for their own account, in respect of which at least one of the following applies: the total value of their cash, deposits, financial assets (as defined in the Investment Advice Law) and securities traded on a stock exchange licensed under the Securities Law (together, "**Liquid Assets**") exceeds NIS 8,364,177; their level of income over each of the preceding two years exceeds NIS 1,254,627, or the level of income of their "family unit" exceeds NIS 1,881,940; or the aggregate value of all their Liquid Assets exceeds NIS 5,227,610 and their level of income over each of the preceding two years exceeds NIS 627,313, or the level of income of their "family unit" exceeds NIS 940,969; each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

This Offering Memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a Note is purchasing such Note for its own benefit and account and not with the aim or intention of distributing or offering such Note to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing Notes for another party which is a Sophisticated Investor). As a prerequisite to the receipt of a copy of this Offering Memorandum a recipient may be required to provide confirmation that it is a Sophisticated Investor purchasing Notes for its own account or, where applicable, for other Sophisticated Investors.

The Issuer does not hold a licence under the Investment Advice Law to conduct investment marketing. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making any investment. Nothing in this Offering Memorandum should be considered Investment Advice or Investment Marketing defined in the Investment Advice Law.

This Offering Memorandum does not constitute an offer to sell to, or a solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful,

or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

### Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, Notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### Jersey

No consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958 has been obtained in relation to the circulation in Jersey of any offer of Notes and any such offer must be addressed exclusively to a restricted circle of persons in Jersey. For these purposes an offer is not addressed exclusively to a restricted circle of persons unless (i) the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror's appointed agent, (ii) the members of that category are the only persons who may accept the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the offer and (iii) the number of persons in Jersey to whom the offer is so communicated does not exceed fifty.

### Kingdom of Bahrain

The Notes have not been and may not be offered or sold except that the Notes may be marketed on a private placement basis to persons in the Kingdom of Bahrain who are "**accredited investors**" for an offer outside Bahrain.

For this purpose, an "**accredited investor**" means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more excluding that person's principal place of residence; or
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

### Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public or parallel market offering of the Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of Saudi Arabia ("**CMA**") as amended from time to time (the "**KSA Regulations**") and made through a person authorised by the CMA to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to such offerees as are permitted under the KSA Regulations. Any offer of Notes to a Saudi Investor will be made in compliance with the KSA Regulations.

Investors are informed that the KSA Regulations place restrictions on secondary market activity with respect to the Notes acquired pursuant to a private placement. Any Saudi Investor who has acquired Notes pursuant to a private placement in accordance with the KSA Regulations may not offer or sell those Notes to any person unless the offer or sale is made through a capital market institution appropriately licensed by the CMA and the other requirements in relation to secondary market activity under the KSA Regulations have been satisfied.

In addition, unless the Issuer agrees otherwise in relation to a Tranche of Notes, Notes may not be offered or sold to any person registered as a qualified foreign investor ("QFI") under the CMA's Rules for Foreign Investment in Securities.

#### **Korea**

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act of Korea and the decrees and regulations thereunder. The Notes may not be offered or sold, directly or indirectly, or offered or sold for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Law of Korea and its Presidential Decree), except as otherwise permitted by the applicable Korean laws and regulations.

#### **Lebanese Republic**

The marketing, offering, distribution, sale, re-sale or buy-back of Notes in the Lebanese Republic shall comply with all applicable laws and regulations in the Lebanese Republic and, in particular, Law No. 161 dated 17 August 2011 governing capital markets, Capital Markets Authority Series No. 2000 regarding licensing and registration published on 19 January 2017, Banque Du Liban intermediary circular No. 437 relating to financial operations and activities in financial markets published on 15 December 2016, and Capital Markets Authority Series No. 6000 regarding offering of securities regulation published on 7 August 2017.

#### **Malaysia**

No recognition by the Securities Commission Malaysia pursuant to Section 212 of the Malaysian Capital Markets and Services Act 2007 nor approval of any other Malaysian regulatory authority has been or will be obtained in connection with the offer and sale of the Notes in Malaysia nor will any prospectus or other offering material or document in connection with the offer and sale of the Notes be registered or lodged with the Securities Commission Malaysia or any other Malaysian regulatory authority. Accordingly, the Notes are not being, and will not be deemed to be, issued, made available, offered for subscription or purchase, directly or indirectly, in Malaysia and neither this Offering Memorandum nor any document or other material in connection therewith is being or will be distributed, circulated or caused to be distributed or circulated or made available, in Malaysia.

In addition to the above, the Notes may not be offered or sold in or from within the Federal Territory of Labuan without the prior written approval of the Labuan Financial Services Authority ("LFSA") or otherwise in compliance with the Labuan Financial Services and Securities Act 2010 ("LFSSA") unless such offer, sale or invitation complies with the LFSSA and the requirements of LFSA. No proposal has been submitted to LFSA for its approval under the LFSSA in respect of the Notes, and no prospectus or any other offering material or document relating to the Notes which complies with the requirements of the LFSSA has been or will be registered with the LFSA under the LFSSA.

#### **Mexico**

The Notes have not been and will not be registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) (the "CNBV"), and may not be offered or sold publicly in Mexico, except that the Notes may be offered to institutional and qualified investors pursuant to the private placement exemption set forth in article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*). The information contained in this Offering Memorandum and in the Pricing Supplement is exclusively the responsibility of the Issuer and has not been reviewed or authorised by the CNBV. The acquisition of the Notes by an investor who is a resident of Mexico will be made under such investor's own responsibility.

#### **Mainland China**

Except as permitted by applicable laws and regulations in mainland China, (i) Notes linked to mainland China underlyings (including those underlying an underlying index, but excluding those linked to China Connect Underlyings) may not be offered or sold, directly or indirectly, in mainland China, or offered or sold to any Domestic Investor, or to any person using funds to purchase Notes sourced from any Domestic Investor and (ii) the Notes (other than the Notes in sub-paragraph (i)) may not be offered or sold, directly

or indirectly, in mainland China, or offered or sold to any Domestic Investor, in each case, where "**Domestic Investor**" means:

- (a) a PRC Citizen; and/or
- (b) a PRC Entity.

"**PRC Citizen**" means any person who (a) holds a PRC Identity Document and (b) does not hold any Non-PRC Permanent Residency Document.

"**PRC Identity Document**" means any of mainland China residency household register, mainland China resident identity card, PRC passport and Exit-entry Permit for Travelling to and from Hong Kong and Macao (EEP). For the avoidance of doubt, a PRC Identity Document does not include an Entry Permit for Travelling to Hong Kong and Macao (commonly known as one-way permit).

"**Non-PRC Permanent Residency Document**" means any permanent resident card, permanent resident visa or any other equivalent government issued permanent residency document, in each case, of a country or region outside mainland China.

"**PRC Entity**" means any legal entity incorporated, organised, registered and/or otherwise established in mainland China. For the avoidance of doubt, a PRC Entity does not include a branch or a subsidiary of any entity specified in the preceding sentence, which is lawfully registered in any country or region outside mainland China.

In addition, Notes linked to a China Connect Underlying that is (i) any securities listed on the ChiNext Board of the Shenzhen Stock Exchange which may be traded by Hong Kong and international investors through the China Connect Service ("**ChiNext Shares**") or (ii) any securities listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange which may be traded by Hong Kong and international investors through the China Connect Service ("**STAR Shares**") or (iii) such securities designated by the Issuer from time to time (which may be via a designated website) ("**Other Designated Securities**"), may be offered or sold only to an investor that is a "professional investor" within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO or other types of investors that are permitted or approved by the relevant governmental or regulatory authorities, exchanges and/or clearing systems to trade ChiNext Shares, STAR Shares and/or Other Designated Securities (as the case may be) through the China Connect Service.

In respect of any Notes, this Offering Memorandum or any information obtained by reference herein relating to the Notes does not constitute an offer to sell or the solicitation of an offer to buy any securities in mainland China to any person to whom it is unlawful to make the offer or solicitation in mainland China. This Offering Memorandum, any information contained herein or the Notes have not been, or will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in mainland China and thus may not be supplied to the public in mainland China or used in connection with any offer for the subscription or sale of the Notes in mainland China. The Issuer does not represent that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in mainland China, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Notes or distribution of this Offering Memorandum in mainland China.

## **Peru**

The contents of this Offering Memorandum and the Notes issued and traded hereunder, have not been reviewed nor authorised by the Capital Markets Superintendence (*Superintendencia del Mercado de Valores*, the "**SMV**") nor the Private Pension Funds, Banking and Insurance Superintendence (*Superintendencia de Banca, Seguros y AFP*, the "**SBS**"). Therefore, investors will not benefit from protection of any of the aforementioned regulatory authorities.

The Notes have not been and will not be registered with the Capital Markets Public Registry of the SMV nor the Lima Stock Exchange Registry ("**RBVL**") for their public offering in Peru under the Peruvian Capital Markets Law (Law N°861/ Supreme Decree N°020-2023-EF) and the decrees and regulations thereunder.

Consequently, Notes may not be offered or sold, directly or indirectly, nor this Offering Memorandum, any relevant Pricing Supplement or any other offering material relating to the Notes be distributed or caused to be distributed to the general public in Peru, unless the offering or selling of Notes comply with the Private Offer Exemptions (as defined below).

**"Private Offer Exemptions"** means an offer of Notes, where no Mass-marketing is used, and made:

- (i) exclusively to institutional investors; or
- (ii) where the minimum investment amount is greater than or equal to approximately USD 160,000 (either in a single transaction or in aggregate).

**"Mass-marketing"** means a marketing strategy utilising mass distribution and mass media to offer, negotiate or distribute securities to the whole market. Mass media includes newspapers, magazines, radio, television, mail, meetings, social network, internet servers located in Peru, and other media or technology platforms.

### **Philippines**

**The Notes being offered or sold herein have not been registered with the Philippine Securities and Exchange Commission under the Securities Regulation Code of the Philippines ("SRC"). Any offer or sale thereof in the Philippines is prohibited unless the Notes have first been registered in accordance with the registration requirements of the SRC or such offer or sale qualifies as an exempt transaction.**

Each of the following restrictions must be observed by Noteholders in relation to sales, transfers or disposals of all or any part of its legal or beneficial interests in the Notes or offers to do so:

- (a) To the extent that the Notes are offered, sold or distributed in the Philippines, the Noteholder, by purchasing the Notes, agrees for the benefit of the Issuer that the Notes may not be subsequently offered, sold, pledged or otherwise transferred except in compliance with Philippine laws and regulations (in addition to the laws of other jurisdictions, as applicable) and may be offered, sold or distributed only to **"Qualified Buyers"** as defined under Subsection 10.1(l) of the SRC.
- (b) No Noteholder shall sell, transfer or otherwise dispose of all or part of its legal or beneficial interests in the Notes to another person or persons nor offer to do so, unless such sale, transfer, disposal or offer is subject to the condition that such person(s) shall undertake to observe the restrictions set out herein.

Without limitation to paragraphs (a) and (b) above, each Noteholder shall observe all applicable laws and regulations in the Philippines in connection with the offer, sale, transfer or other disposition of all or any part of its legal or beneficial interests in the Notes or the distribution of any document or other material in connection therewith.

### **Portugal**

An offer of Notes to the public in Portugal can only be made in compliance with the Portuguese Securities Code (*Código dos Valores Mobiliários*, approved by *Decreto-Lei n.º n.º 486/99, de 13 de novembro*, as amended – **"Portuguese Securities Code"**) and the applicable laws, regulations and procedures in Portugal and formalities required by Portuguese laws and regulations to permit the offering and sale of Notes in Portugal, including any related documents or marketing materials. For the purposes of this provision, the expression "the public in Portugal" does not include professional investors as defined in Article 30(1) of the Portuguese Securities Code.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in Portugal where the issuance or marketing of such Notes are subject to the supervision of the Portuguese Securities Market Commission (the **"CMVM"**) and to CMVM Regulation 8/2018. Consequently, the requirements of the CMVM Regulation 8/2018 in respect of Packaged Retail Investment Products have not been met and therefore offering or selling the Notes in or into Portugal may not be permitted without complying with the requirements set out in the CMVM Regulation 8/2018 and other applicable laws and regulations in Portugal.

For these purposes, a retail investor means a person who is a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**").

**Republic of Chile**

Neither the Issuer nor the Notes have been registered with the *Comisión para el Mercado Financiero* pursuant to law no. 18,045 (the "**Ley de Mercado de Valores**") and regulations thereunder, therefore, they cannot be publicly offered in the Republic of Chile. This Offering Memorandum does not constitute an offer of, or an invitation to subscribe for or purchase the Notes in the Republic of Chile, other than to individually identified investors pursuant to a private offering within the meaning of article 4 of the *Ley de Mercado de Valores* (i.e. an offer that is not addressed to the public at large or to a certain sector or specific group of the public).

**Republic of Ireland**

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

- (a) it has not and will not underwrite the issue of, or place the Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), and any codes of conduct or rules issued in connection therewith and any conditions, requirements or enactments, imposed or approved by the Central Bank of Ireland, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it has not and will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Irish Central Bank Act 1989 (as amended) or any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);
- (c) it has not and will not underwrite the issue of, or place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 or any delegated or implementing acts relating thereto, the European Union (Prospectus) Regulations 2019 of Ireland, the Companies Act 2014 (as amended) and any rules issued under Section 1363 of the Companies Act 2014 (as amended) by the Central Bank of Ireland; and
- (d) it has not and will not underwrite the issue of, or place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the European Union (Market Abuse) Regulations 2016 (as amended), Regulation (EU) No 596/2014 of the European Parliament of the Council of 16 April 2014 on market abuse (as amended) and any rules issued under Section 1370 of the Companies Act 2014 (as amended) by the Central Bank of Ireland.

**Republic of Panama**

Notes may not be publicly offered, sold and distributed in the Republic of Panama without registration with the Superintendence of the Securities Market (the "**Superintendence**") pursuant to the provisions of Decree Law No. 1 of 1999, as amended by Law 67 of 2011 (the "**Panama Securities Law**"). However, under the Panama Securities Law, registration of offers, sales, and transactions of the Notes is not required if the Notes are offered and/or sold under a private placement exemption, as follows:

- (i) Private tenders (under the "**25/10 rule**"): offers of securities made by an issuer or its affiliate to not exceeding twenty-five persons, or such other number of persons determined by the Superintendence, and which jointly results in the sale of such securities to not exceeding ten persons, or such other number of persons determined by the Superintendence, within a one year period; or



- (ii) Institutional investors: offers of securities and sales made to institutional investors who, because of their expertise in the securities markets, as determined by the Superintendence, have the know-how and the financial capacity to evaluate and assume the risks of investing in such securities without requiring the protections granted by the Panama Securities Law.

In this respect, Resolution 1-2001 issued by the Superintendence establishes that the following entities will be considered institutional investors:

1. Banks, insurance companies, re-insurance companies, mutual fund companies registered with the Superintendence, investments trusts administered by a corporation with a trust license, pension funds and pensions regulated by Law 10 of 1993 and brokerage houses acting on their own account and for their own risk and if such investment accounts are duly segregated.
2. Legal entities (including, but not limited to, corporations or private interest foundations) domiciled in the Republic of Panama with regular operations in the management of investments or which have had for at least two years prior to the date on which the offer or sale of securities was made, a patrimony of no less than USD one million pursuant to their last financial statement and whose principal executive or a majority of the directors and officers have at least two years of experience in the regular management of investments.
3. Sovereign states, and public entities that by their nature are authorized to make investments (for example, the Trust Fund for Development (*Fondo para el Desarrollo*) and the Social Security Fund (*Fondo de la Caja de Seguro Social*) which are both Panamanian public entities).

#### **Russia**

The Notes have not been and will not be offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

#### **Singapore**

This Offering Memorandum has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore. The Notes may not be offered or sold, nor may the Notes be the subject of an invitation for subscription or purchase, whether directly or indirectly, nor may this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

1. to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in Section 276(7) of the SFA; or
5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

#### **South Africa**

No South African resident and/or its offshore subsidiaries may, without such person obtaining the prior written approval of the Financial Surveillance Department of the South African Reserve Bank (the "**Exchange Control Authorities**"), subscribe for or purchase any Notes or beneficially hold or own any Note; provided that qualifying South African institutional investors with sufficient foreign portfolio capacity may, without the prior written approval of the Exchange Control Authorities, utilise their pre-approved prudential offshore allowances to subscribe for or purchase any Notes.

Each Dealer has severally represented and agreed with the Issuer that it will not solicit any offers for subscription for or sale of any of the Notes, and will itself not sell any of the Notes, in South Africa, except in accordance with the Companies Act, 2008 (the "**South African Companies Act**"), the Banks Act, 1990, the Exchange Control Regulations, 1961 and/or any other applicable laws and regulations of South Africa in force from time to time and it will not make an "offer to the public" (as such expression is defined in the South African Companies Act and which expression includes any section of the public) of any of the Notes (whether for subscription, purchase or sale) in South Africa. Accordingly, this Offering Memorandum does not, nor is it intended to, constitute a "registered prospectus" (as defined in the South African Companies Act) prepared and registered under the South African Companies Act or an offer or invitation to the public. Information made available in this Offering Memorandum should not be considered as "advice" as defined in the Financial Advisory and Intermediary Services Act, 2002.

Offers for subscription for, or sale of, the Notes are not deemed to be offers to the public if:

- (a) made only to certain investors contemplated in section 96(1)(a) of the South African Companies Act; or
- (b) the total contemplated acquisition cost of Notes, for any single addressee acting as principal, is equal to or greater than ZAR1,000,000 (one million Rand), or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

#### **State of Kuwait**

No Notes have been licensed for offering in the State of Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The Notes have not been and shall not be offered, marketed and/or sold in the State of Kuwait unless all necessary approvals from the Kuwait Capital Markets Authority (the "**CMA**") pursuant to Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and the Regulating of Securities Activities and its executive bylaws (each as amended) (the "**CML Rules**") and unless all necessary approvals from the CMA pursuant to the CML Rules, together with the various resolutions, regulations, directives and instructions issued pursuant thereto or in connection therewith (regardless of nomenclature or type), or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing and/or sale of Notes.

#### **State of Qatar (including Qatar Financial Centre)**

The Notes have not been and may not be offered, delivered or sold at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). This Offering Memorandum has not been filed with, reviewed or approved by the Qatar Central Bank, the Qatar Stock Exchange, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or any other relevant Qatar governmental body or securities exchange. This Offering

Memorandum is only intended for specific recipients in compliance with the foregoing and may not be publicly distributed in the State of Qatar (including the Qatar Financial Centre).

### Sultanate of Oman

This Offering Memorandum has not been filed with or registered as a prospectus with the Capital Market Authority of the Sultanate of Oman pursuant to Article 3 of the Capital Market Law Sultani Decree 80/98, as amended ("**Article 3**"), and the Notes will not be offered or sold as a public offer of securities in Oman as contemplated by the Commercial Companies Law or Article 3.

The Notes to be issued under the Programme and this Offering Memorandum have not been and will not be offered, sold or delivered and no invitation to subscribe for or to purchase the Notes has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Oman to any person in Oman unless: (A) (i) the provisions of the Capital Market Law of Oman (Royal Decree 80/98 as amended), and its Executive Regulations (issued pursuant to Decision 1/2009 as amended) are observed, and (ii) the prior consent of the Oman Capital Market Authority is obtained; or (B) the Dealer is duly licensed to market the Notes in Oman.

The information contained in this Offering Memorandum neither constitutes a public offer of securities in Oman as contemplated by the Commercial Companies Law) or the Capital Market Law of Oman (Royal Decree 80/98, as amended), nor does it constitute an offer to sell, or the solicitation of any offer to buy, non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued pursuant to Decision 1/2009).

### Switzerland

**The Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority ("FINMA") and investors in the Notes will not benefit from supervision by FINMA. Notes issued under the Programme do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"), as amended. Notes issued under the Programme are neither issued nor guaranteed by a Swiss financial intermediary. Investors are exposed to the credit risk of the Issuer.**

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("**FinSO**"), and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to FinSA. Consequently, this Offering Memorandum and any other offering or marketing material relating to the Notes may only be publicly distributed or otherwise made publicly available in Switzerland:

- (a) if such offer is strictly limited to investors that qualify as professional clients ("**Professional Clients**", as set out below) according to Article 4 para. 3 FinSA and Article 5 para. 1 FinSO. Accordingly, the Notes may only be distributed or offered, and the Offering Memorandum or any other marketing material relating to the Notes may be made available to Professional Clients in Switzerland; in this case, the offering of the Notes in, into or from Switzerland is exempt from the requirement to prepare and publish a prospectus under FinSA; or
- (b) if such offer constitutes an exempt offer pursuant to specific provisions regarding exempt offers pursuant to Article 36 FinSA which (a) is addressed to less than 500 investors, (b) is only addressed to investors that purchase financial instruments in an amount of at least CHF 100,000 (or equivalent in other currencies), (c) has a minimum denomination of CHF 100,000 (or equivalent in other currencies), or (d) does not exceed the value of CHF 8 million (or equivalent in other currencies) calculated over a period of 12 months; in this case, the offering of the Notes in, into or from Switzerland is exempt from the requirement to prepare and publish a prospectus under FinSA.

Professional Clients in terms of FinSA specifically include:

- (a) Swiss regulated financial intermediaries such as banks, securities firms, fund management companies, asset managers of collective assets, portfolio managers, or trustees;
- (b) Swiss regulated insurance companies;

- (c) foreign entities which are subject to a prudential supervision under the laws of their incorporation of jurisdiction equivalent to that applicable to entities listed under paragraphs (a) and (b) above;
- (d) central banks;
- (e) public entities with professional treasury operations;
- (f) occupational pension schemes and other institutions whose purpose is to serve occupational pensions with professional treasury operations;
- (g) companies with professional treasury operations;
- (h) large companies; and
- (i) private investment structures with professional treasury operations created for high-net-worth private (retail) clients.

In addition, high-net-worth private (retail) clients and private investment structures created for them may declare that they wish to be treated as Professional Clients in accordance with Article 5 FinSA (opting out).

Notwithstanding the fact that such offering may not trigger the requirement to prepare a prospectus under FinSA, in the case of offerings of Notes that constitute debt instruments with a "derivative character" that will be made to private (retail) clients in, into or from Switzerland (as such expressions are understood under FinSA and FinSO), a key information document (KID) prepared in accordance with FinSA and FinSO or in accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council of November 26, 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) must be made available.

#### **Taiwan**

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan pursuant to relevant securities laws and regulations of Taiwan, the Notes may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan. No person or entity in Taiwan has been authorised to offer or sell Notes in Taiwan.

Notes may be made available to Taiwan investors outside Taiwan for purchase by such investors either directly or through such financial institutions as may be authorised under the laws of Taiwan and only pursuant to the relevant laws, regulations and self-regulatory guidelines as may be applicable to them.

#### **Thailand**

The Notes may not be offered, sold, or caused to be made the subject of an invitation for subscription or purchase, and this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes cannot be circulated, distributed or made available, whether directly or indirectly, to any persons in the Kingdom of Thailand, unless permitted otherwise by applicable laws and regulations. This Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes has not been reviewed by any regulatory authority in Thailand and has not been registered or filed with or approved by the Office of the Securities and Exchange Commission of Thailand.

#### **United Arab Emirates (excluding the Dubai International Financial Centre)**

The Notes have not been and may not be offered, sold or publicly promoted or advertised in the United Arab Emirates (the "UAE") other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

#### **United Kingdom**

##### ***Prohibition of sales to UK Retail Investors***

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

***Public Offer Selling Restriction Under the UK Prospects Regulation***

In relation to any Notes if the Pricing Supplement in respect of such Notes specified "Prohibition of Sales to UK Retail Investors" as "Not applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

***Selling Restrictions Addressing Additional United Kingdom Securities Laws***

Notes issued by HBME or HBCE having a maturity of less than one year must not be offered or sold other than to persons (a) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or (b) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by HBME or HBCE.

An invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) may only be communicated or caused to be communicated in connection with the issue or sale of

Notes in circumstances in which section 21(1) of the FSMA does not apply to HBME or HBCE (in the case of Notes issued by HBME or HBCE) or would not, if it was not an authorised person, apply to HBEU (in case of Notes issued by HBEU).

All applicable provisions of the FSMA must be complied with in respect of anything done in connection with the Notes in, from or otherwise involving the United Kingdom.

#### United States of America

The Notes have not been and will not be registered under the Securities Act or the state securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Master Note Issuance Agreement:

- (1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Pricing Supplement, (a) it will not offer, sell or deliver Notes at any time (whether as part of their distribution at any time or otherwise) within the United States or to, or for the account or benefit of, U.S. persons, other than pursuant to Rule 144A and (b) it will send to each dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons; and
- (2) otherwise, (a) it will not offer, sell or deliver Notes, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Series of which such Notes are a part, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, other than pursuant to Rule 144A, and (b) it will send to each dealer to which it sells Notes during the periods referred to in (a)(i) and (ii) above a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition:

- (1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Pricing Supplement, an offer or sale of Notes at any time within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act; and
- (2) otherwise, until 40 days after the commencement of the offering of any Tranche of Notes an offer or sale of Notes of such Tranche within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

The Issuer and the Dealers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the number of Notes which may be offered pursuant to Rule 144A.

For Bearer Notes issued in accordance with the provisions of U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) ("**TEFRA D**"), each Dealer will represent, warrant and agree that (a) except to the extent permitted under TEFRA D, (i) it has not offered or sold, and during the restricted period will not offer or sell, any such Bearer Notes to a person who is within the United States or its possessions or to a United States person and (ii) it has not delivered and will not deliver within the United States or its possessions any Definitive Notes

that are sold during the restricted period; (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such Bearer Notes are aware that such Bearer Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by TEFRA D; (c) if it is a United States person, it is acquiring such Bearer Notes for the purposes of resale in connection with their original issuance and if it retains such Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation §1.163 5(c)(2)(i)(D)(6); and (d) with respect to each affiliate that acquires from it such Bearer Notes for the purpose of offering or selling such Bearer Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in this Subscription and Sale of Notes section; and (e) it shall obtain for the benefit of the Issuer the representations and agreements contained in sub paragraphs (a), (b), (c), (d) and (e) of this paragraph from any person other than its affiliate with whom it enters into a written contract, (a "**distributor**") as defined in United States Treasury Regulations § 1.163 5(c)(2)(i)(D)(4), for the offer or sale during the restricted period of Bearer Notes. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code of 1986, as amended and Treasury Regulations thereunder, including TEFRA D.

Permanent Global Notes in bearer form issued in accordance with TEFRA D will include the following legend on the face of the Bearer Notes, Talons and Coupons:

"Any United States person who holds this obligation will be subject to the limitations under the United States income tax laws, including the limitations provided in section 165(j)) and 1287(a) of the Internal Revenue Code."

For Bearer Notes issued in accordance with the provisions of the U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) ("**TEFRA C**"), such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer will represent, warrant and agree that it has not engaged in interstate commerce in connection with such issuance and has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer will represent, warrant and agree in connection with the original issuance of such Bearer Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either of such Dealer or such prospective purchaser is within the United States or its possessions and will not otherwise involve any of its U.S. offices in the offer or sale of such Bearer Notes. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code of 1986, as amended and Treasury Regulations thereunder, including TEFRA C.

### **Uruguay**

Neither the Notes nor the Issuer are registered with the Superintendency of Financial Services of the Central Bank of Uruguay allowing the Notes to be publicly offered in Uruguay, since the placement qualifies as a private placement under section 2 of Uruguayan law 18.627.

**PART C1 –  
TERMS AND CONDITIONS OF THE WARRANTS**

*The following is the text of the terms and conditions applicable to the Warrants (the "Conditions") which apply to all Warrants and which are completed by the Pricing Supplement for each issue of Warrants.*

The Warrants are issued by HSBC Bank plc ("**HBEU**") or HSBC Bank Middle East Limited ("**HBME**") together the "**Issuers**" and each an "**Issuer**") pursuant to a programme for the issuance of notes and warrants (the "**Programme**"). The relevant Pricing Supplement (as defined below) will specify which of HBEU or HBME is the "Issuer" in relation to a particular Series of Warrants (as defined below). References to "Issuer" in these Conditions shall mean (i) if the Warrants to which these Conditions apply are issued by HBEU, HBEU and (ii) if the Warrants to which these Conditions apply are issued by HBME, HBME. HBME may issue Warrants either through its head office or, if so specified in the relevant Pricing Supplement, a specified branch. The Warrants have the benefit of a warrant agency agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 26 May 2022 (as further modified and/or amended from time to time, the "**Warrant Agency Agreement**") made between the Issuers, HSBC Bank plc and HSBC Continental Europe (formerly known as HSBC France) as calculation agents (HSBC Bank plc or, as the case may be, HSBC Continental Europe being the "**Calculation Agent**" with respect to the Warrants as specified in the relevant Pricing Supplement, which expression shall include any successor or other Calculation Agent appointed pursuant to the Warrant Agency Agreement and specified in the relevant Pricing Supplement), HSBC Bank plc as principal warrant agent (HSBC Bank plc being the "**Principal Warrant Agent**", which expression includes any successor or other principal warrant agent appointed pursuant to the Warrant Agency Agreement, together with any successor or other warrant agent appointed pursuant to the Warrant Agency Agreement or the Computershare Agency Agreement (as defined below) and specified in the relevant Pricing Supplement (the "**Warrant Agents**")) and HSBC Bank plc as authentication agent (HSBC Bank plc being the "**Authentication Agent**", which expression includes any successor or other authentication agent appointed pursuant to the Warrant Agency Agreement) and HSBC Bank USA, National Association as warrant transfer agent (the "**Warrant Transfer Agent**", which expression includes any successor or other warrant transfer agent appointed pursuant to the Warrant Agency Agreement) and HSBC Bank USA, National Association as warrant registrar (the "**Warrant Registrar**", which expression includes any additional or successor or other warrant registrar appointed in accordance with the Warrant Agency Agreement).

In addition, HBEU has entered into an agreement with Computershare Investor Services PLC dated 23 April 2010 (such agreement, as amended and/or supplemented and/or restated from time to time, the "**Computershare Agency Agreement**") appointing the latter as registrar and paying agent (the "**CREST Registrar**", which expression shall include any successor registrar and paying agent) with respect to Uncertificated Registered Warrants (as defined below) and has entered into a deed of covenant dated on or about 27 May 2021 (such deed, as amended and/or supplemented and/or restated from time to time, the "**HBEU Warrant Deed of Covenant**") for the purposes of constituting Uncertificated Registered Warrants and Warrants in definitive registered form. HBME has entered into a deed of covenant dated on or about 27 May 2021 (such deed, as amended and/or supplemented and/or restated from time to time, the "**HBME Warrant Deed of Covenant**") for the purpose of constituting the Warrants in definitive registered form.

As used herein, the expression "**Warrant Agents**" shall include the Principal Warrant Agent and any other warrant agents appointed pursuant to the Warrant Agency Agreement or the Computershare Agency Agreement. The Warrants also have the benefit of a master warrant issuance agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 25 May 2025 (as further modified and/or amended from time to time, the "**Master Warrant Issuance Agreement**") and made between the Issuers and, HSBC Bank plc, The Hongkong and Shanghai Banking Corporation Limited and HSBC Continental Europe as managers (in this capacity, each a "**Manager**" and together, the "**Managers**", which expression shall include any additional or successor Manager(s)).

Copies of the Master Warrant Issuance Agreement, the Warrant Agency Agreement, the Computershare Agency Agreement, HBEU Warrant Deed of Covenant and the HBME Warrant Deed of Covenant are available for inspection by the Warranholders (as defined below), and copies of the relevant Pricing Supplement (as defined below), this Offering Memorandum and any supplements thereto may be obtained in each case during normal business hours at the specified offices of the relevant Issuer and the Principal Warrant Agent and the CREST Registrar, respectively. The Warranholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions (including the form of Exercise Notice



## Part C1 – Terms and Conditions of the Warrants

referred to in Condition 5 (*Exercise Procedure*) of the Master Warrant Issuance Agreement, the Warrant Agency Agreement, the Computershare Agency Agreement, the HBEU Warrant Deed of Covenant and the HBME Warrant Deed of Covenant.

All Warrants will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Warrants issued on different issue dates. Each Tranche will be the subject of a pricing supplement (each, the "**Pricing Supplement**").

Words and expressions defined in the Master Warrant Issuance Agreement, the Warrant Agency Agreement or the Computershare Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any of the Master Warrant Issuance Agreement, the Warrant Agency Agreement, the Computershare Agency Agreement and the relevant Pricing Supplement, the relevant Pricing Supplement will prevail.

### 1. Definitions

**"Administrator/Benchmark Event"** means, in relation to any Series of Warrants and an Applicable Benchmark, an event or circumstance which has the effect that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use such Applicable Benchmark to perform its or their obligations under the Warrants;

**"Affected Relevant Benchmark"** means, in relation to any Series of Warrants, the Relevant Benchmark affected by a Benchmark Trigger Event;

**"Agents"** means each of the Warrant Agents, the Warrant Transfer Agent, Authentication Agent and the Warrant Registrar;

**"Alternative Payment Currency"** means the currency which may be Offshore RMB specified as such in the relevant Pricing Supplement or, if no such currency is specified, USD;

**"Alternative Payment Currency Equivalent"** means the relevant amount in the Settlement Currency determined by the Calculation Agent converted into the relevant Alternative Payment Currency using the Alternative Payment Currency Exchange Rate for the relevant Alternative Payment Currency Fixing Date;

**"Alternative Payment Currency Exchange Rate"** means

- (i) the rate of exchange between the Settlement Currency and Alternative Payment Currency (expressed as the number of units of Alternative Payment Currency per one unit of Settlement Currency or as the number of units of Settlement Currency per one unit of Alternative Payment Currency (as applicable)) as published on the Alternative Payment Currency Fixing Page at the Alternative Payment Currency Fixing Time on the Alternative Payment Currency Fixing Date and as observed by the Calculation Agent;
- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Alternative Payment Cross Currency Rate and the Settlement Currency Exchange Rate, as determined by the Calculation Agent; or
- (iii) such other rate as may be specified in the relevant Pricing Supplement.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Alternative Payment Currency Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent and (a) if Alternative Payment Currency Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate in accordance with the Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Alternative Payment Currency Exchange Rate in accordance with such Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in its

## Part C1 – Terms and Conditions of the Warrants

discretion; or (b) if such Alternative Payment Currency Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in accordance with sub-paragraphs (X)(A) or (X)(B), as applicable, of Condition 5(g) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

**"Alternative Payment Cross Currency Rate"** means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Alternative Payment Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

**"Alternative Payment Currency Fixing Date"** means:

- (i) the date specified as such in the Pricing Supplement;
- (ii) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the Cash Settlement Date or other date on which the relevant payment falls due (as appropriate); or
- (iii) otherwise, the fifth day (or such other number of days specified in the relevant Pricing Supplement) prior to the Cash Settlement Date or other date on which the relevant payment falls due (as appropriate).

If such date falls on a day that is a Saturday or Sunday or on which commercial banks are not open for general business and dealings in foreign exchange in the jurisdiction or place specified in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, the Alternative Payment Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction (a "**closed day**"), then:

- (x) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the Alternative Payment Currency Fixing Date shall be the immediately following calendar day that is not a closed day; and
- (y) otherwise, the Alternative Payment Currency Fixing Date shall be the immediately preceding calendar day that is not a closed day;

**"Alternative Payment Currency Fixing Page"** means the Reuters or other screen page specified as such in the relevant Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate by reference to the spot rate prevailing in the international exchange market;

**"Alternative Payment Currency Fixing Time"** means (i) the time and place specified as such in the relevant Pricing Supplement or, such other time and place as the Calculation Agent determines in the case of a successor page to the Alternative Payment Currency Fixing Page specified in the Pricing Supplement or (ii) if no such time and place is specified in the Pricing Supplement, such time and place as the Calculation Agent determines;

**"Alternative Payment Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement or, if the Alternative Payment Currency Jurisdiction is USD, the United States of America;

**"Alternative Payment Settlement Days"** means the number of local banking days specified as such in the relevant Pricing Supplement or if the relevant Pricing Supplement does not specify any Alternative Payment Settlement Days then the Alternative Payment Settlement Days shall be deemed to be 3 local banking days;

**"Alternative Pre-nominated Index"** means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the relevant Pricing Supplement as an "Alternative Pre-nominated Index" and which is not subject to a Benchmark Trigger Event;

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**"Benchmark Trigger Event"** means:

- (a) in respect of a Series of Warrants that references a Relevant Benchmark that is an interest rate, yield, cost of funds or similar rate, an Index Cessation Event and an Administrator/Benchmark Event; and
- (b) in respect of any other Series of Warrants, an Administrator/Benchmark Event;

**"Business Centre"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Business Day"** means:

- (i) in relation to a Warrant in respect of which amounts are payable in Euro, a Euro Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Business Centre and on which the relevant Clearing System is open for business; or
- (ii) in relation to any other Warrant, a day on which commercial banks and foreign exchange markets settle payments generally in each Business Centre and on which the relevant Clearing System is open for business

**"Cash Settlement"** has the meaning ascribed thereto in Condition 4 (*Rights on Exercise*);

**"Cash Settlement Amount"** has the meaning ascribed thereto in Condition 4 (*Rights on Exercise*);

**"Cash Settlement Date"** means (1) the date specified as such in the relevant Pricing Supplement or (2) if such day is not a Business Day, the following Business Day or, (3) if later, such number of Business Days specified in the relevant Pricing Supplement (or, if no such number is specified, 5 Business Days) following the Exercise Date;

**"Clearing System"** means in relation to a series of Warrants, Euroclear, Clearstream, Luxembourg, DTC, CREST and/or any other clearing system specified in the relevant Pricing Supplement in which Warrants of the relevant Series are for the time being held, or in relation to an individual Warrant, that Warrant is for the time being held, in each case as specified in the relevant Pricing Supplement;

**"Clearing System Currency Eligibility Event"** means the relevant Clearing System(s) ceases to accept payments in the Settlement Currency;

**"Clearstream, Luxembourg"** means Clearstream Banking S.A.;

**"CREST"** means Euroclear UK and Ireland Limited (formerly known as CRESTCo Limited);

**"Cross Currency"** means the currency specified as such in the relevant Pricing Supplement, or if such currency is not specified in the relevant Pricing Supplement, the Cross Currency shall mean USD;

**"Cross Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Deferral Period"** has the meaning ascribed thereto in Condition 5(g) (*Price Source Disruption and FX Disruption*);

**"DIFC"** means Dubai International Financial Centre;

**"DTC"** means the Depository Trust Company;

**"EMU Event"** means the occurrence of any of the following, as determined by the Calculation Agent, acting in a commercially reasonable manner:

- (i) the withdrawal from legal tender of any currency that, before the introduction of the euro, was lawful currency in one of the member states;

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- (ii) the redenomination of any underlying value to which the Warrants relate into euro;
- (iii) any change in the currency of denomination of any index;
- (iv) any change in the currency in which some or all the securities or other property contained in any index is denominated;
- (v) the disappearance or replacement of a relevant rate option or other price source for the national currency of any member state, or the failure of the agreed sponsor (or successor sponsor) to publish or display a relevant rate, index, price, page or screen; or
- (vi) the change by any organised market, exchange or clearance, payment or settlement system in the unit of account of its operating procedures to the euro.

"Euro", "euro" "EUR", "€" each means the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty;

"Euro Business Day" or "TARGET Business Day" means a day on which T2 is open for settlement of payments in euro;

"Euroclear" means Euroclear Bank S.A./N.V.;

"Exercise Date" means, in respect of any Warrant, the day on which an Exercise Notice relating to that Warrant is delivered in accordance with the provisions of Condition 5(a) (*Exercise Procedure – Exercise Notice*) or, if Automatic Exercise is specified as applicable in the relevant Pricing Supplement, the Expiry Date, in accordance with the provisions of Condition 4(f) (*Automatic Exercise*); **provided, however, that:**

- (i) if the Exercise Notice is delivered (A) on any day which is not a Business Day or (B) after 10.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located) on any Business Day, then, in either such case, the Exercise Date shall be the next succeeding day which is a Business Day; and
- (ii) except as provided in (i) above, the Exercise Date may not be later than the Expiry Date;

"Exercise Notice" means any notice in the form scheduled to the Warrant Agency Agreement or such other form as may from time to time be agreed by the Issuer and the Principal Warrant Agent which is delivered by a Warrantholder in accordance with Condition 5(a) (*Exercise Procedure – Exercise Notice*);

"Exercise Period" means the period beginning on (and including) such date as may be specified in the relevant Pricing Supplement and ending on (and including) the Expiry Date;

"Expiry Date" means the date specified as such in the relevant Pricing Supplement, **provided, however, that**, if the Scheduled FX Fixing Date on or immediately preceding the Expiry Date is postponed pursuant to the provisions of Condition 5(g) (*Price Source Disruption and FX Disruption*), then the Expiry Date shall be the Business Day immediately following the later of the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable;

"Face Value" means, in respect of a Warrant, the face value of such Warrant identified or specified as such in the relevant Pricing Supplement;

"Fair Market Value" means, in relation to any Warrant which is to be terminated early, its fair market value immediately prior to the early termination date, as determined by the Calculation Agent in consultation with the Issuer, less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements, and any such calculation of the fair market value shall have the effect of preserving for the Warrantholders the economic equivalent of the obligations of the Issuer to make payments in respect of the Warrants which would, but for such early termination, have fallen due after the relevant early termination date;

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"**FX Cut-off Date**" has the meaning ascribed thereto in Condition 5(g) (*Price Source Disruption and FX Disruption*);

"**FX Disruption Event**" means the occurrence, as determined by the Calculation Agent, of (i) (a) an Inconvertibility, (b) Non-transferability, (c) Illiquidity or (d) any other event affecting the Cross Currency, Reference Currency, Settlement Currency or Specified Currency (as applicable) (the "**FX Disruption Relevant Currency**") which would make it unlawful or impractical in whole or in part (including without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial power) for the Issuer (or the Issuer's affiliate) to pay or receive amounts in the FX Disruption Relevant Currency under or in respect of any hedging arrangement relating to or connected with the FX Disruption Relevant Currency; or (ii) if Offshore RMB is specified as the applicable FX Disruption Relevant Currency, each of the events specified in (i) above, plus an Offshore RMB Disruption;

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the Settlement Currency Jurisdiction or, where the Settlement Currency is specified to be RMB, in mainland China and each Offshore RMB Centre;

"**Holder**" has the meaning ascribed thereto in Condition 2 (*Form and Transfer*);

"**Illiquidity**" means where the foreign exchange market in the Settlement Currency Jurisdiction becomes illiquid after the Trade Date and, as a result of which, the Issuer cannot obtain sufficient Settlement Currency in order to satisfy its obligation to pay any amount in respect of the Warrants as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation (if practicable) with two Reference Dealers;

"**Inconvertibility**" means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to convert any amount due in respect of the Warrants in the foreign exchange market in the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Index Cessation Event**" means, in respect of a Relevant Benchmark which is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate, the occurrence or existence, as determined by the Issuer, of one or more of the following events:

- (a) a public statement or publication of information by or on behalf of the administrator of the Relevant Benchmark announcing that it has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Relevant Benchmark;
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Benchmark, the central bank for the currency of the Relevant Benchmark, an insolvency official with jurisdiction over the administrator for the Relevant Benchmark, a resolution authority with jurisdiction over the administrator for the Relevant Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Relevant Benchmark, which states that the administrator of the Relevant Benchmark has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Relevant Benchmark;
- (c) if the Relevant Benchmark is the Sterling London interbank offered rate, the Swiss Franc London interbank offered rate, the U.S. Dollar London interbank offered rate, the Euro London interbank offered rate or the Japanese Yen London interbank offered rate (each, a "**Specified Rate**"), a public statement or publication of information by the regulatory

## Part C1 – Terms and Conditions of the Warrants

supervisor for the administrator of such Relevant Benchmark announcing that (i) the regulatory supervisor has determined that such Relevant Benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Relevant Benchmark is intended to measure and that representativeness will not be restored and (ii) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

- (d) if the Relevant Benchmark is SOR, if SOR for a tenor equal to the relevant Interest Period (the "**relevant tenor**") is not published by ABS Benchmarks Administration Co Pte. Ltd. (or any successor administrator) (the "**SOR Administrator**") or an authorised distributor and is not otherwise provided by the SOR Administrator, and as of the day that is two Singapore and London Banking Days (as defined below) preceding the next following Interest Payment Date, the U.S. Dollar London interbank offered rate for the relevant tenor has been permanently discontinued or is Non-Representative (as defined below) and there is either no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is longer than the relevant tenor or no U.S. Dollar London interbank offered rate which has not been permanently discontinued and which is not Non-Representative for a period which is shorter than the relevant tenor (and for these purposes (x) the U.S. Dollar London interbank offered rate in a particular tenor shall be "**Non-Representative**" if the regulatory supervisor for the administrator of such rate (i) has determined and announced that such rate in such tenor is no longer representative of the underlying market and economic reality that such rate is intended to measure and representativeness will not be restored and (ii) is aware that certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts have been or are engaged, and (y) a "**Singapore and London Banking Day**" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Singapore and London);
- (e) if the Relevant Benchmark is not a Specified Rate, the making of a public statement or publication of information by the regulatory supervisor for the Relevant Benchmark or the administrator of the Relevant Benchmark that, in the view of such supervisor or administrator, the Relevant Benchmark is no longer representative of an underlying market;
- (f) in respect of a Relevant Benchmark which consists of an Alternative Pre-nominated Index or Replacement Index used pursuant to Condition 8A (*Consequences of a Benchmark Trigger Event*) and which has an Underlying Fallback Rate, a public statement or publication of information by the regulatory supervisor for the administrator of the Underlying Fallback Rate, the central bank for the currency of the Underlying Fallback Rate, an insolvency official with jurisdiction over the administrator for the Underlying Fallback Rate, a resolution authority with jurisdiction over the administrator for the Underlying Fallback Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Underlying Fallback Rate, which states that the administrator of the Underlying Fallback Rate has ceased or will cease to provide the Underlying Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Underlying Fallback Rate (and, for these purposes, an "**Underlying Fallback Rate**" in relation to such a Relevant Benchmark shall be such rate (if any) as the Issuer determines is the rate underlying such Relevant Benchmark); or
- (g) the making of a public statement or publication of information by the regulatory supervisor for the Relevant Benchmark or the administrator of the Relevant Benchmark as a consequence of which the Relevant Benchmark will, on or before a specified date (i) be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally, or in respect of the Warrants or (ii) be recommended for informational purposes only rather than for use as a benchmark reference rate for securities such as the Warrants;

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**"Initial Underlying Currency Pair Exchange Rate"** means the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency) as specified as such in the relevant Pricing Supplement;

**"IRC"** means the U.S. Internal Revenue Code of 1986;

**"Issue Date"** means the date specified as such in the relevant Pricing Supplement;

**"LBMA"** means the London Bullion Market Association or its successor;

**"LBMA Physical Settlement Commodity"** means each commodity specified as such in the relevant Pricing Supplement;

**"LBMA Physical Settlement Disruption Event"** means, as determined by the Calculation Agent, an event which is beyond the control of the Issuer or the transferor of the relevant amount of Cash Settlement Amount and/or any other amount in respect of the Warrants and as a result of which the Issuer or such transferor is unable to effect a relevant delivery;

**"LBMA Physical Settlement Market Disruption Event"** means (i) the material suspension of, or the material limitation imposed on, trading in the LBMA Physical Settlement Commodity on any exchange or principal trading market which the Calculation Agent considers material in relation to the Warrants; (ii) the disappearance of, or of trading in the LBMA Physical Settlement Commodity; or (iii) the disappearance or permanent discontinuance or unavailability of the Underlying Currency Pair Exchange Rate notwithstanding the status of trading in the LBMA Physical Settlement Commodity;

**"LBMA Physical Settlement Fall-Back Settlement Amount"** means an amount in the Settlement Currency, US Dollar or such other currency as determined by the Calculation Agent in its sole and absolute discretion in respect of each Warrant determined by the Calculation Agent, in its sole and absolute discretion, with reference to the price of the LBMA Physical Settlement Commodity to in the spot market on the relevant Underlying Currency Pair Fixing Date (as applicable);

**"LBMA Transfer Notice"** has the meaning given in Condition 5(k) (*Exercise Procedure – LBMA Physical Settlement*);

**"Minimum Exercise Number"** has the meaning ascribed thereto in Condition 6 (*Minimum Number of Warrants Exercisable*);

**"National Currency Unit"** means the national currency unit of any Participating Member State that becomes a denomination of the euro by reason of Council Regulation (EC) No. 1103/97, Council Regulation (EC) No. 974/98 or any other applicable laws;

**"New Issuer"** has the meaning ascribed thereto in Condition 15 (*Substitution*);

**"Non-transferability"** means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to transfer Settlement Currency between accounts inside the Settlement Currency Jurisdiction or from an account inside the Settlement Currency Jurisdiction to an account outside the Settlement Currency Jurisdiction or from an account outside the Settlement Currency Jurisdiction to an account inside the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Offshore RMB"** means RMB that is freely deliverable between accounts in the Offshore RMB Centre in accordance with the law and applicable regulation and guidelines issued by competent authorities in the Offshore RMB Centre prevailing as of the Trade Date of the Warrants;

**"Offshore RMB Centre"** means the jurisdiction specified as such in the relevant Pricing Supplement;

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**"Offshore RMB Disruption"** means the occurrence of, as determined by the Calculation Agent, an Offshore RMB Inconvertibility, Offshore RMB Non-transferability or Offshore RMB Illiquidity;

**"Offshore RMB Illiquidity"** means the occurrence of any event after the Trade Date that makes it impossible (where it has previously been possible) for the Issuer to obtain a firm quote of an offer price in respect of any amount in Offshore RMB in order to satisfy its obligation to pay an amount under the Warrants (the **"Relevant Disrupted Amount"**), in each case on the due date for payment, Valuation Date or Underlying Currency Pair Fixing Date (as the case may be), either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such Relevant Disrupted Amount, in the general Offshore RMB exchange market in each Offshore RMB Centre in order to perform its obligations under the Warrants;

**"Offshore RMB Inconvertibility"** means the occurrence of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to convert an amount of Offshore RMB no less than the Relevant Disrupted Amount into or from USD (or, if the Settlement Currency specified in the Pricing Supplement is other than USD, then such Settlement Currency) in the general Offshore RMB exchange market in each Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Warrants and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Offshore RMB Non-Transferability"** means the occurrence in each Offshore RMB Centre of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to transfer Offshore RMB (i) between accounts inside an Offshore RMB Centre, (ii) from an account inside an Offshore RMB Centre to an account outside such Offshore RMB Centre and outside mainland China, or (iii) from an account outside an Offshore RMB Centre and outside mainland China to an account inside such Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Warrants and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation). For the purpose of Offshore RMB Non-Transferability and Hong Kong as an Offshore RMB Centre only, a segregated Chinese Renminbi fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong;

**"Participating Member States"** means any member state of the European Union that has adopted or adopts the single currency in accordance with the Treaty;

**"Permitted Multiple"** has the meaning ascribed thereto in Condition 6 (*Minimum Number of Warrants Exercisable*);

**"Potential Exercise Date"** means each date specified as such in the Pricing Supplement or if such date is not a Business Day, the next succeeding date that is a Business Day; **provided, however, that**, if the Scheduled FX Fixing Date on or immediately preceding the Potential Exercise Date is postponed pursuant to the provisions of Condition 5(g) (*Price Source Disruption and FX Disruption*), then the Potential Exercise Date shall be the Business Day immediately following the later of the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable;

**"Price Source Disruption"** means, in relation to a Relevant Rate, such Relevant Rate is not available for any reason as determined by the Calculation Agent;

**"Reference Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Reference Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"Reference Dealers"** means leading dealers in the relevant foreign exchange market, as determined by the Calculation Agent;



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**"Reference Currency Exchange Rate"** means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Reference Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

**"Related Payment Date"** means any payment date on the Warrants on which the amount payable is calculated by reference to the Relevant Rate determined on the related Scheduled FX Fixing Date;

**"Relevant Benchmark"** means, in relation to any Series of Warrants:

- (a) each interest rate, yield, cost of funds or similar rate specified in the relevant Pricing Supplement as being applicable to such Warrants (or, if applicable, the index, benchmark or other price source that is referred to in such interest rate, yield, cost of funds or similar rate);
- (b) each Relevant Rate specified in the relevant Pricing Supplement as being applicable to such Warrants (or, if applicable, the index, benchmark or other price source that is referred to in such Relevant Rate);
- (c) each Index specified in the relevant Pricing Supplement as being applicable to such Warrants (or, if applicable, the index, benchmark or other price source that is referred to in such Index);
- (d) each Commodity Reference Price specified in the relevant Pricing Supplement as being applicable to such Warrants (or, if applicable, the index, benchmark or other price source that is referred to in such Commodity Reference Price); or
- (e) any other index, benchmark or price source specified in the relevant Pricing Supplement as being applicable to such Warrants.

To the extent that any index, benchmark or price source constitutes an Alternative Pre-nominated Index or Replacement Index used pursuant to Condition 8A (*Consequences of a Benchmark Trigger Event*), such index, benchmark or price source, as applicable, shall be a "Relevant Benchmark" from the day on which it is first used;

**"Relevant Benchmark Determination Date"** means, in relation to any Series of Warrants and a Relevant Benchmark, a date on which the rate, level or value of such Relevant Benchmark falls to be determined in accordance with the Conditions;

**"Relevant Benchmark Related Payment Date"** means, in relation to any Series of Warrants, a Relevant Benchmark and a Relevant Benchmark Determination Date, any payment date under the Warrants for which the amount payable is calculated by reference to the Relevant Benchmark as determined on such Relevant Benchmark Determination Date;

**"Relevant Currency Business Day"** means, in relation to a Relevant Rate that is the:

- (i) Alternative Payment Currency Exchange Rate or Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate (which is being determined for the purposes of determining the Alternative Payment Currency Exchange Rate), an Alternative Payment Currency Fixing Date; or
- (ii) Underlying Currency Pair Exchange Rate, Specified Currency Exchange Rate or Reference Currency Exchange Rate, an Underlying Currency Pair Business Day;

**"Relevant Jurisdiction"** means:

- (a) in relation to any Warrants issued by HBEU, the United Kingdom; and
- (b) in relation to any Warrants issued by HBME, DIFC and/or UAE, as the case may be;

## Part C1 – Terms and Conditions of the Warrants

**"Relevant Nominating Body"** means, in respect of a Relevant Benchmark:

- (a) the central bank for the currency in which the Relevant Benchmark is denominated or any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark; or
- (b) any working group or committee sponsored by, chaired or co-chaired by, or constituted at the request of (i) the central bank for the currency in which the Relevant Benchmark is denominated, (ii) any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark, (iii) a group of those central banks or other supervisors or (iv) the Financial Stability Board or any part thereof;

**"Relevant Rate"** means the Alternative Payment Currency Exchange Rate, Alternative Payment Cross Currency Rate, Reference Currency Exchange Rate, Settlement Currency Exchange Rate, Specified Currency Exchange Rate or Underlying Currency Pair Exchange Rate (as applicable);

**"Relevant Reference Asset Fallback Provisions"** means:

- (a) in relation to a Series of Index-Linked Warrants where the Affected Relevant Benchmark is an Index, Condition 18(c)(iii) (*Index Cancellation*), as if the relevant Benchmark Trigger Event were an Index Cancellation;
- (b) in relation to a Series of Commodity/Commodity Index-Linked Warrants where the Affected Relevant Benchmark is a Commodity Reference Price, Condition 17(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*), as if the relevant Benchmark Trigger Event were a Disappearance of a Commodity Reference Price; and
- (c) in relation to any Series of Warrants where the Affected Relevant Benchmark is a Relevant Rate Condition 5(g) (*Price Source Disruption and FX Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption will apply.

**"Renminbi"**, **"RMB"** and **"CNY"** all refer to the lawful currency of mainland China;

**"Replacement Index"** has the meaning given to it in Condition 8A(b)(ii)(A) (*Consequences of a Benchmark Trigger Event*);

**"Scheduled FX Fixing Date"** has the meaning specified in Condition 5(g) (*Price Source Disruption and FX Disruption*);

**"Securities Act"** means the United States Securities Act of 1933, as amended;

**"Settlement Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Settlement Currency Exchange Rate"** means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

**"Settlement Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Pricing Supplement;

**"SOR"** means the synthetic rate for deposits in Singapore Dollars known as the Singapore Dollar Swap Offer Rate provided by ABS Benchmarks Administration Co Pte. Ltd., as the administrator of the benchmark (or a successor administrator);

**"Specified Currency"** means the currency specified as such in the relevant Pricing Supplement;

**"Specified Currency Exchange Rate"** means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Specified Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

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"**Specified Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Pricing Supplement;

"**Strike Price**" has the meaning ascribed thereto in the relevant Pricing Supplement;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**Taxes**" has the meaning ascribed thereto in Condition 5(a)(v);

"**Trade Date**" means the date specified as such in the Pricing Supplement;

"**Transfer Expenses**" means with respect to any Warrants, all stamp, transfer, registration and similar duties and all expenses, scrip fees, levies and registration charges payable on or in respect of or arising on, or in connection with, the purchase or transfer, delivery or other disposition by the transferor to the order of the relevant Warrantholders of any Securities;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**UAE**" means the United Arab Emirates;

"**Underlying Currency Pair Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place as specified in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Reference Currency Jurisdiction(s), the Specified Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

"**Underlying Currency Pair Exchange Rate**" means:

- (i) the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency) or as the number of units of Specified Currency per one unit of Reference Currency (as applicable) as published on the Underlying Currency Pair Fixing Page at the Underlying Currency Pair Fixing Time on an Underlying Currency Pair Fixing Date and as observed by the Calculation Agent
- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Specified Currency Exchange Rate and the Reference Currency Exchange Rate, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Underlying Currency Pair Fixing Date a Relevant Rate is not available for any reason as determined by the Calculation Agent and (a) if Underlying Currency Pair Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate in accordance with the Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Underlying Currency Pair Exchange Rate in accordance with such Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in its discretion; or (b) if such Underlying Currency Pair Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in accordance with sub-paragraph (X)(A) or (X)(B), as applicable, of Condition 5(g) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement in its discretion;

"**Underlying Currency Pair Fixing Date**" means each of the dates specified as such in the relevant Pricing Supplement or, if such date is not an Underlying Currency Pair Business Day the immediately following day that is an Underlying Currency Pair Business Day, or if such date is

## Part C1 – Terms and Conditions of the Warrants

not specified in the relevant Pricing Supplement, the fifth Underlying Currency Pair Business Day prior to the relevant Cash Settlement Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be an Underlying Currency Pair Business Day if the market was not aware of it not being an Underlying Currency Pair Business Day (by means of a public announcement or by reference to other publicly available information) on the Underlying Currency Pair Fixing Date notwithstanding it subsequently ceases to be an Underlying Currency Pair Business Day for any reason or the market subsequently becomes aware that it was not an Underlying Currency Pair Business Day);

"**Underlying Currency Pair Fixing Page**" means the Reuters or other screen page as specified as such in the Pricing Supplement or any successor page thereof or if not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate by reference to the relevant spot rate prevailing in the international exchange market;

"**Underlying Currency Pair Fixing Time**" means the time and place as specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Underlying Currency Pair Fixing Page specified in the Pricing Supplement;

"**Unscheduled Holiday**" means, in relation to a Relevant Rate, a day, determined by the Calculation Agent, that is not a Relevant Currency Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until on or later than the second Relevant Currency Business Day (or such other number of Relevant Currency Business Days specified in the relevant Pricing Supplement) immediately preceding the Scheduled FX Fixing Date; and

"**USD**" means the lawful currency of the United States of America;

"**Warrantholder**" has the meaning ascribed thereto in Condition 2 (*Form and Transfer*).

### 2. Form and Transfer

#### (a) **Form; Certifications**

Each Tranche of Warrants will (as specified in the relevant Pricing Supplement) either:

- (i) be offered in reliance on Regulation S under the Securities Act ("**Regulation S**") in uncertificated registered form ("**Uncertificated Registered Warrants**"); or
- (ii) be in registered form ("**Registered Warrants**") offered in reliance on:
  - (A) Regulation S only, and represented by a Regulation S global registered warrant (the "**Regulation S Global Registered Warrant**"); or
  - (B) Regulation S and/or Rule 144A under the Securities Act ("**Rule 144A**") and represented either by:
    - (1) two global registered warrants being, in the case of Registered Warrants forming part of such Tranche which are sold pursuant to Regulation S, an unrestricted global registered warrant (the "**Unrestricted Global Registered Warrant**") and, in the case of Registered Warrants forming part of such Tranche which are sold in reliance on Rule 144A, a Restricted Global Registered Warrant (the "**Restricted Global Registered Warrant**"); or
    - (2) a Rule 144A global registered warrant (the "**Rule 144A Global Registered Warrant**"); or
    - (3) a combined global registered warrant (a "**Combined Global Registered Warrant**").

## Part C1 – Terms and Conditions of the Warrants

References in these Conditions to "**Global Registered Warrants**" are to all or any of the Restricted Global Registered Warrant, the Unrestricted Global Registered Warrant, Rule 144A Global Registered Warrant, Combined Global Registered Warrant and the Regulation S Global Registered Warrant.

Warrants may also be issued in definitive registered form and be represented by definitive registered warrants ("**Definitive Registered Warrants**") or combined definitive registered warrants ("**Combined Definitive Registered Warrants**").

The Warrants have not been and will not be registered under the Securities Act, as amended, the state securities laws of any state of the United States or the securities laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In respect of Warrants issued in reliance on Rule 144A transfers of the Warrants may be conditional upon delivery of certain certifications and are subject to significant restrictions. Exercise of a Warrant offered in reliance on Regulation S will be conditional upon delivery of certain certifications. Details of such certifications may be obtained from any of the Warrant Agents.

(b) **Registered Warrants**

(i) *General; Title*

In the case of Registered Warrants, a certificate will be issued to each Warrantholder in respect of its registered holding. Each such certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") maintained by the Warrant Registrar in respect of the Registered Warrants. In the case of the Registered Warrants, the person for the time being in whose name such Registered Warrant is so registered in the Register shall be the "**Warrantholder**" or "**Holder**" of the Warrants represented thereby and shall be treated by the Issuer, the Warrant Agent, the relevant Clearing System(s) and all other persons dealing with such person as the holder thereof, **provided however that**, for as long as the Registered Warrants are represented by a Global Registered Warrant for all purposes other than payment, the persons for the time being appearing in the books of the relevant Clearing System as the holder of such Registered Warrant shall be treated as the Warrantholders and these Conditions shall be construed accordingly.

(ii) *Transfer of Registered Warrants*

Title to Registered Warrants passes by registration in the Register.

(iii) *Regulations concerning transfer and registration of Registered Warrants*

All transfers of Registered Warrants and entries on the Register will be made subject to the detailed regulations (the "**Regulations**") concerning exchange and transfer of Registered Warrants scheduled to the Warrant Agency Agreement. The Regulations may be amended, supplemented or replaced by the Issuer with the prior written approval of the Warrant Registrar but without the consent of the Holders of any Warrants. A copy of the current Regulations are available for inspection during usual business hours at the specified office of the Warrant Registrar and the Warrant Transfer Agents.

(iv) *Rule 144A Legends*

Upon the transfer, exchange or replacement of Registered Warrants bearing the private placement legend for the purpose of Rule 144A in the case of Restricted Global Registered Warrants, Rule 144A Global Registered Warrants and Combined Global Registered Warrants (a "**Rule 144A Legend**"), each as set forth

## Part C1 – Terms and Conditions of the Warrants

in the form of the relevant Registered Warrant, the Registrar shall deliver only Registered Warrants that also bear the relevant legend unless there is delivered to the Issuer and to the Registrar such satisfactory evidence, which may include an opinion, reasonably satisfactory to the Issuer, of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States, that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such Registered Warrants are not "restricted securities" within the meaning of Rule 144 under the Securities Act.

### (c) *Uncertificated Registered Warrants*

The Uncertificated Registered Warrants shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Uncertificated Securities Regulations**"). The Uncertificated Registered Warrants are participating securities for the purposes of the Regulations. Title to the Uncertificated Registered Warrants is recorded on the relevant Operator (as defined below) register of corporate securities. The CREST Registrar on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to the Uncertificated Registered Warrants and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Registered Warrants shall be treated by the Issuer and the CREST Registrar as the holder of such number of Uncertificated Registered Warrants for all purposes (and the expressions "**Warrantholder**" and "**Holder**" and related expressions shall be construed accordingly), and (ii) none of the Issuer and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Warrants.

Title to Uncertificated Registered Warrants will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Uncertificated Registered Warrants (including transfers of Uncertificated Registered Warrants) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

No provision of these Conditions as amended in accordance with the applicable Pricing Supplement shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Warrants in uncertificated form, (II) the transfer of title to Uncertificated Registered Warrants by means of a relevant system or (III) the Uncertificated Securities Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Pricing Supplement, so long as the Uncertificated Registered Warrants are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Warrants shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Warrants may be issued in uncertificated form in accordance with and subject as provided in the Regulations, and (C) for the avoidance of doubt, the Conditions and the applicable Pricing Supplement in relation to any Uncertificated Registered Warrant shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Warrant.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Uncertificated Securities Regulations and the relevant Operator (as such term is used in the Uncertificated Securities Regulations) is CREST or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in

## Part C1 – Terms and Conditions of the Warrants

relation to the Uncertificated Registered Warrants and in accordance with the Uncertificated Securities Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Warrants in accordance with Condition 11 (*Notices*).

If at any time:

- (i) a Warrantholder ceases for any reason to be a member of CREST; or
- (ii) the Uncertificated Registered Warrants cease for any reason to be participating securities capable of being held in CREST,

then the Issuer shall, in accordance with the rules and procedures governing CREST, ensure that Registered Warrants are issued in exchange for the Uncertificated Registered Warrants and that such Registered Warrants are registered in such names as the Operator shall notify to the Issuer.

### 3. Status of the Warrants

- (a) The Warrants of each Series constitute direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and, at their date of issue, with all other unsecured and unsubordinated obligations of the Issuer (other than any such obligations preferred by law).
- (b) The Warrants do not create or transfer in favour of the Warrantholder any legal, proprietary economic, beneficial or other interest in (including, without limitation, voting rights, as applicable) or right to acquire or dispose of any underlying (including, without limitation any reference asset or reference index) or any related purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) as determined in its absolute discretion by the Issuer or an affiliate in order to hedge, individually or on a portfolio basis, a Warrant ("**Hedging Positions**") and Warrantholders shall have no legal, proprietary, economic, beneficial or other interest in any underlying or Hedging Position by virtue of any investment in the Warrants.
- (c) The Issuer is not obliged to hedge the Warrants by holding any corresponding Hedging Positions in any underlying and has discretion to decide its hedging strategy.

### 4. Rights on Exercise

#### (a) "*American Style*" Exercise

If the Warrants are specified in the relevant Pricing Supplement as being "American Style" Warrants, then this Condition 4(a) is applicable and the Warrants are exercisable on any Business Day during the Exercise Period prior to termination of the Warrants as provided in the Conditions, **provided that** and subject to Condition 4(f) (*Automatic Exercise*) below, any "American Style" Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5 (*Exercise Procedure*) shall become void in accordance with Condition 4(e) (*Warrants Void on Expiry*).

#### (b) "*European Style*" Exercise

If the Warrants are specified in the relevant Pricing Supplement as being "European Style" Warrants, then this Condition 4(b) is applicable and the Warrants are exercisable only on the Expiry Date, prior to termination of the Warrants as provided in the Conditions, **provided that** and subject to Condition 4(f) (*Automatic Exercise*) below, any "European Style" Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5 (*Exercise Procedure*) shall become void in accordance with Condition 4(e) (*Warrants Void on Expiry*).

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(c) ***"Bermudan Style" Exercise***

If the Warrants are specified in the relevant Pricing Supplement as being "Bermudan Style" Warrants, then this Condition 4(c) is applicable and the Warrants are exercisable on each Potential Exercise Date and on the Expiry Date, prior to termination of the Warrants as provided in the Conditions, **provided that** and subject to Condition 4(f) (*Automatic Exercise*) below, any "Bermudan Style" Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5 (*Exercise Procedure*) shall become void in accordance with Condition 4(e) (*Warrants Void on Expiry*).

(d) ***Cash Settlement***

Each Warrant, upon exercise, entitles the Holder thereof to receive from the Issuer on the Cash Settlement Date (as specified in the relevant Pricing Supplement) an amount ("**Cash Settlement**") calculated in accordance with the relevant Pricing Supplement (the "**Cash Settlement Amount**") in the currency (the "**Settlement Currency**") specified in the relevant Pricing Supplement. The Cash Settlement Amount will be rounded down to the nearest minimum unit of the Settlement Currency, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amount payable in respect of such Warrants.

(e) ***Warrants Void on Expiry***

Warrants which are not deemed automatically exercised in accordance with Condition 4(f) (*Automatic Exercise*) below and with respect to which an Exercise Notice has not been duly completed and delivered to the relevant Clearing System and to the Principal Warrant Agent, in the manner set out in Condition 5 (*Exercise Procedure*), before 10.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located) on the Expiry Date, shall become void.

(f) ***Automatic Exercise***

Notwithstanding Condition 4(e) (*Warrants Void on Expiry*), unless Automatic Exercise is specified as "**Not applicable**" in the relevant Pricing Supplement, any Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5 (*Exercise Procedure*) by the Expiry Date shall be deemed to be automatically exercised on the Expiry Date and the provisions of Condition 5(h) (*Exercise Risk*) shall apply and in these Conditions the expression "**exercise**" and any related expressions shall be construed to apply to any such Warrants which are deemed to be automatically exercised in accordance with this Condition 4(f).

### 5. **Exercise Procedure**

(a) ***Exercise Notice***

Subject to prior termination of the Warrants as provided in the Conditions, Warrants may be exercised on the Exercise Date by the sending of a fax, confirmed in writing, of a duly completed Exercise Notice (copies of which may be obtained from the relevant Clearing System or the Principal Warrant Agent) to the Principal Warrant Agent, not later than 10.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located):

- (A) in the case of Warrants specified in the relevant Pricing Supplement as being "American Style" Warrants, on any Business Day during the Exercise Period;
- (B) in the case of Warrants specified in the relevant Pricing Supplement as being "European Style" Warrants, on the Expiry Date, subject to Condition 4(b) ("*European Style Exercise*"); or



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- (C) in the case of Warrants specified in the relevant Pricing Supplement as being "Bermudan Style" Warrants, on a Potential Exercise Date, and/or the Expiry Date, subject to Condition 4(c) ("*Bermudan Style*" Exercise).

Subject to Condition 4(e) (*Warrants Void on Expiry*), any Exercise Notice delivered after 10.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located) shall (a) in the case of "European Style" Warrants and "Bermudan Style" Warrants, be null and void and (b) in the case of "American Style" Warrants, be deemed to have been delivered on the next succeeding Business Day.

Each Exercise Notice shall:

- (i) specify the name, address, telephone and facsimile details of the Warrantholder in respect of the Warrants being exercised;
- (ii) specify the number of Warrants of each Tranche being exercised (which must be not less than the Minimum Exercise Number (as defined in Condition 6) (*Minimum Number of Warrants Exercisable*));
- (iii) specify the number of the Warrantholder's account at the relevant Clearing System to be debited with the Warrants being exercised and irrevocably instruct, or, as the case may be, confirm that the Warrantholder has irrevocably instructed, the relevant Clearing System to debit the Warrantholder's account with the Warrants being exercised and to credit the same to the account of the Principal Warrant Agent;
- (iv) where applicable, specify the number of the Warrantholder's account at the relevant Clearing System to be credited with the Cash Settlement Amount for the Warrants being exercised; and
- (v) include an irrevocable undertaking to pay any applicable stamp duty, stamp duty reserve tax and/or other taxes or duties ("**Taxes**") due by reason of the exercise of the Warrants and an authority to the Issuer and the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder or otherwise (on, or at any time after, the Cash Settlement Date) to debit a specified account of the Warrantholder at the relevant Clearing System with an amount or amounts in respect thereof, all as provided in the Warrant Agency Agreement.

(b) ***Verification of Warrantholder***

To exercise Warrants, the Holder must duly complete an Exercise Notice and must have Warrants in the amount being exercised in its securities account with the relevant Clearing System on the Exercise Date. The relevant Clearing System will, in accordance with its normal operating procedures, verify that each person exercising such Warrants is the Holder thereof according to the records of such Clearing System and that such Holder has an account at the relevant Clearing System which contains an amount equal to the number of Warrants being exercised. If the Exercise Notice is, in the determination of the relevant Clearing System, improperly completed, or sufficient Warrants are not available in the specified account(s) with the relevant Clearing System on the Exercise Date, the Exercise Notice will be treated as null and void and a new duly completed Exercise Notice must be submitted if exercise of the Holder's Warrants is still desired.

On or prior to the Cash Settlement Date, the relevant Clearing System will debit the Warrantholder's account with the Warrants being exercised.

(c) ***Notification to Principal Warrant Agent***

The relevant Clearing System shall notify the Principal Warrant Agent in writing (with a copy to the Issuer) not later than 11.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located) on the Business Day immediately following the Exercise Date of the number of the account with such Clearing

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System to which the Cash Settlement Amount to which the relevant Warrants relate is to be credited for the benefit of the Warrantholder.

(d) ***Debit of Warrantholder's Account***

The relevant Clearing System will on or before the Cash Settlement Date debit the relevant account of the Warrantholder and credit the relevant account of the Principal Warrant Agent (in favour of the Issuer) with the Warrants being exercised together with any applicable Taxes.

(e) ***Payment***

In respect of Warrants which have been exercised, the Calculation Agent shall by close of business or such other time as is specified in the relevant Pricing Supplement on the date specified therefor in the relevant Pricing Supplement determine the Cash Settlement Amount (if any) to be paid on the relevant Cash Settlement Date in respect of the relevant Warrants **provided that** the Calculation Agent has received notification from the relevant Clearing System specifying the number of Warrants which have been exercised in accordance with Condition 5(a) (*Exercise Notice*) and, shall notify the Issuer and the Principal Warrant Agent of such amounts on the Business Day following the date so specified.

The Issuer will transfer to the Principal Warrant Agent the Cash Settlement Amount in respect of the Warrants being exercised, less any amount in respect of Taxes which the Issuer is authorised to deduct therefrom, for value on the Cash Settlement Date, and the Principal Warrant Agent will cause the Warrantholder's account with the relevant Clearing System to be credited with such amount for value on the Cash Settlement Date.

The Issuer shall pay or cause to be paid when due payments in respect of Uncertificated Registered Warrants to the relevant Warrantholder's cash memorandum account (as shown in the records of the Operator), such payment to be made in accordance with the rules of the Operator. Each of the persons shown in the Operator register of corporate securities as holder of a particular principal amount of Uncertificated Registered Warrants must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

(f) ***Payment of Alternative Payment Currency Equivalent***

If:

- (i) "Payment of Alternative Payment Currency Equivalent" is specified as applicable in the relevant Pricing Supplement or is applicable in accordance with the proviso to Condition 5(g)(Y); or
- (ii) a Clearing System Currency Eligibility Event has occurred and is continuing,

then, if by reason of a FX Disruption Event, a Clearing System Currency Eligibility Event or any other event specified in the relevant Pricing Supplement as an Additional Alternative Payment Currency Event, the Issuer is not able to satisfy any payment in respect of the Warrants when due in the Settlement Currency, the Issuer may settle any such payment in U.S. dollars or any other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement on (i) the due date at the Alternative Payment Currency Equivalent of any such amount due or (ii) if in the applicable Pricing Supplement "Condition 1" is specified as applicable to the Alternative Payment Currency Fixing Date, the date falling the Alternative Payment Settlement Days after the due date at the Alternative Payment Currency Equivalent of any such amount due and, in each case, no further payment on account of interest or otherwise shall be due in respect of such postponed payment.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(f) (*Payments – Payment of Alternative Payment Currency Equivalent*) by the

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Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Warrant Agents and all Warrantholders. By acceptance thereof, purchasers of the Warrants will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the calculation of the Alternative Payment Currency Equivalent by the Calculation Agent.

(g) ***Price Source Disruption and FX Disruption***

- (X) If "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then, if on any day on which the Calculation Agent is required to determine a Relevant Rate (a "**Scheduled FX Fixing Date**"):
- (A) a Price Source Disruption occurs, (other than as a result of an Unscheduled Holiday) and no Alternative Payment Currency Exchange Rate Fall-Back provisions or Underlying Currency Pair Exchange Rate Fall-Back provisions, as applicable, are specified in the relevant Pricing Supplement, then the Calculation Agent shall:
- (1) determine the Relevant Rate by reference to the rate of exchange published by available recognised financial information vendors (as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner) on the Scheduled FX Fixing Date (the "**Fall-Back Reference Price**"); or
  - (2) unless the Pricing Supplement specifies Dealer Poll as not applicable, in the event that the Calculation Agent is unable to determine a Fall-Back Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fall-Back Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market, the Calculation Agent will on the Scheduled FX Fixing Date request four Reference Dealers to provide a quotation of their rate for the Relevant Rate on such day. If at least two quotations are provided, the Relevant Rate will be the arithmetic mean of such quotations; and
  - (3) if (i) the Pricing Supplement specifies Dealer Poll as not applicable and the Calculation Agent is unable to determine a Fall-Back Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fall-Back Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; (ii) the Calculation Agent determines that the Relevant Rate determined in accordance with paragraph (2) above does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; or (iii) fewer than 2 quotations are provided by Reference Dealers following the Calculation Agent's request pursuant to paragraph (2) above, the Calculation Agent will determine the Relevant Rate on the first succeeding Business Day on which the Price Source Disruption ceases to exist; **provided, however, that** if the Price Source Disruption continues for thirty consecutive calendar days (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (the "**FX Cut-off Date**", the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that FX Cut-off Date; or

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- (B) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the Scheduled FX Fixing Date for such Relevant Rate and all other Relevant Rates which have the same Scheduled FX Fixing Date shall be postponed to the first succeeding Relevant Currency Business Day; **provided, however, that** in the event that the Scheduled FX Fixing Date is postponed as a result of the occurrence of an Unscheduled Holiday (a "**Postponed FX Fixing Date**"), and if the Postponed FX Fixing Date has not occurred on or before the thirtieth consecutive calendar day (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (any such period being a "**Deferral Period**"), then the next day after the Deferral Period that is or would have been a Relevant Currency Business Day but for an Unscheduled Holiday, shall be deemed to be the Postponed FX Fixing Date and the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that Postponed FX Fixing Date.
- (Y) If at any time, a FX Disruption Event occurs, the Issuer, in its sole and absolute discretion, may elect to either:
- (A) having given not less than five days' notice to the Warrantheolders in accordance with Condition 11 (*Notices*), terminate all, but not some only, of the Warrants at their Fair Market Value (and, if the FX Disruption Event occurs on a Scheduled FX Fixing Date on which there is a Price Source Disruption or Unscheduled Holiday, for the purposes of determining such Fair Market Value the Calculation Agent shall first determine any Relevant Rate (a) in accordance with sub-paragraph (X)(A) or (X)(B) above, as applicable, of Condition 5(g) (*Price Source Disruption and FX Disruption*)) if "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or, alternatively (b) in good faith and in a commercially reasonable manner, on the date notified to the Warrantheolders; or
- (B) instruct the Calculation Agent to make such adjustment(s) to the Conditions as it, acting in good faith and in a commercially reasonable manner, determines to be necessary or desirable to reflect or account for any market practice that develops in respect of the FX Disruption Event,
- provided, however, that** in relation to sub-paragraphs (Y)(A) and (Y)(B) above, if as a result of the FX Disruption Event the Issuer is not able to satisfy payments in respect of the Warrants when due in the Settlement Currency, the Issuer may settle any such payment pursuant to the provisions of Condition 5(f) (*Payment of Alternative Payment Currency Equivalent*);
- (Z) If the Warrants are specified in the relevant Pricing Supplement as being "American Style" Warrants and if a Scheduled FX Fixing Date is postponed in accordance with this Condition 5(g) (*Price Source Disruption and FX Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the applicable Pricing Supplement) following the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable.
- (h) **Exercise Risk**
- Exercise of the Warrants and payment by the Issuer and the Principal Warrant Agent will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at the relevant time (including, without limitation, any relevant exchange control laws or regulations and the rules and procedures of the relevant Clearing System) and neither the Issuer nor the Principal Warrant Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a

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result of any such laws, regulations and practices. Neither the Issuer nor the Principal Warrant Agent shall under any circumstances be liable for any acts or defaults of any Clearing System in the performance of its duties in relation to the Warrants.

(i) ***Determinations***

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the relevant Clearing System, and shall be conclusive and binding on the Issuer, the Warrant Agents and the relevant Warrantholder. Any Exercise Notice so determined to be incomplete or not in proper form or which is not copied to the Principal Warrant Agent immediately after being sent to the relevant Clearing System, shall be null and void. If such Exercise Notice is subsequently corrected to the satisfaction of the relevant Clearing System, it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to the relevant Clearing System.

(j) ***Effect of Exercise Notice***

Delivery of an Exercise Notice shall constitute an irrevocable election and undertaking by the Warrantholder to exercise the Warrants specified therein, **provided that** the person exercising and delivering such Exercise Notice is the person then appearing in the books of the relevant Clearing System as the Holder of the relevant Warrants. If the person exercising and delivering the Exercise Notice is not the person so appearing, such Exercise Notice shall for all purposes become null and void and shall be deemed not to have been so delivered.

After the delivery of an Exercise Notice (other than an Exercise Notice which shall become void pursuant to Condition 5(a) (*Exercise Notice*)), the Warrantholder specified in such Exercise Notice may not otherwise transfer such Warrants. Notwithstanding this, if any Warrantholder does so transfer or attempt to transfer such Warrants, the Warrantholder will be liable to the Issuer for any losses, costs and expenses suffered or incurred by the Issuer including those suffered or incurred as a consequence of it having terminated any related hedging operations in reliance on the relevant Exercise Notice and subsequently (i) entering into replacement hedging operations in respect of such Warrants or (ii) paying any amount on the subsequent exercise of such Warrants without having entered into any replacement hedging operations.

(k) ***LBMA Physical Settlement***

The following provisions apply where LBMA Physical Settlement is specified as being applicable in the relevant Pricing Supplement.

A. ***LBMA Transfer Notice***

- (i) Each Warrantholder shall, on or before 4:00 pm (London time) on the date falling 5 Underlying Currency Pair Business Days (as applicable) before the relevant Cash Settlement Date (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Warrant Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Warrant Agents and the Warrantholders accordingly) send to the relevant Clearing System, in accordance with its then applicable operating procedures, and copied to the Principal Warrant Agent, an irrevocable notice (an "**LBMA Transfer Notice**") in the form from time to time approved by the Issuer, which must:

- (A) specify the name and address of the Warrantholder;
- (B) specify the number of Warrants in respect of which he is the Warrantholder;
- (C) specify the number of the Warrantholder's account at the relevant Clearing System, to be debited with such Warrants;

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- (D) irrevocably instruct and authorise the relevant Clearing System, (1) to debit the Warrantheader's account with such Warrants on the relevant Cash Settlement Date and (2) that no further transfers of the Warrants specified in the LBMA Transfer Notice may be made;
  - (E) contain a representation and warranty from the Warrantheader to the effect that the Warrants to which the LBMA Transfer Notice relates are free from all liens, charges, encumbrances and other third party rights;
  - (F) specify the number and account name of the account in London with a member of the LBMA where the relevant amount of Cash Settlement Amount and/or any other amount in respect of the Warrants shall be credited;
  - (G) contain an irrevocable undertaking to pay the Transfer Expenses (if any) and an irrevocable instruction to the relevant Clearing System, to debit on or after the relevant Cash Settlement Date the cash or other account of the Warrantheader with the relevant Clearing System, specified in the LBMA Transfer Notice with such Transfer Expenses; and
  - (H) authorise the production of the LBMA Transfer Notice in any applicable administrative or legal proceedings.
- (ii) A LBMA Transfer Notice, once delivered to the relevant Clearing System, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Warrantheader may not transfer any Warrant which is the subject of a LBMA Transfer Notice following delivery of such LBMA Transfer Notice to the relevant Clearing System. A LBMA Transfer Notice shall only be valid to the extent that the relevant Clearing System have not received conflicting prior instructions in respect of the Warrants which are the subject of the LBMA Transfer Notice.
  - (iii) Failure properly to complete and deliver a LBMA Transfer Notice may result in such notice being treated as null and void with the consequence set out in subparagraph (C). Any determination as to whether such notice has been properly completed and delivered as provided shall be made by the relevant Clearing System, after consultation with the Principal Warrant Agent and shall be conclusive and binding on the Issuer and the Warrantheader.
  - (iv) The Principal Warrant Agent shall promptly on the local banking day following receipt of a LBMA Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.

### B. *Delivery obligation*

Subject to the other provisions of this Condition 5(k), if the LBMA Physical Settlement provisions are specified in the relevant Pricing Supplement as being applicable, the Issuer shall discharge its obligation to deliver the relevant amount of Cash Settlement Amount and/or any other amount in respect of the Warrants by crediting, or procuring the credit of, the same on the relevant Cash Settlement Date of the Warrants to the account in London with a member of the LBMA specified in the LBMA Transfer Notice of the relevant Warrantheader.

### C. *LBMA Physical Settlement Fall-Back Settlement Amount*

In the event that any Warrantheader fails to deliver a valid LBMA Transfer Notice by 4:00 pm on the day falling 5 Underlying Currency Pair Business Days (as

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applicable) before the relevant Cash Settlement Date (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Warrant Agents and the Warranholders accordingly), the Calculation Agent shall determine the LBMA Physical Settlement Fall-Back Settlement Amount and the Issuer shall pay the LBMA Physical Settlement Fall-Back Settlement Amount in respect of each Warrant held by such Warranholder on the Cash Settlement Date of the Warrants.

### D. *Disruption*

#### (i) *LBMA Physical Settlement Market Disruption Event*

If a LBMA Physical Settlement Market Disruption Event occurs or exists on any date on which the Underlying Currency Pair Exchange Rate is to be determined, the Underlying Currency Pair Exchange Rate shall be the rate determined by the Calculation Agent taking into consideration the latest available Underlying Currency Pair Exchange Rate as of a date on which no LBMA Physical Settlement Market Disruption Event occurred or existed and any other information which the Calculation Agent considers relevant.

#### (ii) *Settlement Disruption of LBMA Physical Settlement*

The Calculation Agent shall determine whether or not at any time a LBMA Physical Settlement Disruption Event has occurred and where it determines such an event has occurred and has prevented any delivery on the original day that but for such LBMA Physical Settlement Disruption Event would have been the relevant Cash Settlement Date of the Warrants then such date will be the first succeeding day on which the relevant delivery can take place unless a LBMA Physical Settlement Disruption Event prevents settlement on each of the ten (10) Business Days immediately following the original date that, but for the LBMA Physical Settlement Disruption Event, would have been the relevant Cash Settlement Date. In that case, (a) if the relevant delivery can be effected in any other commercially reasonable manner, then the relevant Cash Settlement Date will be that tenth (10<sup>th</sup>) Business Day with delivery being effected in such manner, and (b) if such delivery cannot be effected in any other commercially reasonable manner, then the relevant Cash Settlement Date will be postponed until delivery can be effected in another commercially reasonable manner.

### (I) *Dividend Equivalent Payments*

In respect of any Series of Warrants where the payments in respect of such Warrants are determined by reference to one or more variables such as an index, formula, security, commodity, currency exchange rate, interest rate, inflation index, the credit of one or more entities or other factor (each variable being a "**Reference Asset**" or, if it is comprised in a basket of variables, a "**Reference Asset Component**"), if the Pricing Supplement in respect of such Warrants states the Warrants are "Section 871(m) Warrants", the Pricing Supplement shall further specify whether the "Dividend Withholding" or "Issuer Withholding" approach to withholding in relation to Section 871(m) IRC shall be applicable to the Warrants.

If "Dividend Withholding" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall provide for the Issuer to make payments to Warranholders in respect of any dividend equivalent amounts received or deemed received in respect of any Reference Asset or Reference Asset Component and shall include provisions relating to the amount and timing of such payments.

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If "Issuer Withholding" is specified in the relevant Pricing Supplement, the Pricing Supplement shall specify whether any dividend equivalent amounts are to be treated as being reinvested during the term of the Warrants and what portion thereof is expected as of the Issue Date to be treated for U.S. federal income tax purposes as having been withheld from a payment due to the Warranholders.

(m) **Physical Settlement**

The following provisions apply where Physical Settlement is specified as being applicable in the relevant Pricing Supplement:

A. Physical Settlement (*Pre-trade letter*)

Each Warranholder shall prior to the Issue Date complete and return to the Issuer a physically settled warrants investment pre-trade letter (the "**Pre-trade letter**") in the form obtainable from the Issuer, which must:

- (A) specify the name and address of the Warranholder;
- (B) specify the number of the Warranholder's unallocated bullion account with HSBC Bank plc (the "**Nominated Account**");
- (C) contain an agreement and confirmation from the Warranholder to the effect that it will (i) maintain the Nominated Account; (ii) notify the Issuer of any changes to the administrative details of the Nominated Account; and (iii) remain the owner of the Warrants at all times (whether for its own account or for the account of others) and that it will not transfer or otherwise dispose of any interest in the Warrants; and
- (D) contain an indemnity from the Warranholder in relation to any claim, demand, action, liability, cost, loss or expense which the Issuer may incur in connection with a breach of the Pre-trade letter.

B. Delivery obligation

If Physical Settlement is specified in the relevant Pricing Supplement, the Issuer shall discharge its obligation to deliver the relevant amount in respect of Cash Settlement Amount and/or any other amount in respect of the Warrants by crediting, or procuring the credit of, the same on the relevant Cash Settlement Date to the Nominated Account as specified in the Pre-trade letter.

**Settlement of accounts to be delivered under the Warrants shall be made only to the Nominated Account. Accordingly, if Warrants are at any time transferred to a person other than the initial Warranholder, then the transferee may be unable to receive such amounts. The Issuer shall have no obligation to deliver any amounts other than by credit to the relevant Nominated Account and shall have no liability to any transferee of Warrants in relation to any such delivery.**

6. **Minimum Number of Warrants Exercisable**

The Warrants are exercisable in the minimum number (the "**Minimum Exercise Number**") specified in the relevant Pricing Supplement and integral multiples thereof (or, if a "**Permitted Multiple**" is specified in the relevant Pricing Supplement, integral multiples of the Permitted Multiple) on any particular occasion or such lesser Minimum Exercise Number or other Permitted Multiple as the Issuer may from time to time notify to the Warranholders in accordance with Condition 11 (*Notices*).

7. **Effects of European Economic and Monetary Union**

- (a) Following the occurrence of an EMU Event (as defined below), the Calculation Agent may make such adjustment (and determine the effective date of such adjustment) as it determines appropriate, if any, to the Strike Price (if any), the formula for the Cash Settlement Amount, the Final Price, the number of Securities to which each Warrant



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relates, the number of securities comprised in a Security Basket Warrant, the amount, the number of or type of shares, bonds, other securities or other property which may be delivered in respect of such Warrants and/or any other adjustment and, in any case, any other variable relevant to the exercise, settlement or payment terms of the relevant Warrants which have been or may be affected by such EMU Event.

- (b) Following the occurrence of an EMU Event, without prejudice to the generality of the foregoing, the Issuer shall be entitled to: (i) make such conversions between amounts denominated in the National Currency Units of the member states of the European Union that have adopted the single currency in accordance with the Treaty and the euro, and the euro and the National Currency Units, in each case, in accordance with the conversation rates and rounding rules established by the council of the European Union pursuant to the Treaty as it considers appropriate; (ii) make all payments in respect of the Warrants solely in euro as though references in the Warrants to the relevant National Currency Units were to euro and (iii) make such adjustments as it considers necessary to the Strike Price (if any), the formula for the Cash Settlement Amount, Final Price and any other amount as it determines to be appropriate.
- (c) None of the Issuer, a Warrant Agent or the Calculation Agent will be liable to any Warrantholder or other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection therewith.
- (d) For the purposes hereof, "EMU Event" means the occurrence of any of the following, as determined by the Calculation Agent, acting in a commercially reasonable manner:
  - (i) the withdrawal from legal tender of any currency that, before the introduction of the euro, was lawful currency in one of the member states;
  - (ii) the redenomination of any Security into euro;
  - (iii) any change in the currency of denomination of any index;
  - (iv) any change in the currency in which some or all the securities or other property contained in any index is denominated;
  - (v) the disappearance or replacement of a relevant rate option or other price source for the national currency of any member state, or the failure of the agreed sponsor (or successor sponsor) to publish or display a relevant rate, index, price, page or screen; or
  - (vi) the change by any organised market, exchange or clearance, payment or settlement system in the unit of account of its operating procedures to the euro.

### 8. Warrant Agents and Calculation Agent

#### (a) *Appointment of Agents*

The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Warrant Agent or the Calculation Agent or the Authentication Agent or the Warrant Registrar or the Warrant Transfer Agent and to appoint another Principal Warrant Agent or a substitute Calculation Agent or a substitute Authentication Agent or a substitute Warrant Registrar or a substitute Warrant Transfer Agent, **provided that** so long as any Warrant is outstanding, the Issuer will maintain a Principal Warrant Agent and a Calculation Agent and an Authentication Agent and, so long as any Registered Warrants are outstanding, a Warrant Registrar. Notice of any termination of appointment and of any change in the specified office of the Principal Warrant Agent or a Calculation Agent or an Authentication Agent or a Warrant Registrar or a Warrant Transfer Agent and of any appointment of a Warrant Agent or a Calculation Agent or an Authentication Agent or a Warrant Registrar or a Warrant Transfer Agent will be given to Warrantholders in accordance with Condition 11 (*Notices*). In acting under the Warrant Agency Agreement, the Agents acts solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantholders.

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### (b) *Calculation Agent*

The Calculation Agent shall not act as an agent for the Warrantheolders but shall be the agent of the Issuer. All calculation functions required of the Calculation Agent under these Conditions may be delegated to any such person as the Calculation Agent, in its absolute discretion, may decide.

Neither the Issuer nor the Calculation Agent shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables used in any calculation made pursuant to these Conditions or in the calculation or determination of any Cash Settlement Amount.

Except as otherwise provided in these Conditions or in a relevant Pricing Supplement, all calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Warrants (including any determinations by the Calculation Agent as to the exercise or non-exercise by it of its powers, duties and discretions for such purposes) shall be made in good faith and in a commercially reasonable manner.

### (c) *Notifications*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Warrants by the Principal Warrant Agent or the Calculation Agent shall (in the absence of manifest error or wilful misconduct) be binding on the Issuer and the Warrantheolders **and (subject as aforesaid) no liability to the Warrantheolders (or any of them) shall attach to the Principal Warrant Agent or the Calculation Agent in connection with the exercise or non-exercise by either of them of their powers, duties and discretions for such purposes.**

### (d) All calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Warrants shall be made in good faith.

## 8A. **Consequences of a Benchmark Trigger Event**

### (a) If the Issuer determines that a Benchmark Trigger Event has occurred in relation to a Relevant Benchmark relating to a Series of Warrants, then:

#### (i) if an Alternative Pre-nominated Index has been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement:

(A) unless the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Relevant Benchmark shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and

(B) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Warrants of referencing the Alternative Pre-nominated Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Warrants; and

#### (ii) if an Alternative Pre-nominated Index has not been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement or the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, the Issuer shall do any of the following:

(A) determine that references to such Relevant Benchmark shall be deemed to be replaced by references to such index, benchmark or price source as

## Part C1 – Terms and Conditions of the Warrants

the Issuer determines would have the effect of placing the Issuer in an economically equivalent position to that which it would have been in had the Benchmark Trigger Event not occurred (the "**Replacement Index**") (and in making such determination the Issuer shall be entitled to take into account such facts and circumstances as it considers relevant including, without limitation, (i) any index, benchmark or other price source which measures the same market or economic reality as the Relevant Benchmark and which is formally designated, nominated or recommended by the administrator or sponsor of the Relevant Benchmark or (ii) any index, benchmark or other price source which is formally designated, nominated or recommended by any Relevant Nominating Body, in each case to replace the Relevant Benchmark), in which case:

- (1) references to such Relevant Benchmark shall be deemed to be replaced with references to such Replacement Index with effect from such date as the Issuer shall determine (acting in good faith and in a commercially reasonable manner); and
  - (2) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Warrants of referencing the Replacement Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Warrants; or
- (B) follow the steps for determining the relevant rate or level set out in the Relevant Reference Asset Fallback Provisions (if any); or
- (C) determine that the Warrants shall be terminated, in which case the Issuer's obligations under the Warrants shall be satisfied in full upon payment in respect of each Warrant of an amount equal to its Fair Market Value on the date selected by the Issuer and give notice of such termination to the Warrantholders (with a copy to the Calculation Agent) in accordance with Condition 11 (*Notices*);

**provided, however, that** if (1) it is or would be unlawful at any time under applicable law or regulation or (2) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Warrants, then such provision shall not apply and the Issuer shall not make such determination (as the case may be) and the Issuer shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements.

- (b) If the Issuer is not able to determine the Relevant Benchmark in accordance with the provisions of this Condition 8A on any Relevant Benchmark Determination Date, then the Relevant Benchmark Determination Date shall be postponed to such date as it is able to make such determination and any Relevant Benchmark Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Relevant Benchmark Determination Date.
- (c) The Issuer shall promptly following the determination of any replacement for a Relevant Benchmark pursuant to paragraph (a)(i)(A) or (a)(ii)(A) above give notice thereof and of any changes pursuant to paragraph (a)(i)(B) or (a)(ii)(A)(2) (as applicable) to the Principal Paying Agent the Calculation Agent and the Warrantholders (in accordance with Condition 11 (*Notices*)).
- (d) Without prejudice, in the case of any Index-Linked Warrants, to Condition 18(c)(ii) (*Index Modification*), if the definition, methodology or formula for a Relevant Benchmark in

## Part C1 – Terms and Conditions of the Warrants

respect of a Series of Warrants, or other means of calculating the Relevant Benchmark in respect of a Series of Warrants, is changed, then references to such Relevant Benchmark shall be to such Relevant Benchmark as so changed.

- (e) In making any determination under this Condition 8A, the Issuer shall take account of such facts and circumstances as it considers relevant, including, without limitation, prevailing market practice, any determinations made in respect of any of the Issuer's hedging arrangements in relation to the Warrants (including, without limitation, in respect of any termination or re-establishment of hedging arrangements, and the Issuer's funding costs. Except to the extent such exclusion is prohibited by law, in the absence of fraud or gross negligence on the part of the Issuer, no liability will attach to the Issuer in connection with any determination made by the Issuer pursuant to this Clause 8A.

### 9. Taxes

All payments by the Issuer in respect of the Warrants will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the Relevant Jurisdiction unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges.

In the event that the Issuer is so required by law to withhold or deduct, it shall not be obliged to pay any additional amounts to the Warrantheolders.

A Warrantheolder subscribing for, purchasing or exercising Warrants shall be responsible for paying all Taxes and securities transfer taxes and any other charges, if any, payable in connection with the subscription, purchase or exercise of such Warrants and the Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or exercise of any Warrants.

In any case where the Issuer is obliged to pay any such tax, duty or charge, the relevant Warrantheolder shall promptly reimburse the Issuer therefor.

If the Issuer becomes resident for tax purposes in any taxing jurisdiction other than the Relevant Jurisdiction, references in this Condition 9 (*Taxes*) to the Relevant Jurisdiction shall be construed as references to the Relevant Jurisdiction and/or such other jurisdiction.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts permitted or required by the rules of IRC Section 871(m), or IRC Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**U.S. Permitted Withholding**"). Neither the Issuer nor any Paying Agent will have any obligation to pay additional amounts or otherwise indemnify a holder for any U.S. Permitted Withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of U.S. Permitted Withholding.

### 10. Illegality

- (a) The Issuer shall have the right to terminate its obligations under the Warrants, if the Calculation Agent shall have determined acting in good faith and a commercially reasonable manner, that the performance of such obligations under the Warrants (or the Issuer's designated affiliates' obligations under any hedging or funding arrangement established in connection therewith) shall have become unlawful or impracticable in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; **provided, however, that** if the Calculation Agent determines that the relevant obligations have become unlawful, the Issuer may obtain an opinion of an independent legal adviser to that effect prior to terminating its obligations under the Warrants, and any such opinion shall be sufficient to establish the circumstances required

## Part C1 – Terms and Conditions of the Warrants

by this Condition 10. In such circumstances the Issuer will, however, pay to each Warrantholder in respect of each Warrant held by it an amount determined by the Calculation Agent representing the Fair Market Value of such Warrant immediately prior to such termination. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 11 (*Notices*).

- (b) Notwithstanding any other provision of these Conditions, it shall not be a default for any purpose if the Issuer fails to make any payment in respect of the Warrants of any Series or any of them (i) if the Issuer determines, acting in good faith, that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment (and any such determination made by the Issuer in accordance with advice given at any time by independent legal advisers shall be conclusive and binding on the Warrantholders) or (ii) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability.

### 11. **Notices**

All notices to Warrantholders will be deemed to have been duly given (a) in the case of Registered Warrants if notified to the relevant Clearing System or (b) in the case of Uncertificated Registered Warrants, if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Uncertificated Registered Warrants are listed by or on a competent authority or stock exchange and, if the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange and, in the case of Warrants admitted to the Official List of Euronext Dublin and admitted to trading on its Global Exchange Market (or which have been admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system), if copies of such notifications are forwarded in final form to Euronext Dublin no later than the date of dispatch (or, in the case of Warrants admitted to listing, trading and/or quotation by any other listing authority, stock exchange, and/or quotation system published in any publication required by such other listing authority, stock exchange and/or quotation system). Any such notice shall be deemed to have been given on the date of such notification or, in the case of any of Warrants listed on any other listing authority, stock exchange and/or quotation system, the date of such publication or, if notified or published more than once or on different dates, on the date of the first such notification or publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all required newspapers).

### 12. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Warrantholders to create and issue further warrants of any particular Series so as to form a single Series with the Warrants.

### 13. **Purchase by the Issuer**

The Issuer may at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may, at the discretion of the Issuer, be held, resold, reissued or surrendered for cancellation, and Warrants so reissued or resold shall for all purposes be deemed to form part of the original Series of the Warrants.

14. **Modification**

Subject in case of the Master Warrant Issuance Agreement or the Warrant Agency Agreement (as applicable) to the agreement of the other parties thereto, the Issuer may agree, without consent of the Warrantheolders, to:

- (a) any modification (except as mentioned above) of the Master Warrant Issuance Agreement, the Warrant Agency Agreement or the Conditions which is not materially prejudicial to the interests of the Warrantheolders as a whole;
- (b) any modification of the Conditions, the Master Warrant Issuance Agreement or the Warrant Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (c) any modification of the Warrants which is made to correct an inconsistency between the pricing supplement and the conditions of the Warrant issue (comprising these Conditions as completed by the relevant Pricing Supplement) and the relevant termsheet relating to the Warrants.

Any such modification shall be binding on the Warrantheolders and any such modification shall be notified to the Warrantheolders in accordance with Condition 11 (*Notices*) as soon as practicable thereafter.

15. **Substitution**

The Issuer shall be entitled at any time and from time to time, without the consent of the Warrantheolders, to the substitution of a subsidiary or holding company of the Issuer or any subsidiary of any such holding company (the "**New Issuer**") in place of the Issuer as principal debtor under the Warrants of any Series, **provided that** such Warrants are irrevocably guaranteed by the Issuer. In the event of any such substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer. Any such substitution shall be promptly notified to the relevant Warrantheolders in accordance with Condition 11 (*Notices*). In connection with such right of substitution the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Warrantheolders 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 Warrantheolder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Warrantheolder.

16. **Governing Law**

16A. **Governing Law and Jurisdiction in relation to Warrants issued by HBEU**

This Condition 16A only applies to Warrants issued by HBEU.

(a) ***Governing law***

The Warrants and any non-contractual obligations arising out of or in connection with the Warrants are governed by and shall be construed in accordance with English law.

(b) ***English courts***

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with the Warrants (including any Dispute regarding the existence, validity or termination of the Warrants or the consequence of their nullity).

16B. **Governing Law and Jurisdiction in relation to Warrants issued by HBME**

This Condition 16B only applies to Warrants issued by HBME.

(a) ***Governing law***

The Warrants and any non-contractual obligations arising out of or in connection with the Warrants are governed by and shall be construed in accordance with English law.

(b) ***Arbitration***

Without limiting the rights of the Warranholders under Condition 16B(c), any dispute, claim, difference or controversy arising out of, relating to, or having any connection with the Trust Deed, the Warrants (including any dispute regarding their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (a "**Dispute**")) shall be referred to and finally resolved by arbitration under the London Court of International Arbitration ("**LCIA**") Rules (the "**Rules**"), which rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 16B(b). For these purposes:

- (i) the seat of arbitration shall be London;
- (ii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and
- (iii) the language of the arbitration shall be English.

(c) ***Jurisdiction***

Notwithstanding Condition 16B(b), any Warranholder may, in the alternative, and at its sole discretion, by notice in writing to HBME:

- (i) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (ii) in the event no arbitration is commenced,

require that a Dispute be heard by the courts of England. If the Warranholder gives such notice, the Dispute to which such notice refers shall be determined in accordance with this Condition 16B(c) and, subject as provided below, any arbitration commenced under Condition 16B(b) in respect of that Dispute will be terminated.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, or the relevant Warranholder must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (ii) his entitlement to be paid his proper fees and disbursements; and
- (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

## Part C1 – Terms and Conditions of the Warrants

In the event that a notice pursuant to this Condition 16B(c) is issued, the following provisions shall apply:

- (i) the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts; and
- (ii) the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) ***Service of Process***

The Issuer agrees that the documents which start any proceedings relating to any Dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the Company Secretary, HSBC Holdings plc, 8 Canada Square, London E14 5HQ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part 34 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Warranholder addressed and delivered to the Issuer or to the specified office of the Principal Paying Agent or, Paying Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, such Warranholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent or, as the case may be, the Paying Agent. Nothing in this paragraph shall affect the right of any Warranholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(e) ***Consent***

The Issuer irrevocably and generally consents in respect of any Proceedings anywhere to the giving of any relief or the issue of any process in connection with those Proceedings including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those Proceedings.

17. **Third Party Rights**

No person shall have any right to enforce any term or condition of the Warrants under the Contracts (Rights of Third Parties) Act 1999.



**PART C1 –  
PRO FORMA PRICING SUPPLEMENT FOR WARRANTS**

[When completing any terms herein, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]

**PRICING SUPPLEMENT**

Pricing Supplement dated [•]

**[HSBC Bank plc**

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*  
**/ HSBC Bank Middle East Limited]**

**Programme for the Issuance of Notes and Warrants**

**[Further] Issue of**

**[Number of Warrants]**

**[Title of Warrants]**

**[(to be consolidated and form a single series with the existing *[Insert details of existing Tranche(s)]* issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A – CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Warrants described herein [for the purposes of listing on the Official List of Euronext Dublin] and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants (the "**Conditions**") set forth in the Offering Memorandum.]

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS -** The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11)

of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Warrants are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Warrants which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Warrants. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement, the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2022] Conditions are available for viewing during normal business hours at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom]/[HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates] and [www.hsbc.com](http://www.hsbc.com) (please follow links to "Investors", "Fixed income investors", "Issuance programmes") and copies may be obtained from [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]/[HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates].

(For Warrants offered and sold in the United States of America include:

**[IMPORTANT NOTICES**

THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE WARRANTS ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF WARRANTS PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

**AVAILABLE INFORMATION**

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Warrants, the Issuer will promptly furnish, upon request of a holder of a Warrant, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Warrants understand the risks of transactions involving the Warrants and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Warrants in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Warrants will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.]
  
2. Tranche number: [ ]  
  
*[(If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible).]*
  
3. Currency:

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- |     |   |   |
|-----|---|---|
|     | Settlement Currency                               | [ ]   |
| 4.  | Aggregate Number of Warrants in the:              |   |
|     | [(i) Series:]                                     | [ ]   |
|     | [(ii) Tranche:]                                   | [ ]   |
| 5.  | Face Value:                                       | [ ]   |
| 6.  | (i) Issue Date:                                   | [ ]   |
|     | (ii) Trade Date:                                  | [ ]   |
| 7.  | Issue Price:                                      | [currency] [amount] per Warrant   |
| 8.  | Strike Price:                                     | [currency] [amount] [Not applicable]  |
| 9.  | Type of Warrants:                                 | [ ]   |
| 10. | Series represented by:                            | [Global Registered Warrant]/[Not applicable]. Warrants in definitive form [will/will not] be issued. [other (specify)]  |
| 11. | Form of Warrant:                                  | [Uncertificated Registered Warrants]<br><br>[Initially represented by [Rule 144A Global Registered Warrant] [Regulation S Global Registered Warrant] [Unrestricted Global Registered Warrant and Restricted Global Registered Warrant] [Combined Global Registered Warrant] [Definitive Registered Warrant] [Combined Definitive Registered Warrant]] |
| 12. | Style of Warrants:                                | The Warrants are [American/European/ Bermudan/ other (specify)] Style [Call/Put] Warrants. Condition [4(a)/4(b)/4(c)] is applicable.  |
| 13. | (i) Expiry Date:                                  | [ ] [(or if such date is not [a Business Day] [and an Underlying Currency Pair Fixing Date] the immediately following day that is [a Business Day] [and an Underlying Currency Pair Fixing Date])][.][, subject to adjustment in accordance with the Conditions]  |
|     | (ii) Automatic Exercise:                          | [Applicable] [Not applicable]   |
|     | (iii) Exercise Period:                            | [American Style Warrants only]. [The period beginning from (and including) [ ] and ending on (and including) the Expiry Date].  |
|     | (iv) Potential Exercise Date(s):                  | [Bermudan Style Warrants only] [insert date(s)] [or if [any] such date is not [a Business Day] [and an Underlying Currency Pair Fixing Date] the immediately following day that is [a Business Day] [and an Underlying Currency Pair Fixing Date]][, subject to adjustment in accordance with the Conditions]   |
| 14. | (i) Minimum Exercise Number/Minimum Trading Size: | [ ] Warrants  |

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- (ii) Permitted Multiple: [ ] Warrants
15. Cash Settlement:
- (i) Cash Settlement Amount: [ ]
- (ii) Cash Settlement Date: [ ] [or, if later, the [fifth/specify] Business Day following the Exercise Date]
16. (i) Payment of Alternative [Applicable] [Not applicable]  
Payment Currency  
Equivalent:
- Settlement [ ]  
Currency  
Jurisdiction:
  - Cross Currency [Applicable] [Not applicable]  
Exchange Rate:
  - Cross Currency: [ ] *(delete if Cross Currency Exchange Rate is not applicable)*
  - Cross Currency [ ] *(delete if Cross Currency Exchange Rate is not applicable)*  
Jurisdiction:
  - Alternative [ ]  
Payment Currency:
  - Alternative [ ] [Not applicable]  
Payment Currency  
Jurisdiction:
  - Alternative [ ]  
Payment Currency  
Fixing Page:
  - Alternative [ ]  
Payment Currency  
Fixing Time:
  - Alternative [ ] [Condition 1 applies] [[the relevant  
Payment Currency [jurisdictions/places] for the purposes of the  
Fixing Date: Alternative Payment Currency Fixing Date are [ ]]
  - Alternative [ ] [Not applicable]  
Payment Currency  
Exchange Rate  
Fall-Back  
provisions:
  - Additional [ ]  
Alternative  
Payment Currency  
Event:
  - Offshore RMB [Hong Kong] [Taiwan] [Singapore] [ ] [Not  
Centre: applicable]
  - Alternative Pre- [ ] *[specify Alternative Pre-nominated Index details]*  
nominated Index: [Not applicable]

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- (ii) Underlying Currency Pair provisions: [Applicable] [The Initial Underlying Currency Pair Exchange Rate is [ ]] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Reference Currenc(y)(ies): [ ]
  - Reference Currency Jurisdiction(s): [ ]
  - Specified Currenc(y)(ies): [in respect of [ ] [and [ ]]
  - Specified Currency Jurisdiction(s): [ ]
  - Underlying Currency Pair Business Days: [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Date: [ ] [[specify] Business Day prior to the Expiry Date or relevant Potential Exercise Date [or, if such day is not an Underlying Currency Pair Business Day, the immediately preceding Underlying Currency Pair Business Day]]
  - Underlying Currency Pair Fixing Page: [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Time: [ ]
  - Underlying Currency Pair Exchange Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
- (iii) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]
  - Number of local banking days for the purpose of postponing Related [3] [ ]

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- |      |   |  |
|------|---|--|
|      | Payment Dates<br>pursuant to<br>Condition 5(g): |  |
|      | • Dealer Poll:                                  | [Applicable] [Not applicable]  |
|      | • Unscheduled Holiday and Deferral Period:      | [The number of Relevant Currency Business Days for the purpose of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purposes of the Deferral Period is [ ] [as per Condition 1]]  |
| (iv) | LBMA Physical Settlement Provisions:            | [Applicable] [Not applicable]  |
|      | LBMA Physical Settlement Commodity(ies):        | [[ ] and [ ]]  |
| (v)  | Physical Settlement provisions:                 | [Applicable] [Not applicable]  |
| (v)  | Alternative Pre-nominated Index:                | [ ] [ <i>specify Alternative Pre-nominated Index details for currency or rates linked Warrants</i> ] [Not applicable]  |
| 17.  | Business Centre:                                | [ ]  |
| 18.  | Selling Restrictions:                           |  |
|      | United States of America                        | [Warrants may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]  |
|      |   | [Warrants may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under " <i>Transfer Restrictions</i> ."]   |
|      |   | [ <i>Specify if applicable</i> : Warrants are able to be offered or sold to, or for the account or benefit of U.S. persons (as defined in the Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed. Reg. 45292, 26 July 2013, as amended or supplemented by the U.S. Commodity Futures Trading Commission)] |
|      |   | 40-day Distribution Compliance Period: [Applicable] [Not applicable]   |
|      |   | In addition to selling restrictions listed in " <i>Part C2 - Purchase and Sale of the Warrants</i> " contained in the Offering Memorandum:   |
|      |   | ( <i>Specify any selling restrictions applicable to the Warrants which are additional to, or in substitution for, those contained in the Offering Memorandum</i> )   |
| 19.  | Other Terms:                                    | [ ] <sup>1</sup>   |

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<sup>1</sup> If new term constitutes a "significant new change" or "significant new matter", consider whether a supplementary listing particulars is required.

**DISTRIBUTION**

20. (i) If syndicated, names of Relevant Manager(s): [Not applicable] [HSBC Bank plc] [*other - give name*]
- (ii) If syndicated, names [, addresses and underwriting commitments] of other Managers (if any): [Not applicable] [*other - give name*]  
 [Give addresses and underwriting commitments]  
 (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.*)
21. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
22. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
23. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"): [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Warrants for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
24. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"): [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Warrants for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
25. Additional U.S. federal income tax considerations: [Not applicable/give details] [The Warrants are [not] Section 871(m) Warrants for the purpose of Section 871(m).] [The [Dividend Withholding] approach shall apply to the Warrants. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Warrants, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Warrants: [ ]]. Additional information regarding the application of Section 871(m) to the Warrants will be available from the



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Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] *[The Warrants will not be Section 871(m) Warrants if they do not reference any U.S. equity or any index that contains any U.S. equity. Warrants that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Warrants.]*

**TRANSFER RESTRICTIONS**

*[In offer of Warrants pursuant to Rule 144A insert:<sup>2</sup>*

Because of the following restrictions, purchasers of Warrants offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" (as defined in Rule 144A), in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Warrants.

Each prospective purchaser of Warrants offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Warrants as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Warrants other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Warrants sold in reliance on Rule 144A ("**Restricted Warrants**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Warrants (such as an investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Warrants for its own account or for the account of a qualified institutional buyer, and (C) such person is aware that the sale of the Warrants to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Warrants are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Warrants offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Warrants (such as an investment manager), understands that certificates representing Restricted Warrants will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS WARRANT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS WARRANT IS HEREBY NOTIFIED THAT THE SELLER OF THIS WARRANT MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS WARRANT, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS WARRANT MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED

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<sup>2</sup> *Transfer Restrictions are only included for Warrants offered in the United States in reliance on Rule 144A.*

STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS WARRANT FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

***EITHER***<sup>3</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

***OR***<sup>4</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE

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<sup>3</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

<sup>4</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS WARRANT OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS WARRANT OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Warrants acknowledges that the Issuer, the Warrant Registrar, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Warrants for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase

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or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Warrant for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Warrant or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.

- (6) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, either that (a) such purchaser or transferee is not (and for so long as it holds such Warrant or an interest therein will not be), and is not (and for so long as it holds such Warrant or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Warrant or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Warrant or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Warrant or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (7) Before any interest in a Warrant represented by a Restricted Global Registered Warrant may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Warrant, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part C2 - Summary of Provisions relating to the Warrants While in Global Form*" in the Offering Memorandum.]

**CONFIRMED**

[HSBC BANK PLC

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By: .....  
*Authorised Signatory*

Date: .....

By: .....  
*Authorised Signatory*

Date: .....]

**PART B – OTHER INFORMATION**

**1. LISTING**

- (i) Listing: [Application [will be] [has been] made to admit the Warrants to listing on the Official List of Euronext Dublin [on or around the Issue Date/[ ]]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]
- (ii) Admission to trading: [Application [will be] [has been] made for the Warrants to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ *insert date* ]]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]
- (Where documenting a fungible issue need to indicate that original warrants are already admitted to trading.)*
- (iii) Estimated total expenses of admission to trading: [(specify amount)] [Not applicable]

**2. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]**

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Manager(s)/distributors in respect of the Warrants [as of (or around) the Issue Date] (the "**Distributors**")][specify other]], so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the issue. The [Manager(s)/Distributor(s)][specify other]] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>5</sup>

**3. [Index-Linked, other variable-linked Interest Warrants only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>6</sup>**

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)*

**OPERATIONAL INFORMATION**

4. ISIN Code: [ ] [Not applicable]
5. Common Code: [ ] [Not applicable]
6. CUSIP: [ ] [Not applicable]
7. Valoren Number: [ ] [Not applicable]
8. SEDOL: [ ] [Not applicable]
9. WKN: [ ] [Not applicable]
10. Other identifier / code: [ ] [Not applicable]
11. Any clearing system(s) other than Euroclear, and Clearstream, [None/specify] [CREST]

<sup>5</sup> For unlisted Warrants delete this paragraph.

<sup>6</sup> For unlisted Warrants delete this paragraph.

**Part C1 – Pro Forma Pricing Supplement for Warrants**

Luxembourg and the relevant identification number(s):

12. Delivery: Delivery [against/free of] payment
13. Additional Warrant Agent(s) (if any): [None/specify]
14. Common Depositary: [HSBC Bank plc] [Not applicable] [specify]
15. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] [specify]
16. ERISA Considerations: [ERISA prohibited] [ERISA terms applicable]



## Part C2 – Summary of Provisions Relating to the Warrants While in Global Form

### PART C2 – SUMMARY OF PROVISIONS RELATING TO THE WARRANTS WHILE IN GLOBAL FORM

Warrants may, subject to all applicable legal and regulatory requirements, be issued in Tranches or Series and will (as specified in the relevant Pricing Supplement) either (i) be offered in reliance on Regulation S under the Securities Act ("**Regulation S**") in uncertificated registered form ("**Uncertificated Registered Warrants**"), or (ii) be in registered form ("**Registered Warrants**") offered in reliance on:

- (A) Regulation S only, and represented by a Regulation S global registered warrant (the "**Regulation S Global Registered Warrant**"); or
- (B) Regulation S and/or Rule 144A under the Securities Act ("**Rule 144A**") and represented either by:
  - (1) two global registered warrants being, in the case of Registered Warrants forming part of such Tranche which are sold pursuant to Regulation S, an unrestricted global registered warrant (the "**Unrestricted Global Registered Warrant**") and, in the case of Registered Warrants forming part of such Tranche which are sold in reliance on Rule 144A, a Restricted Global Registered Warrant (the "**Restricted Global Registered Warrant**"); or
  - (2) a Rule 144A global registered warrant (the "**Rule 144A Global Registered Warrant**"); or
  - (3) a combined global registered warrant (a "**Combined Global Registered Warrant**").

References here to "**Global Registered Warrants**" are to all or any of the Restricted Global Registered Warrant, the Unrestricted Global Registered Warrant, Rule 144A Global Registered Warrant, Combined Global Registered Warrant and the Regulation S Global Registered Warrant.

#### **Registered Warrants**

##### ***Global Registered Warrants***

Unless specified otherwise in the Pricing Supplement, Registered Warrants will be issued in the form of Global Registered Warrants and the Issuer will deliver:

- (a) a Rule 144A Global Registered Warrant;
- (b) a Regulation S Global Registered Warrant;
- (c) an Unrestricted Global Registered Warrant and a Restricted Global Registered Warrant; or
- (d) a Combined Global Registered Warrant,

subject to the Master Warrant Issuance Agreement (as defined herein) in accordance with their respective terms and as specified in the relevant Pricing Supplement.

##### ***Regulation S Global Registered Warrant***

In the case of a Tranche of Registered Warrants offered and sold pursuant to Regulation S only, such Tranche of Registered Warrants will be represented by a Regulation S Global Registered Warrant.

The Regulation S Global Registered Warrant will be deposited on or about the issue date for the relevant Tranche with, and registered in the name of the common depository for, Euroclear and Clearstream, Luxembourg. A beneficial interest in the Regulation S Global Registered Warrant may at all times be held only through Euroclear and Clearstream, Luxembourg. In the circumstances described below under "*Exchange and Transfer of Global Registered Warrants for Definitive Registered Warrants*", interests in any Regulation S Global Registered Warrant will be exchangeable for Regulation S Definitive Registered Warrants.

Each Regulation S Global Registered Warrant will have an ISIN number.

## Part C2 – Summary of Provisions Relating to the Warrants While in Global Form

### ***Unrestricted and Restricted Global Registered Warrants, Rule 144A Global Registered Warrants and Combined Global Registered Warrants***

In the case of a Tranche of Registered Warrants offered and sold both pursuant to Regulation S and in reliance on Rule 144A, such Tranche of Registered Warrants will be represented either by (i) two Global Registered Warrants (being, in the case of Registered Warrants forming part of such Tranche which are sold pursuant to Regulation S, an Unrestricted Global Registered Warrant and, in the case of Registered Warrants forming part of such Tranche which are sold in reliance on Rule 144A, a Restricted Global Registered Warrant), or (ii) a Rule 144A Global Registered Warrant or (iii) a Combined Global Registered Warrant.

The Unrestricted Global Registered Warrant will be deposited on or about the issue date for the relevant Tranche with, and registered in the name of a nominee for, the common depository for Euroclear and Clearstream, Luxembourg. A beneficial interest in the Unrestricted Global Registered Warrant may at all times be held only through Euroclear and Clearstream, Luxembourg. The Restricted Global Registered Warrant will be deposited on or about the issue date for the relevant Tranche with HSBC Bank USA, National Association as custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, DTC. In the circumstances described below under "*Exchange and Transfer of Global Registered Warrants for Definitive Registered Warrants*", interests in any Unrestricted Global Registered Warrant will be exchangeable for Regulation S Definitive Registered Warrants and interests in any Restricted Global Registered Warrant will be exchangeable for US Definitive Registered Warrants (as defined below) and Regulation S Definitive Registered Warrants. Restricted Global Registered Warrants (and any US Definitive Registered Warrants issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Warrants as set out below under "*Transfer Restrictions*".

Each Unrestricted Global Registered Warrant and each Restricted Global Registered Warrant will have an ISIN number and a CUSIP number.

The Rule 144A Global Registered Warrant will be deposited on or about the issue date for the relevant Tranche with, and registered in the name of a nominee for, the common depository for Euroclear and Clearstream, Luxembourg. Interests in any Rule 144A Global Registered Warrant will be exchangeable (in the circumstances described below under "*Exchange and Transfer of Global Registered Warrants for Definitive Registered Warrants*") for Definitive Registered Warrants bearing a Rule 144A legend ("**US Definitive Registered Warrants**"). Rule 144A Global Registered Warrants (and any US Definitive Registered Warrants offered in exchange therefor) will be subject to certain restrictions on transfer contained in such Rule 144A legend appearing on the face of such Warrant as set out below under "*Transfer Restrictions*".

Each Rule 144A Global Registered Warrant will have an ISIN number.

The Combined Global Registered Warrant will be deposited on or about the issue date for the relevant Tranche with, and registered in the name of a nominee for, the common depository for Euroclear and Clearstream, Luxembourg. Interests in any Combined Global Registered Warrant will be exchangeable (in the circumstances described below under "*Exchange and Transfer of Global Registered Warrants for Definitive Registered Warrants*") for Definitive Registered Warrants bearing a Rule 144A legend ("**Combined Definitive Registered Warrants**"). Combined Global Registered Warrants (and any Combined Definitive Registered Warrants offered in exchange therefor) will be subject to certain restrictions on transfer contained in such Rule 144A legend appearing on the face of such Warrant as set out below under "*Transfer Restrictions*".

Each Combined Global Registered Warrant will have an ISIN number.

### ***Exchange of Interests in Unrestricted and Restricted Global Registered Warrants; Transfers within and between DTC, Euroclear and Clearstream, Luxembourg***

On or prior to the 40<sup>th</sup> day after the later of the commencement of the offering of the relevant Tranche and the issue date for that Tranche, a beneficial interest in the relevant Unrestricted Global Registered Warrant may be transferred to a person who wishes to take delivery of such beneficial interest through the relevant Restricted Global Registered Warrant only upon receipt by the Warrant Registrar (as defined in the Master Warrant Issuance Agreement) of a written certification from the transferor (in the applicable form provided

## Part C2 – Summary of Provisions Relating to the Warrants While in Global Form

in the Master Warrant Issuance Agreement) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction. After such 40<sup>th</sup> day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Restricted Global Registered Warrant, as set out below under "*Transfer Restrictions*".

Beneficial interests in a Restricted Global Registered Warrant may be transferred to a person who wishes to take delivery of such beneficial interest through the relevant Unrestricted Global Registered Warrant, whether before, on or after such 40<sup>th</sup> day, only upon receipt by the Warrant Registrar of a written certification from the transferor (in the applicable form provided in the Master Warrant Issuance Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A under the Securities Act (if available) or to the Issuer or its affiliates.

Any beneficial interest in either the Restricted Global Registered Warrant or the Unrestricted Global Registered Warrant relating to any Series that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Registered Warrant relating to such Series will, upon transfer, cease to be a beneficial interest in such Global Registered Warrant and become a beneficial interest in the other Global Registered Warrant and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Registered Warrant for as long as it remains such an interest.

### ***Owner of Global Registered Warrants and Payments***

Subject to certain provisions of the Master Warrant Issuance Agreement relating to directions, sanctions and consents of Holders of Registered Warrants and to meetings of Holders of Warrants, so long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depository, as the case may be, is the registered owner or holder of a Global Registered Warrant, DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Warrants represented by such Global Registered Warrant for all purposes under the Master Warrant Issuance Agreement and the Warrants. Payments on Global Registered Warrants will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee thereof or, as the case may be, the registered holder thereof. None of the Issuer, the Warrant Registrar, or any Warrant Agent or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Registered Warrants or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Each such payment in respect of a Global Registered Warrant will be made to the person shown as the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the Register at the close of business (in the relevant clearing system) on the business day on which each clearing system for which the Global Registered Warrant is being held is open for business which is the business day of each such clearing system before the due date for such payment.

### ***Exchange and Transfer of Global Registered Warrants for Definitive Registered Warrants***

In the case of Restricted Global Registered Warrants held through DTC, beneficial interests in such Restricted Global Registered Warrant will be exchangeable for US Definitive Registered Warrants: (i) if DTC notifies the Issuer that it is no longer willing or able to properly discharge its responsibilities as depository with respect to the relevant Restricted Global Registered Warrant or ceases to be a clearing agency registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depository; or (ii) if the Issuer, at its option, elects to terminate the book-entry system through DTC; or (iii) at the option of the Issuer, if the Issuer would suffer a material disadvantage in respect of the Warrants as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdictions which would not be suffered were the Warrants in definitive form; or (iv) if the Issuer so elects, where the Issuer, any Warrant Agent or the Warrant Registrar, by reason of any change in, or amendment to, the laws of the United Kingdom, is or will be required to make any deduction or withholding from any payment under the Warrants which would not be required if such Warrants were in definitive form.

Beneficial interests in a Regulation S Global Registered Warrant or an Unrestricted Global Registered Warrant will be exchangeable, in whole but not in part, for Regulation S Definitive Registered Warrants

## Part C2 – Summary of Provisions Relating to the Warrants While in Global Form

and, if held through Euroclear or Clearstream, Luxembourg, pursuant to the relevant Pricing Supplement, beneficial interests in a Rule 144A Global Registered Warrant or a Restricted Global Registered Warrant will be exchangeable for US Definitive Registered Warrants: (i) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or in fact does so; or (ii) if the Issuer, at its option, elects to terminate the book-entry system through Euroclear and Clearstream, Luxembourg; or (iii) at the option of the Issuer, if the Issuer would suffer a material disadvantage in respect of the Warrants as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Warrants in definitive form; or (iv) if the Issuer so elects, where the Issuer, any Warrant Agent or the Warrant Registrar, by reason of any change in, or amendment to, the laws of the United Kingdom, is or will be required to make any deduction or withholding from any payment under the Warrants which would not be required if such Warrants were in definitive form.

Beneficial interests in a Combined Global Registered Warrant will be exchangeable, in whole but not in part, for Combined Definitive Registered Warrants: (i) if Euroclear or Clearstream, Luxembourg or any other clearing system by which the Warrants have been accepted for clearing is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or in fact does so; or (ii) if the Issuer, at its option, elects to terminate the book entry system through Euroclear and/or Clearstream, Luxembourg; (iii) at the option of the Issuer, if the Issuer would suffer a material disadvantage in respect of the Combined Global Registered Warrant as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Warrants in definitive form; or (iv) if the Issuer so elects, where the Issuer or any Warrant Agent, by reason of a change in, or amendments to, the laws of the United Kingdom, is or will be required to make any deduction or withholding from any payment under the Warrants which would not be required if such Warrants were in definitive form.

In such circumstances, (a) the Warrant Registrar will be required to notify all Holders of interests in the relevant Global Registered Warrants registered in the name of DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depository, as the case may be, of the availability of Definitive Registered Warrants and (b) the Issuer will, at the cost of the Issuer, cause sufficient Regulation S Definitive Registered Warrants and/or US Definitive Registered Warrants or Combined Definitive Registered Warrants, as the case may be, to be executed and delivered to the Warrant Registrar for completion, authentication and dispatch to the relevant Holders. A person having an interest in the relevant Global Registered Warrant must provide the Warrant Registrar with a written order containing instructions and such other information as the Issuer and the Warrant Registrar may require to complete, execute and deliver the relevant Definitive Registered Warrant and:

- (i) in the case of a Rule 144A Global Registered Warrant or a Restricted Global Registered Warrant only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. US Definitive Registered Warrants issued in exchange for a beneficial interest in a Rule 144A Global Registered Warrant or a Restricted Global Registered Warrant will bear the legends applicable to transfers pursuant to Rule 144A (as set out below under "*Transfer Restrictions*"); and
- (ii) in the case of a Combined Global Registered Warrant only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A or Regulation S, a certification that the transfer is being made in compliance with the provisions of Rule 144A or Regulation S, as applicable. Combined Definitive Registered Warrants issued in exchange for a beneficial interest in a Combined Global Registered Warrant will bear the legends applicable to transfers pursuant to Rule 144A and Regulation S (as set out below under "*Transfer Restrictions*").

If an Unrestricted Global Registered Warrant relating to a Series or (if issued in Tranches) Tranche of Warrants of which the Restricted Global Registered Warrant forms a part has, pursuant to its terms, been exchanged in whole, but not in part, for Regulation S Definitive Registered Warrants, beneficial interests in the Restricted Global Registered Warrant may be transferred to a person who wishes to take delivery thereof in the form of a Regulation S Definitive Registered Warrant. Such Regulation S Definitive Registered Warrants shall be registered in such name(s) as DTC, Euroclear or Clearstream, Luxembourg, as applicable, shall direct in writing.

## Part C2 – Summary of Provisions Relating to the Warrants While in Global Form

Upon (i) notification to the Warrant Registrar by the Custodian that the appropriate debit entry has been made in the account of the relevant participant of DTC and (ii) receipt by the Warrant Registrar of a certificate, in the form scheduled to the Master Warrant Issuance Agreement, given by the transferee of the beneficial interest in the Restricted Global Registered Warrant and stating that the transfer of such interest has been made in compliance with the transfer restrictions applicable to the Warrants, and pursuant to and in accordance with Regulation S under the Securities Act, the Issuer shall procure that the Warrant Registrar will (against presentation by DTC or HSBC Bank USA, National Association, as custodian, of the Restricted Global Registered Warrant at the specified office of the Warrant Registrar or the Warrant Transfer Agent, all in accordance with the provisions of the Master Warrant Issuance Agreement), decrease the aggregate principal amount of Warrants registered in the name of the holder of, and represented by, the Restricted Global Registered Warrant and shall, without charge, procure, in exchange therefor, the delivery, within five Relevant Banking Days of the receipt by the Warrant Registrar of the Restricted Global Registered Warrant of the notification and certification referred to in paragraphs (i) and (ii) above, and registration information required to authenticate and deliver such Regulation S Definitive Registered Warrants, of an equal aggregate principal amount of duly authenticated and completed Regulation S Definitive Registered Warrants.

As used herein, "**Relevant Banking Day**" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located.

The holder of a Registered Warrant may transfer such Registered Warrant in accordance with the provisions of Condition 2 (*Form and Transfer*) of the Terms and Conditions of the Warrants.

The holder of a Definitive Registered Warrant may transfer such Warrant by surrendering it at the specified office of the Warrant Registrar or any Warrant Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of US Definitive Registered Warrants issued in exchange for beneficial interests in a Rule 144A Global Registered Warrant or a Restricted Global Registered Warrant bearing the legends as set out below under "*Transfer Restrictions*", or upon specific request for removal of the legend on a US Definitive Registered Warrant, the Issuer will only deliver US Definitive Registered Warrants that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Warrant Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the legend nor the restriction on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Warrant Registrar will not register the transfer of or exchange of interests in a Global Registered Warrant for Definitive Registered Warrants for a period of 15 calendar days preceding the due date for any payment in respect of the Warrants.

With respect to the registration of transfer of any US Definitive Registered Warrants, the Warrant Registrar will register the transfer of any such US Definitive Registered Warrants if the transferor, in the form of transfer on such US Definitive Registered Warrants, has certified to the effect that such transfer is (i) to persons who the transferor reasonably believes to be qualified institutional buyers within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, (ii) in accordance with Regulation S, (iii) pursuant to an exemption from Rule 144 under the Securities Act (if available) or (iv) to the Issuer or its affiliates.

Regulation S Definitive Registered Warrants may be exchangeable for or transferable to a person wanting to take delivery thereof in the form of interests in a Restricted Global Registered Warrant, and US Definitive Registered Warrants may be transferable to a person wanting to take delivery thereof in the form of interests in an Unrestricted Global Registered Warrant, in each case, upon receipt by the Warrant Registrar of a duly completed certificate in the form of Schedule 6 to the Master Warrant Issuance Agreement and in accordance with the requirements of the Master Warrant Issuance Agreement.

### ***Transfer Restrictions***

Warrants offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional

## Part C2 – Summary of Provisions Relating to the Warrants While in Global Form

buyers" in reliance on Rule 144A will be subject to the following transfer restrictions and such Warrants will bear the legend set forth below.

Because of the following restrictions, purchasers of Warrants offered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Warrants.

Each prospective purchaser of Warrants offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and this Offering Memorandum, will be deemed to have represented and agreed with respect to such Warrants as follows:

- (a) such 144A Offeree acknowledges that the Pricing Supplement and this Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Warrants other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of the Pricing Supplement and this Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of the Pricing Supplement and this Offering Memorandum or any documents referred to herein.

Each purchaser of Warrants sold in reliance on Rule 144A ("**Restricted Warrants**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Warrants (such as an investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Warrants for its own account or for the account of a qualified institutional buyer, and (C) such person is aware that the sale of the Warrants to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Warrants are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Warrants offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Warrants (such as an investment manager), understands that certificates representing Restricted Warrants will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

["THIS WARRANT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS WARRANT IS HEREBY NOTIFIED THAT THE SELLER OF THIS WARRANT MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS WARRANT, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS WARRANT MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE

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SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS WARRANT FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*<sup>7</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

*OR*<sup>8</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE

<sup>7</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

<sup>8</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

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ASSETS OF ANY BENEFIT PLAN INVESTOR OR SIMILAR LAW PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR SIMILAR LAW PLAN OR (B)(I) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR, OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (II) (i) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS WARRANT OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS WARRANT OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Warrants acknowledges that the Issuer, the Warrant Registrar, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Restricted Warrants for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Warrant for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such



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Warrant or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in the section headed "*Part A - Certain ERISA Considerations*" in this Offering Memorandum.

- (6) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, either that (a) such purchaser or transferee is not (and for so long as it holds such Warrants or any interests therein will not be), and is not (and for so long as it holds such Warrants or interests therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a governmental, church or non-U.S. plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan or (b) such purchaser or transferee's acquisition, holding and disposition of this Warrant or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following Prohibited Transaction Class Exemption ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor, or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Warrant or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Warrant or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" of this Offering Memorandum.
- (7) Before any interest in a Warrant represented by a Restricted Global Registered Warrant may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Warrant, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part C2 - Summary of Provisions relating to the Warrants While in Global Form*" in the Offering Memorandum.

**PART C2 –  
PURCHASE AND SALE OF WARRANTS**

**General**

- (1) Each Manager has, in a Master Warrant Issuance Agreement, agreed with the Issuer a basis upon which it may from time to time agree either as principal or agent of the Issuer to subscribe for or purchase, to underwrite or, as the case may be, to procure subscribers or purchasers for Warrants. When entering into any such agreement to subscribe for or purchase, to underwrite, or as the case may be, to procure subscribers for or purchasers for any particular Series of Warrants, the Issuer and the relevant Manager(s) will agree details relating to the form of such Warrants and the Conditions relating to such Warrants, the price at which such Warrants will be purchased by the relevant Manager(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription or purchase. The Master Warrant Issuance Agreement contains provisions for the Issuer to appoint other Managers from time to time either generally in respect of the Programme or in relation to a particular Tranche of Warrants.
- (2) Other than with respect to the admission to listing, trading and/or quotation by one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the Pricing Supplement, no action has been or will be taken in any country or jurisdiction by the Issuer or the relevant Manager(s) that would permit a public offering of Warrants, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Memorandum or any Pricing Supplement comes are required by the Issuer and the relevant Manager(s) to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Warrants or have in their possession or distribute this Offering Memorandum or any Pricing Supplements or related offering material, in all cases at their own expense.

**Australia**

This Offering Memorandum is not a disclosure document under Chapter 6D or Part 7.9 of the *Corporations Act 2001* (Cth) and has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"). This Offering Memorandum does not purport to include the information required of a disclosure document under Chapter 6D or Part 7.9 of the *Corporations Act 2001* (Cth). The offer of Warrants referred to in this Offering Memorandum is made only to persons to whom it is lawful to offer securities in Australia without a disclosure document lodged with ASIC and complies with the terms of any authority granted under the *Banking Act 1959* (Cth) of Australia. This means the offer is directed only to investors who come within one of the categories set out in section 708(8) or 708(11) of the *Corporations Act 2001* (Cth) ("**Sophisticated Investors**" and "**Professional Investors**", respectively).

As no formal disclosure document (such as a prospectus) will be lodged with ASIC, the Warrants may only be offered and issued to one of the categories of Sophisticated or Professional Investors. If any recipient of this Offering Memorandum is not a Sophisticated Investor or a Professional Investor, no offer of, or invitation to apply for, the Warrants shall be deemed to be made to such recipient and no applications for the Warrants will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient.

If a person to whom Warrants are issued (an "**Investor**") on-sells the Warrants within 12 months from their issue, the Investor will be required to lodge a prospectus with ASIC unless either:

- (a) that sale is to another Sophisticated Investor or Professional Investor; or
- (b) the sale offer is received outside Australia.

Each Investor acknowledges the above and, by applying for Warrants under this Offering Memorandum, gives an undertaking not to sell those Warrants in any circumstances other than those described in paragraphs (a) and (b) above for 12 months after the date of issue of such Warrants.

In addition, each Manager and Investor has represented and agreed that it will comply with Banking exemption No. 1 of 2018 dated 21 March 2018 promulgated by the Australian Prudential Regulation Authority and which requires all offers and transfers to be in parcels of not less than A\$500,000 in aggregate principal amount. Banking exemption No. 1 does not apply to transfers which occur outside Australia.

This Offering Memorandum is not, and under no circumstances is to be construed as, an advertisement or public offering of the Warrants in Australia.

This Offering Memorandum is distributed to investors in Australia and any offer of Warrants is made to investors in Australia, in each case subject to the conditions set out above, on behalf of each of the institutional managers by their respective licensed affiliates, each of which holds an Australian Financial Services License which permits such licence holder to distribute this Offering Memorandum and offer the Warrants to investors in Australia.

The Issuer is not licensed to provide financial product advice in Australia and nothing in this Offering Memorandum takes into account the investment objectives, financial situation and particular needs of any individual investors. The Issuer and Managers recommend that investors read this Offering Memorandum before making a decision to acquire Warrants.

#### **Arab Republic of Egypt**

The Warrants have not been and will not be publicly offered, sold, promoted or advertised in Egypt, other than in compliance with any laws applicable in Egypt governing the issue, offering and sale of securities. This Offering Memorandum does not constitute a public offer of Warrants in Egypt and is not intended to be a public offer. The Warrants to be issued under the Programme and this Offering Memorandum have not been reviewed, filed or registered with the Egyptian Financial Regulatory Authority or other relevant authorities in Egypt.

#### **Dubai International Financial Centre**

The Warrants have not been and may not be offered to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the "DFSA") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

#### **European Economic Area**

##### ***Prohibition of Sales to EEA Retail Investors***

Unless the Pricing Supplement in respect of any Warrants specifies the "Prohibition of Sales to EEA Retail Investors" as "Not applicable", each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (as amended, "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"); and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants.

***Public Offer Selling Restriction Under the EU Prospectus Regulation***

In relation to any Warrants if the Pricing Supplement in respect of such Warrants specifies "Prohibition of Sales to EEA Retail Investors" as "Not applicable", each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Warrants which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in a Member State of the European Economic Area (an "**EEA Member State**") except that it may make an offer of such Warrants to the public in that EEA Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

**provided that** no such offer of Warrants referred to in (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Warrants to the public**" in relation to any Warrants in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe for the Warrants and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended).

***Selling Restrictions Addressing Additional Belgian Securities Laws***

Warrants are not intended to be sold to Belgian Consumers (as defined below). Accordingly, each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Warrants to Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, the Offering Memorandum, the relevant Pricing Supplement or any other offering material relating to Warrants to Belgian Consumers.

For these purposes, a "**Belgian Consumer**" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.

***Selling Restrictions Addressing Additional French Securities Laws***

Warrants may not be offered or sold, directly or indirectly, nor may this Offering Memorandum, any relevant Pricing Supplement or any other offering material relating to the Warrants be distributed or caused to be distributed in France other than (i) to qualified investors (*investisseurs qualifiés*) as referred to in Article L.411-2 1° of the French Code *monétaire et financier* and defined in Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, or otherwise (ii) in compliance with all applicable French laws and regulations.

***Selling Restrictions Addressing Additional Republic of Italy Securities Laws***

The offering of the Warrants has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Warrants may be offered, sold or delivered, and no copies of this Offering Memorandum and any other document relating to the Warrants may be distributed in the Republic of Italy except:

- 1. to "**qualified investors**", as defined in Regulation (EU) 2017/1129 of 14 June 2017 (as amended, the "**EU Prospectus Regulation**");

2. that Warrants may be offered, sold or delivered or copies of any prospectus relating to such Warrants may be distributed in an offer to the public in the period commencing on the date of publication of such prospectus, **provided that** such prospectus has been approved in another Member State and notified to CONSOB, all in accordance with the EU Prospectus Regulation, Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"), and ending on the date which is 12 months after the date of approval of such prospectus; and
3. in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under the EU Prospectus Regulation, Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Warrants or distribution of copies of this Offering Memorandum or any other document relating to the Warrants in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020); and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

*Provisions relating to the secondary market in Italy*

Investors should also note that in any subsequent distribution of the Warrants in the Republic of Italy the EU Prospectus Regulation and Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, Article 100-bis of Decree No. 58 provides that where the Warrants are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Warrants who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Warrants were purchased, unless an exemption provided for under the EU Prospectus Regulation or Decree No. 58 applies.

***Selling Restrictions Addressing Additional Netherlands Securities Laws***

Warrants issued by HBME may not be offered or sold, directly or indirectly, nor may this Offering Memorandum, any relevant Pricing Supplement or any other offering material relating to the Warrants be distributed or caused to be distributed in The Netherlands other than to qualified investors (*gekwalificeerde beleggers*) as defined in Article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

***Selling Restrictions Addressing Additional Norway Securities Laws***

Warrants denominated in Norwegian Krone (NOK) may not be offered or sold, directly or indirectly, within the Kingdom of Norway or to or for the benefit of Norwegian purchasers. Each purchaser of Warrants denominated in Norwegian Krone (NOK) will be deemed to have acknowledged, represented and agreed that such Warrants may not be offered or resold within the Kingdom of Norway or to or for the benefit of Norwegian purchasers.

***Selling Restrictions Addressing Additional Kingdom of Spain Securities Laws***

Neither the Warrants nor this Offering Memorandum have been registered with the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, the Warrants may not be offered, sold or distributed, nor may any subsequent resale of Warrants be carried out in Spain, except

in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

The Warrants may only be offered or sold in Spain by institutions authorised under Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (the "**Spanish Securities Markets and Investment Services Law**"), Royal Decree 217/2008 of 15 February on the legal regime applicable to investment services companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*) as amended and restated or replaced from time to time and related legislation to provide investment services in Spain and in accordance with the provisions of the Spanish Securities Markets and Investment Services Law and further developing legislation.

### **Bolivia**

Neither the Warrants nor this Offering Memorandum have been registered with the Bolivian Financial System Controlling Authority (ASFI) nor with the Bolivian Stock Exchange Commission and it is not intended that the Warrants or this Offering Memorandum will be registered with such institutions.

The Warrants may not be offered or sold, directly or indirectly, nor may this Offering Memorandum, any relevant Pricing Supplement or any other offering material relating to the Warrants be distributed or caused to be distributed to the public in Bolivia. An offer of Warrants to the public in Bolivia will be made only in compliance with the applicable laws, regulations and procedures in Bolivia and formalities required by Bolivian laws and regulations to permit the offering and sale of Warrants in Bolivia to the public.

The Warrants may only be offered or sold, directly or indirectly in Bolivia, without a prior license from the Bolivian Financial System Controlling Authority (ASFI) and the Bolivian Stock Exchange Commission under a private placement regime. Therefore, the Offering Memorandum, the Warrants or any material relating thereto, shall not be circulated or distributed, whether directly or indirectly, in Bolivia or to Bolivian citizens, corporations or residents, except in a manner that will not be considered as a "public offer", or as "habitual", under the prevailing law and regulations in Bolivia.

### **Gibraltar**

An invitation or inducement to enter or offer to enter into an agreement the making or performance of which by either party constitutes the carrying on of a regulated activity (within the meaning of section 12 of the Financial Services Act 2019 of Gibraltar (the "**FSA19**")) may only be communicated or caused to be communicated in connection with the issue or sale of Warrants in circumstances in which section 12(1) of the FSA19 does not apply to HBME (in the case of Warrants issued by HBME) or would not, if it was not an authorised person, apply to HBEU (in case of Warrants issued by HBEU).

All applicable provisions of the FSA19 must be complied with in respect of anything done in connection with the Warrants in, from or otherwise involving Gibraltar.

The Warrants are not intended to be offered, sold or otherwise made available to any retail investor in Gibraltar where the issuance or marketing of such Warrants are subject to the supervision of the Gibraltar Financial Services Commission (the "**GFSC**") and to the Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of section 6 of the European Union (Withdrawal) Act 2019 of Gibraltar (the "**Gibraltar PRIIPS Regulations**"). Consequently, the requirements of the Gibraltar PRIIPS Regulations in respect of Packaged Retail Investment Products have not been met and therefore offering or selling the Warrants in, from or into Gibraltar may not be permitted without complying with the requirements set out in the Gibraltar PRIIPS Regulations and other applicable laws and regulations in Gibraltar.

### **Guernsey**

The Warrants may only be offered or sold in, or from within the Bailiwick of Guernsey either (i) to or by persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 or (ii) to persons licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 2020 or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002 or (iv) to persons licensed under the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 or (v) to licensees under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020.

## Part C2 – Purchase and Sale of Warrants

This Offering Memorandum has not been registered with the Guernsey Financial Services Commission and it is not intended that this Offering Memorandum will be registered with the Guernsey Financial Services Commission under the Prospectus Rules and Guidance, 2021, on the basis that an offer will be in respect of Warrants to be listed on Euronext Dublin's Official List and trading on its Global Exchange Market.

Where the Warrants are not to be so listed and traded, the offer will not be made to the public in Guernsey. Therefore, the number of persons in Guernsey to whom an offer for Warrants that are not listed on Euronext Dublin's Official List and trading on its Global Exchange Market is so communicated must not exceed fifty.

### Hong Kong

Warrants (except for Warrants which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) may not be offered or sold in Hong Kong by means of any document other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO).

No advertisement, invitation or document relating to the Warrants, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) may be issued or held in the possession of the Issuer or any Manager or any other offeror nominated by the Issuer for the purpose of such issue of Warrants, whether in Hong Kong or elsewhere, other than with respect to Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### Indonesia

No registration statement with respect to this Offering Memorandum and Pricing Supplement has been and no such registration statement will be filed with the Financial Services Authority (*Otoritas Jasa Keuangan* or OJK) of the Republic of Indonesia. The Warrants, therefore, shall not be offered or sold or be the subject of an invitation for subscription or purchase, and this Offering Memorandum, Pricing Supplement or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Warrants, shall not be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the prevailing law and regulations in the Republic of Indonesia.

### Isle of Man

Each Manager appointed under the Programme (other than the Issuer) will be required to represent and agree that it shall only offer or sell Warrants in or from the Isle of Man if it holds an appropriate financial services licence issued by the Isle of Man Financial Services Authority (the "**FSA**") under section 7 of the Isle of Man Financial Services Act 2008 (the "**FS Act**") or, where it does not hold such a licence, it shall only offer or sell Warrants to an "Isle of Man person" (within the meaning of the Isle of Man Regulated Activities Order 2011, as amended (the "**Order**")) where it is an "overseas person" (within the meaning of the Order) who is authorised to offer and sell the Warrants by a regulator outside the Isle of Man and either (i) the offer or sale of the Warrants is the direct result of an approach made to such Manager by or on behalf of the Isle of Man person which has not been solicited by such Manager (otherwise than by means of an advertisement which is neither targeted at Isle of Man persons nor disseminated by a medium which is targeted at Isle of Man persons); or (ii) the Isle of Man person: (A) holds a licence issued by the FSA under section 7 of the FS Act to carry on a regulated activity; or (B) is a person falling within exclusion 2(r) contained in Schedule 1 to the Order; or (C) is a person whose ordinary business activities involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of his business.

### Israel

This Offering Memorandum has not been approved by the Israeli Securities Authority and must not be distributed to Israeli residents in a manner that would constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 1968 (the "**Securities Law**"). The Warrants may only be offered to those categories of investors listed in the First Addendum (the "**Addendum**") to the Securities Law

("Sophisticated Investors") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing Warrants for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing Warrants for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing Warrants for themselves), members of the Tel-Aviv Stock Exchange (purchasing Warrants for themselves or for clients who are Sophisticated Investors), underwriters (purchasing Warrants for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, other than formed for the specific purpose of an acquisition pursuant to an offer, with a shareholders' equity in excess of NIS 50 million, and individuals investing for their own account, in respect of which at least one of the following applies: the total value of their cash, deposits, financial assets (as defined in the Investment Advice Law) and securities traded on a stock exchange licensed under the Securities Law (together, "**Liquid Assets**") exceeds NIS 8,364,177; their level of income over each of the preceding two years exceeds NIS 1,254,627, or the level of income of their "family unit" exceeds NIS 1,881,940; or the aggregate value of all their Liquid Assets exceeds NIS 5,227,610 and their level of income over each of the preceding two years exceeds NIS 627,313, or the level of income of their "family unit" exceeds NIS 940,969; each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

This Offering Memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a Warrant is purchasing such Warrant for its own benefit and account and not with the aim or intention of distributing or offering such Warrant to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing Warrants for another party which is a Sophisticated Investor). As a prerequisite to the receipt of a copy of this Offering Memorandum a recipient may be required to provide confirmation that it is a Sophisticated Investor purchasing Warrants for its own account or, where applicable, for other Sophisticated Investors.

The Issuer does not hold a licence under the Investment Advice Law to conduct investment marketing. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making any investment. Nothing in this Offering Memorandum should be considered Investment Advice or Investment Marketing defined in the Investment Advice Law.

This Offering Memorandum does not constitute an offer to sell to, or a solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

### **Japan**

The Warrants have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, the Warrants may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Jersey**

No consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958 has been obtained in relation to the circulation in Jersey of any offer of Warrants and any such offer must be addressed exclusively to a restricted circle of persons in Jersey. For these purposes an offer is not addressed exclusively to a restricted circle of persons unless (i) the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror's appointed agent, (ii) the members of that category are the only persons who may accept the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the offer and (iii) the number of persons in Jersey to whom the offer is so communicated does not exceed fifty.



### **Kingdom of Bahrain**

The Warrants have not been and may not be offered or sold except that the Warrants may be marketed on a private placement basis to persons in the Kingdom of Bahrain who are "**accredited investors**" for an offer outside Bahrain.

For this purpose, an "**accredited investor**" means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more excluding that person's principal place of residence; or
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

### **Kingdom of Saudi Arabia**

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public or parallel market offering of the Warrants. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Warrants pursuant to an offering should note that the offer of Warrants is a private placement under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of Saudi Arabia ("**CMA**") as amended from time to time (the "**KSA Regulations**") and made through a person authorised by the CMA to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

The Warrants may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to such offerees as are permitted under the KSA Regulations. Any offer of Warrants to a Saudi Investor will be made in compliance with the KSA Regulations.

Investors are informed that the KSA Regulations place restrictions on secondary market activity with respect to the Warrants acquired pursuant to a private placement. Any Saudi Investor who has acquired Warrants pursuant to a private placement in accordance with the KSA Regulations may not offer or sell those Warrants to any person unless the offer or sale is made through a capital market institution appropriately licensed by the CMA and the other requirements in relation to secondary market activity under the KSA Regulations have been satisfied.

In addition, unless the Issuer agrees otherwise in relation to a Tranche of Warrants, Warrants may not be offered or sold to any person registered as a qualified foreign investor ("**QFI**") under the CMA's Rules for Foreign Investment in Securities.

### **Korea**

The Warrants have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act of Korea and the decrees and regulations thereunder. The Warrants may not be offered or sold, directly or indirectly, or offered or sold for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Law of Korea and its Presidential Decree), except as otherwise permitted by the applicable Korean laws and regulations.

### **Lebanese Republic**

The marketing, offering, distribution, sale, re-sale or buy-back of Warrants in the Lebanese Republic shall comply with all applicable laws and regulations in the Lebanese Republic and, in particular, Law No. 161 dated 17 August 2011 governing capital markets, Capital Markets Authority Series No. 2000 regarding licensing and registration regulation published on 19 January 2017, Banque Du Liban intermediary circular No. 437 relating to financial operations and activities in financial markets published on 15 December 2016,

and Capital Markets Authority Series No. 6000 regarding offering of securities regulation published on 7 August 2017.

**Mainland China**

Except as permitted by applicable laws and regulations in mainland China, (i) Warrants linked to mainland China underlyings (including those underlying an underlying index, but excluding those linked to China Connect Underlyings) may not be offered or sold, directly or indirectly, in mainland China, or offered or sold to any Domestic Investor, or to any person using funds to purchase Warrants sourced from any Domestic Investor and (ii) the Warrants (other than the Warrants in sub-paragraph (i)) may not be offered or sold, directly or indirectly, in mainland China, or offered or sold to any Domestic Investor, in each case, where "**Domestic Investor**" means:

- (a) a PRC Citizen; and/or
- (b) a PRC Entity.

"**PRC Citizen**" means any person who (a) holds a PRC Identity Document and (b) does not hold any Non-PRC Permanent Residency Document.

"**PRC Identity Document**" means any of mainland China residency household register, mainland China resident identity card, PRC passport and Exit-entry Permit for Travelling to and from Hong Kong and Macao (EEP). For the avoidance of doubt, a PRC Identity Document does not include an Entry Permit for Travelling to Hong Kong and Macao (commonly known as one-way permit).

"**Non-PRC Permanent Residency Document**" means any permanent resident card, permanent resident visa or any other equivalent government issued permanent residency document, in each case, of a country or region outside mainland China.

"**PRC Entity**" means any legal entity incorporated, organised, registered and/or otherwise established in mainland China. For the avoidance of doubt, a PRC Entity does not include a branch or a subsidiary of any entity specified in the preceding sentence, which is lawfully registered in any country or region outside mainland China.

In addition, Warrants linked to a China Connect Underlying that is (i) any securities listed on the ChiNext Board of the Shenzhen Stock Exchange which may be traded by Hong Kong and international investors through the China Connect Service ("**ChiNext Shares**") or (ii) any securities listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange which may be traded by Hong Kong and international investors through the China Connect Service ("**STAR Shares**") or (iii) such securities designated by the Issuer from time to time (which may be via a designated website) ("**Other Designated Securities**"), may be offered or sold only to an investor that is a "professional investor" within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO or other types of investors that are permitted or approved by the relevant governmental or regulatory authorities, exchanges and/or clearing systems to trade ChiNext Shares, STAR Shares and/or Other Designated Securities (as the case may be) through the China Connect Service.

In respect of any Warrants, this Offering Memorandum or any information obtained by reference herein relating to the Warrants does not constitute an offer to sell or the solicitation of an offer to buy any securities in mainland China to any person to whom it is unlawful to make the offer or solicitation in mainland China. This Offering Memorandum, any information contained herein or the Warrants have not been, or will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in mainland China and thus may not be supplied to the public in mainland China or used in connection with any offer for the subscription or sale of the Warrants in mainland China. The Issuer does not represent that this Offering Memorandum may be lawfully distributed, or that any Warrants may be lawfully offered, in compliance with any applicable registration or other requirements in mainland China, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Warrants or distribution of this Offering Memorandum in mainland China.

### Malaysia

No recognition by the Securities Commission Malaysia pursuant to Section 212 of the Malaysian Capital Markets and Services Act 2007 nor approval of any other Malaysian regulatory authority has been or will be obtained in connection with the offer and sale of the Warrants in Malaysia nor will any prospectus or other offering material or document in connection with the offer and sale of the Warrants be registered or lodged with the Securities Commission Malaysia or any other Malaysian regulatory authority. Accordingly, the Warrants are not being, and will not be deemed to be, issued, made available, offered for subscription or purchase, directly or indirectly, in Malaysia and neither this Offering Memorandum nor any document or other material in connection therewith is being or will be distributed, circulated or caused to be distributed or circulated or made available, in Malaysia.

In addition to the above, the Warrants may not be offered or sold in or from within the Federal Territory of Labuan without the prior written approval of the Labuan Financial Services Authority ("LFSA") or otherwise in compliance with the Labuan Financial Services and Securities Act 2010 ("LFSSA") unless such offer, sale or invitation complies with the LFSSA and the requirements of LFSA. No proposal has been submitted to LFSA for its approval under the LFSSA in respect of the Warrants, and no prospectus or any other offering material or document relating to the Warrants which complies with the requirements of the LFSSA has been or will be registered with the LFSA under the LFSSA.

### Mexico

The Warrants have not been and will not be registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) (the "CNBV"), and may not be offered or sold publicly in Mexico, except that the Warrants may be offered to institutional and qualified investors pursuant to the private placement exemption set forth in article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*). The information contained in this Offering Memorandum and in the Pricing Supplement is exclusively the responsibility of the Issuer and has not been reviewed or authorised by the CNBV. The acquisition of the Warrants by an investor who is a resident of Mexico will be made under such investor's own responsibility.

### Peru

The contents of this Offering Memorandum and the Warrants issued and traded hereunder, have not been reviewed nor authorised by the Capital Markets Superintendence (*Superintendencia del Mercado de Valores*, the "SMV") nor the Private Pension Funds, Banking and Insurance Superintendence (*Superintendencia de Banca, Seguros y AFP*, the "SBS"). Therefore, investors will not benefit from protection of any of the aforementioned regulatory authorities.

The Warrants have not been and will not be registered with the Capital Markets Public Registry of the SMV nor the Lima Stock Exchange Registry ("RBVL") for their public offering in Peru under the Peruvian Capital Markets Law (Law N°861/ Supreme Decree N°020-2023-EF) and the decrees and regulations thereunder.

Consequently, Warrants may not be offered or sold, directly or indirectly, nor this Offering Memorandum, any relevant Pricing Supplement or any other offering material relating to the Warrants be distributed or caused to be distributed to the general public in Peru, unless the offering or selling of Warrants comply with the Private Offer Exemptions (as defined below).

"**Private Offer Exemptions**" means an offer of Warrants, where no Mass-marketing is used, and made:

- (i) exclusively to institutional investors; or
- (ii) where the minimum investment amount is greater than or equal to approximately USD 160,000 (either in a single transaction or in aggregate).

"**Mass-marketing**" means a marketing strategy utilising mass distribution and mass media to offer, negotiate or distribute securities to the whole market. Mass media includes newspapers, magazines, radio, television, mail, meetings, social network, internet servers located in Peru, and other media or technology platforms.

### Philippines

**The Warrants being offered or sold herein have not been registered with the Philippine Securities and Exchange Commission under the Securities Regulation Code of the Philippines ("SRC"). Any offer or sale thereof in the Philippines is prohibited unless the Warrants have first been registered in accordance with the registration requirements of the SRC or such offer or sale qualifies as an exempt transaction.**

Each of the following restrictions must be observed by Warrantholders in relation to sales, transfers or disposals of all or any part of its legal or beneficial interests in the Warrants or offers to do so:

- (a) To the extent that the Warrants are offered, sold or distributed in the Philippines, the Warrantholder, by purchasing the Warrants, agrees for the benefit of the Issuer that the Warrants may not be subsequently offered, sold, pledged or otherwise transferred except in compliance with Philippine laws and regulations (in addition to the laws of other jurisdictions, as applicable) and may be offered, sold or distributed only to "Qualified Buyers" as defined under Subsection 10.1(l) of the SRC.
- (b) No Warrantholder shall sell, transfer or otherwise dispose of all or part of its legal or beneficial interests in the Warrants to another person or persons nor offer to do so, unless such sale, transfer, disposal or offer is subject to the condition that such person(s) shall undertake to observe the restrictions set out herein.

Without limitation to paragraphs (a) and (b) above, each Warrantholder shall observe all applicable laws and regulations in the Philippines in connection with the offer, sale, transfer or other disposition of all or any part of its legal or beneficial interests in the Warrants or the distribution of any document or other material in connection therewith.

### Portugal

An offer of Warrants to the public in Portugal can only be made in compliance with the Portuguese Securities Code (*Código dos Valores Mobiliários*, approved by *Decreto-Lei n.º n.º 486/99, de 13 de novembro*, as amended – "**Portuguese Securities Code**") and the applicable laws, regulations and procedures in Portugal and formalities required by Portuguese laws and regulations to permit the offering and sale of Warrants in Portugal, including any related documents or marketing materials. For the purposes of this provision, the expression "the public in Portugal" does not include professional investors as defined in Article 30(1) of the Portuguese Securities Code.

The Warrants are not intended to be offered, sold or otherwise made available to any retail investor in Portugal where the issuance or marketing of such Warrants are subject to the supervision of the Portuguese Securities Market Commission (the "**CMVM**") and to CMVM Regulation 8/2018. Consequently, the requirements of the CMVM Regulation 8/2018 in respect of Packaged Retail Investment Products have not been met and therefore offering or selling the Warrants in or into Portugal may not be permitted without complying with the requirements set out in the CMVM Regulation 8/2018 and other applicable laws and regulations in Portugal.

For these purposes, a retail investor means a person who is a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**").

### Republic of Chile

Neither the Issuer nor the Warrants have been registered with the *Comisión para el Mercado Financiero* pursuant to law no. 18,045 (the "**Ley de Mercado de Valores**") and regulations thereunder, therefore, they cannot be publicly offered in the Republic of Chile. This Offering Memorandum does not constitute an offer of, or an invitation to subscribe for or purchase the Warrants in the Republic of Chile, other than to individually identified investors pursuant to a private offering within the meaning of article 4 of the *Ley de Mercado de Valores* (i.e. an offer that is not addressed to the public at large or to a certain sector or specific group of the public).

### Republic of Ireland

## Part C2 – Purchase and Sale of Warrants

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

- (a) it has not and will not underwrite the issue of, or place the Warrants otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), and any codes of conduct or rules issued in connection therewith and any conditions, requirements or enactments, imposed or approved by the Central Bank of Ireland, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it has not and will not underwrite the issue of, or place, the Warrants, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Irish Central Bank Act 1989 (as amended) or any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);
- (c) it has not and will not underwrite the issue of, or place or otherwise act in Ireland in respect of the Warrants, otherwise than in conformity with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 or any delegated or implementing acts relating thereto, the European Union (Prospectus) Regulations 2019 of Ireland, the Companies Act 2014 (as amended) and any rules issued under Section 1363 of the Companies Act 2014 (as amended) by the Central Bank of Ireland; and
- (d) it has not and will not underwrite the issue of, or place or otherwise act in Ireland in respect of the Warrants, otherwise than in conformity with the provisions of the European Union (Market Abuse) Regulations 2016 (as amended), Regulation (EU) No 596/2014 of the European Parliament of the Council of 16 April 2014 on market abuse (as amended) and any rules issued under Section 1370 of the Companies Act 2014 (as amended) by the Central Bank of Ireland.

### Republic of Panama

Warrants may not be publicly offered, sold and distributed in the Republic of Panama without registration with the Superintendence of the Securities Market (the "**Superintendence**") pursuant to the provisions of Decree Law No. 1 of 1999, as amended by Law 67 of 2011 (the "**Panama Securities Law**"). However, under the Panama Securities Law, registration of offers, sales, and transactions of the Warrants is not required if the Warrants are offered and/or sold under a private placement exemption, as follows:

- (i) Private tenders (under the "**25/10 rule**"): offers of securities made by an issuer or its affiliate to not exceeding twenty-five persons, or such other number of persons determined by the Superintendence, and which jointly results in the sale of such securities to not exceeding ten persons, or such other number of persons determined by the Superintendence, within a one year period; or
- (ii) Institutional investors: offers of securities and sales made to institutional investors who, because of their expertise in the securities markets, as determined by the Superintendence, have the know-how and the financial capacity to evaluate and assume the risks of investing in such securities without requiring the protections granted by the Panama Securities Law.

In this respect, Resolution 1-2001 issued by the Superintendence establishes that the following entities will be considered institutional investors:

1. Banks, insurance companies, re-insurance companies, mutual fund companies registered with the Superintendence, investments trusts administered by a corporation with a trust license, pension funds and pensions regulated by Law 10 of 1993 and brokerage houses acting on their own account and for their own risk and if such investment accounts are duly segregated.
2. Legal entities (including, but not limited to, corporations or private interest foundations) domiciled in the Republic of Panama with regular operations in the management of

investments or which have had for at least two years prior to the date on which the offer or sale of securities was made, a patrimony of no less than USD one million pursuant to their last financial statement and whose principal executive or a majority of the directors and officers have at least two years of experience in the regular management of investments.

3. Sovereign states, and public entities that by their nature are authorized to make investments (for example, the Trust Fund for Development (*Fondo para el Desarrollo*) and the Social Security Fund (*Fondo de la Caja de Seguro Social*) which are both Panamanian public entities).

### **Russia**

The Warrants have not been and will not be offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

### **Singapore**

This Offering Memorandum has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore. The Warrants may not be offered or sold, nor may the Warrants be the subject of an invitation for subscription or purchase, whether directly or indirectly, nor may this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Warrants be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Warrants pursuant to an offer made under Section 275 of the SFA except:

1. to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in Section 276(7) of the SFA; or
5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### South Africa

No South African resident and/or its offshore subsidiaries may, without such person obtaining the prior written approval of the Financial Surveillance Department of the South African Reserve Bank (the "**Exchange Control Authorities**"), subscribe for or purchase any Warrants or beneficially hold or own any Warrant; provided that qualifying South African institutional investors with sufficient foreign portfolio capacity may, without the prior written approval of the Exchange Control Authorities, utilise their pre-approved prudential offshore allowances to subscribe for or purchase any Warrants.

Each Manager has severally represented and agreed with the Issuer that it will not solicit any offers for subscription for or sale of any of the Warrants, and will itself not sell any of the Warrants, in South Africa, except in accordance with the Companies Act, 2008 (the "**South African Companies Act**"), the Banks Act, 1990, the Exchange Control Regulations, 1961 and/or any other applicable laws and regulations of South Africa in force from time to time and it will not make an "offer to the public" (as such expression is defined in the South African Companies Act and which expression includes any section of the public) of any of the Warrants (whether for subscription, purchase or sale) in South Africa. Accordingly, this Offering Memorandum does not, nor is it intended to, constitute a "registered prospectus" (as defined in the South African Companies Act) prepared and registered under the South African Companies Act or an offer or invitation to the public. Information made available in this Offering Memorandum should not be considered as "advice" as defined in the Financial Advisory and Intermediary Services Act, 2002.

Offers for subscription for, or sale of, the Warrants are not deemed to be offers to the public if:

- (a) made only to certain investors contemplated in section 96(1)(a) of the South African Companies Act; or
- (b) the total contemplated acquisition cost of Warrants, for any single addressee acting as principal, is equal to or greater than ZAR1,000,000 (one million Rand), or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

### State of Kuwait

No Warrants have been licensed for offering in the State of Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The Warrants have not been and shall not be offered, marketed and/or sold in the State of Kuwait unless all necessary approvals from the Kuwait Capital Markets Authority (the "**CMA**") pursuant to Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and the Regulating of Securities Activities and its executive bylaws (each as amended) (the "**CML Rules**") and unless all necessary approvals from the CMA pursuant to the CML Rules, together with the various resolutions, regulations, directives and instructions issued pursuant thereto or in connection therewith (regardless of nomenclature or type), or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing and/or sale of Warrants.

### State of Qatar (including Qatar Financial Centre)

The Warrants have not been and may not be offered, delivered or sold at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). This Offering Memorandum has not been filed with, reviewed or approved by the Qatar Central Bank, the Qatar Stock Exchange, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or any other relevant Qatar governmental body or securities exchange. This Offering Memorandum is only intended for specific recipients in compliance with the foregoing and may not be publicly distributed in the State of Qatar (including the Qatar Financial Centre).

### Sultanate of Oman

This Offering Memorandum has not been filed with or registered as a prospectus with the Capital Market Authority of the Sultanate of Oman pursuant to Article 3 of the Capital Market Law Sultani Decree 80/98, as amended ("**Article 3**"), and the Warrants will not be offered or sold as a public offer of securities in Oman as contemplated by the Commercial Companies Law or Article 3.

The Warrants to be issued under the Programme and this Offering Memorandum have not been and will not be offered, sold or delivered and no invitation to subscribe for or to purchase the Warrants has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Oman to any person in Oman unless: (A) (i) the provisions of the Capital Market Law of Oman (Royal Decree 80/98 as amended), and its Executive Regulations (issued pursuant to Decision 1/2009 as amended) are observed, and (ii) the prior consent of the Oman Capital Market Authority is obtained; or (B) the Dealer is duly licensed to market the Warrants in Oman.

The information contained in this Offering Memorandum neither constitutes a public offer of securities in Oman as contemplated by the Commercial Companies Law or the Capital Market Law of Oman (Royal Decree 80/98, as amended), nor does it constitute an offer to sell, or the solicitation of any offer to buy, non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued pursuant to Decision 1/2009).

### **Switzerland**

**The Warrants are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority ("FINMA") and investors in the Warrants will not benefit from supervision by FINMA. Warrants issued under the Programme do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"), as amended. Warrants issued under the Programme are neither issued nor guaranteed by a Swiss financial intermediary. Investors are exposed to the credit risk of the Issuer.**

The Warrants may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("**FinSO**"), and no application has or will be made to admit the Warrants to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Warrants constitutes a prospectus pursuant to FinSA. Consequently, this Offering Memorandum and any other offering or marketing material relating to the Warrants may only be publicly distributed or otherwise made publicly available in Switzerland:

- (a) if such offer is strictly limited to investors that qualify as professional clients ("**Professional Clients**", as set out below) according to Article 4 para. 3 FinSA and Article 5 para. 1 FinSO. Accordingly, the Warrants may only be distributed or offered, and the Offering Memorandum or any other marketing material relating to the Warrants may be made available to Professional Clients in Switzerland; in this case, the offering of the Warrants in, into or from Switzerland is exempt from the requirement to prepare and publish a prospectus under FinSA; or
- (b) if such offer constitutes an exempt offer pursuant to specific provisions regarding exempt offers pursuant to Article 36 FinSA which (a) is addressed to less than 500 investors, (b) is only addressed to investors that purchase financial instruments in an amount of at least CHF 100,000 (or equivalent in other currencies), (c) has a minimum denomination of CHF 100,000 (or equivalent in other currencies), or (d) does not exceed the value of CHF 8 million (or equivalent in other currencies) calculated over a period of 12 months; in this case, the offering of the Warrants in, into or from Switzerland is exempt from the requirement to prepare and publish a prospectus under FinSA.

Professional Clients in terms of FinSA specifically include:

- (a) Swiss regulated financial intermediaries such as banks, securities firms, fund management companies, asset managers of collective assets, portfolios managers, or trustees;
- (b) Swiss regulated insurance companies;
- (c) foreign entities which are subject to a prudential supervision under the laws of their incorporation of jurisdiction equivalent to that applicable to entities listed under paragraphs (a) and (b) above;
- (d) central banks;
- (e) public entities with professional treasury operations;



- (f) occupational pension schemes and other institutions whose purpose is to serve occupational pensions with professional treasury operations;
- (g) companies with professional treasury operations;
- (h) large companies; and
- (i) private investment structures with professional treasury operations created for high-net-worth private (retail) clients.

In addition, high-net-worth private (retail) clients and private investment structures created for them may declare that they wish to be treated as Professional Clients in accordance with Article 5 FinSA (opting out).

Notwithstanding the fact that such offering may not trigger the requirement to prepare a prospectus under FinSA, in the case of offerings of Warrants that constitute debt instruments with a "derivative character" that will be made to private (retail) clients in, into or from Switzerland (as such expressions are understood under FinSA and FinSO), a key information document (KID) prepared in accordance with FinSA and FinSO or in accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council of November 26, 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) must be made available.

#### **Taiwan**

The Warrants have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan pursuant to relevant securities laws and regulations of Taiwan, the Warrants may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan. No person or entity in Taiwan has been authorised to offer or sell Warrants in Taiwan.

Warrants may be made available to Taiwan investors outside Taiwan for purchase by such investors either directly or through such financial institutions as may be authorised under the laws of Taiwan and only pursuant to the relevant laws, regulations and self-regulatory guidelines as may be applicable to them.

#### **Thailand**

The Warrants may not be offered, sold, or caused to be made the subject of an invitation for subscription or purchase, and this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Warrants cannot be circulated, distributed or made available, whether directly or indirectly, to any persons in the Kingdom of Thailand, unless permitted otherwise by applicable laws and regulations. This Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Warrants has not been reviewed by any regulatory authority in Thailand and has not been registered or filed with or approved by the Office of the Securities and Exchange Commission of Thailand.

#### **United Arab Emirates (excluding the Dubai International Financial Centre)**

The Warrants have not been and may not be offered, sold or publicly promoted or advertised in the United Arab Emirates (the "UAE") other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

#### **United Kingdom**

##### ***Prohibition of sales to UK Retail Investors***

Unless the Pricing Supplement in respect of any Warrants specifies the "Prohibition of Sales to UK Retail Investors" as "Not applicable", each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing

Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe for the Warrants.

***Public Offer Selling Restriction Under the UK Prospectus Regulation***

In relation to any Warrants if the Pricing Supplement in respect of such Warrants specifies "Prohibition of Sales to EEA Retail Investors" as "Not applicable", each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Warrants which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Warrants to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Warrants referred to in (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Warrants to the public**" in relation to any Warrants means the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe for the Warrants and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

***Selling Restrictions Addressing Additional United Kingdom Securities Laws***

Warrants issued by HBME having a maturity of less than one year must not be offered or sold other than to persons (a) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or (b) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Warrants would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by HBME.

An invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) may only be communicated or caused to be communicated in connection with the issue or sale of Warrants in circumstances in which section 21(1) of the FSMA does not apply to HBME (in the case of Warrants issued by HBME) or would not, if it was not an authorised person, apply to HBEU (in case of Warrants issued by HBEU).

All applicable provisions of the FSMA must be complied with in respect of anything done in connection with the Warrants in, from or otherwise involving the United Kingdom.

**United States of America**

The Warrants have not been and will not be registered under the Securities Act or the state securities laws of any state of the United States and may not be offered or sold within the United States or to or for the account or benefit of, or exercised by, U.S. persons (as defined in Regulation S) except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, unless the relevant Pricing Supplement specifies otherwise, Warrants may not be offered or sold to, or for the account or benefit of U.S. persons (as defined in the U.S. Commodity Futures Trading Commission regulation 23.23(a)(23)) at any time.

Each Manager has agreed that, except as permitted by the Master Warrant Issuance Agreement,

- (1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Pricing Supplement, (a) it will not offer, sell or deliver Warrants at any time (whether as part of their distribution at any time or otherwise) within the United States or to, or for the account or benefit of, U.S. persons, other than pursuant to Rule 144A and (b) it will send to each dealer to which it sells Warrants a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the United States or to, or for the account or benefit of, U.S. persons; and
- (2) otherwise, (a) it will not offer, sell or deliver Warrants, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Series of which such Warrants are a part, as certified to the Principal Warrant Agent or the Issuer by such Manager (or, in the case of a sale of a Series of Warrants to or through more than one Manager, by each of such Managers as to the Warrants of such Series purchased by or through it, in which case the Principal Warrant Agent or the Issuer shall notify each such Manager when all such Managers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, other than pursuant to Rule 144A, and (b) it will send to each dealer to which it sells Warrants during the periods referred to in (a)(i) and (ii) above a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the United States or to, or for the account or benefit of, U.S. persons.

In addition:

- (1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Pricing Supplement, an offer or sale of Warrants at any time within the United States by any dealer (whether or not participating in the offering of such Warrants) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act; and
- (2) otherwise, until 40 days after the commencement of the offering of any Tranche of Warrants, an offer or sale of Warrants of such Tranche within the United States by any dealer (whether or not participating in the offering of such Warrants) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

**Uruguay**

Neither the Warrants nor the Issuer are registered with the Superintendency of Financial Services of the Central Bank of Uruguay allowing the Warrants to be publicly offered in Uruguay, since the placement qualifies as a private placement under section 2 of Uruguayan law 18.627.

**Part D - Product Supplement for Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants and Preference Share-Linked Notes**



**HSBC BANK PLC**

*(A company incorporated in England with registered number 14259; the liability of its members is limited)  
as Issuer*

**HSBC BANK MIDDLE EAST LIMITED**

*(a company limited by shares incorporated in the Dubai International Financial Centre)  
as Issuer*

**HSBC CONTINENTAL EUROPE**

*(a société anonyme registered in France)  
as Issuer*

**PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS**

**EQUITY/INDEX-LINKED NOTES AND WARRANTS, INFLATION RATE-LINKED NOTES AND WARRANTS AND PREFERENCE SHARE-LINKED NOTES**

This product supplement in relation to Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants and Preference Share-Linked Notes constitutes Part D ("**Part D**") of the offering memorandum dated 1 June 2023 (the "**Offering Memorandum**") prepared by HSBC Bank plc (the "**Bank**" or the "**Issuer**") in relation to the Programme for the Issuance of Notes and Warrants (the "**Programme**") described therein in connection with the application made for Notes or Warrants to be admitted to listing on the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), and to trading on its Global Exchange Market.

**This Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of the Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes and Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

To the extent that there is any inconsistency between any statement in this Part D and any other statement in, or incorporated by reference in, other parts of this Offering Memorandum, the statements in this Part D will prevail for the purposes of Part D.

Notes and Warrants issued pursuant to the Programme may include: (i) "**Equity-/Index-Linked Notes and Warrants**" being Notes or Warrants in relation to which the interest rate and/or redemption amount or exercise amount (as applicable) payable at maturity or expiry or exercise (as applicable) is linked to a security, a basket of securities or one or more indices; (ii) "**Inflation Rate-Linked Notes and Warrants**" being Notes or Warrants in relation to which the interest rate and/or redemption amount or exercise amount (as applicable) at maturity or expiry (as applicable) is linked to an inflation rate or inflation rate-dependent variable; and (iii) "**Preference Share-Linked Notes**" being Notes in relation to which the redemption amount payable at maturity is linked to the performance of underlying preference shares (the "**Preference Shares**"). The purpose of this Part D is to provide information in relation to Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants and Preference Share-Linked Notes. This Supplement should be read together with Parts A and B of this Offering Memorandum (in the case of Equity/Index-Linked Notes, Inflation Rate-Linked Notes and Preference Share-Linked Notes) and Parts A and C of this Offering Memorandum (in the case of an issue of Equity/Index-Linked Warrants and Inflation Rate-Linked Warrants).

**An investment in Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants and/or Preference Share-Linked Notes involves risks. See Part A of this Offering Memorandum under the heading "Part A - Risk Factors" (beginning on page A-1).**

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Part D or any other information supplied in connection with the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants and/or Preference Share-Linked Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Part D nor any further information supplied in connection with the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes should be considered as a recommendation or as constituting an invitation or offer by the Issuer that any recipient of this Part D or any other information supplied in connection with the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes should subscribe for or purchase the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes. Each investor contemplating subscribing for or purchasing the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Part D nor any other information supplied in connection with the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes constitutes an offer by or on behalf of the Issuer to subscribe for or purchase the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes.

**EU PRIIPs REGULATION - IMPORTANT – EEA RETAIL INVESTORS** - If the Pricing Supplement in respect of any Notes or Warrants includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**Part D - Product Supplement for Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants and Preference Share-Linked Notes**

**UK PRIIPs REGULATION - IMPORTANT - UK RETAIL INVESTORS** – If the Pricing Supplement in respect of any Notes or Warrants includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The distribution of this Part D and the offer, distribution or sale of Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes may be restricted by law in certain jurisdictions. The Issuer does not represent that this document may be lawfully distributed, or that the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes may be lawfully offered, or assumes any responsibility for facilitating any such distribution or offering. In particular, action may be required to be taken to permit a public offering of the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes or a distribution of this document in any jurisdiction. Accordingly, no Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes may be offered or sold, directly or indirectly, and neither this Part D nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Part D or the Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants or Preference Share-Linked Notes come must inform themselves about, and observe, any such restrictions.

Equity/Index-Linked Notes and Warrants, Inflation Rate-Linked Notes and Warrants and Preference Share Linked Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the state securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In addition, unless the relevant Pricing Supplement specifies otherwise, Warrants may not be offered or sold to, or for the account or benefit of U.S. persons (as defined in the U.S. Commodity Futures Trading Commission regulation 23.23(a)(23)) at any time.

Programme Arranger  
**HSBC Bank plc**

Dealers and Managers  
**HSBC Bank plc**

**HSBC Continental Europe**

**The Hongkong and Shanghai Banking Corporation Limited**

1 June 2023

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**PART D1 –  
ADDITIONAL PROVISIONS RELATING TO EQUITY-LINKED NOTES, INDEX-LINKED  
NOTES, INFLATION RATE-LINKED NOTES AND PREFERENCE SHARE-LINKED NOTES**

The following additional condition shall be deemed to be added as Condition 22 and Condition 23 to the terms and conditions set out in the sections headed "*Part B1 - Terms and Conditions of the Notes*" or "*Part B3 - Terms and Conditions of the Notes issued by HBCE*" (as applicable) of this Offering Memorandum in respect of any issue of Equity-Linked Notes, Index-Linked Notes, Inflation Rate-Linked Notes and Preference Share-Linked Notes (other than where the Notes are Alternative General Conditions Notes).

The terms and conditions of the Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes (the "**Terms and Conditions of the Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes**") shall consist of Condition 22 and the terms and conditions of the Preference Share-Linked Notes (the "**Terms and Conditions of the Preference Share-Linked Notes**") shall consist of Condition 23 and, in each case, the terms and conditions set out in the sections headed "*Part B1 - Terms and Conditions of the Notes*" or "*Part B3 - Terms and Conditions of the Notes issued by HBCE*" (as applicable) of this Offering Memorandum, as amended or supplemented by the terms of each Tranche of Notes set out in the Pricing Supplement.

22. **Provisions relating to Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes**

(a) **Definitions**

As used in this Condition 22, and unless otherwise provided in the relevant Pricing Supplement, the following expressions shall have the following meanings:

"**Additional Disruption Event**" has the meaning ascribed thereto in Condition 22(h);

"**Alternative Exchange**" means, in relation to any Securities, an exchange or quotation system on which the Securities are re-listed, re-traded or re-quoted and which is located in the same country as the Exchange (or, where the Exchange is within the European Union or the United Kingdom, in any member state of the European Union or the United Kingdom), unless (in any such case) the Calculation Agent determines that the listing, trading or quotation on such exchange or quotation system will materially alter the risk profile of the Notes (in which case such exchange or quotation system shall not constitute an "**Alternative Exchange**");

"**Applicable Hedge Positions**" means in respect of each Security, the purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) that a Hypothetical Broker Dealer would consider necessary to hedge the equity price risk or currency risk of entering into and performing its obligations in respect of the Notes;

"**Automatic Early Redemption Amount**" means in respect of an Automatic Early Redemption Date and as calculated by the Calculation Agent in good faith, an amount equal to the Calculation Amount multiplied by the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date or such other amount as specified in the relevant Pricing Supplement;

"**Automatic Early Redemption Date(s)**" means each of the date(s) specified as such in the relevant Pricing Supplement, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Pricing Supplement;

"**Automatic Early Redemption Event**" means (unless otherwise specified in the relevant Pricing Supplement) that the price of the relevant Security or, as the case may be, the level of the Index, in either case as determined by the Calculation Agent as of the Valuation Time on the relevant Automatic Early Redemption Valuation Date is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the relevant Automatic Early Redemption Price, or as the case may be, the relevant Automatic Early Redemption Level;

**"Automatic Early Redemption Level"** means, in respect of an Automatic Early Redemption Valuation Date, the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

**"Automatic Early Redemption Price"** means, in respect of an Automatic Early Redemption Valuation Date, the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

**"Automatic Early Redemption Rate"** means, in respect of any Automatic Early Redemption Valuation Date, the percentage rate specified as such for such Automatic Early Redemption Valuation Date in the relevant Pricing Supplement;

**"Automatic Early Redemption Valuation Date(s)"** means:

- (a) in the case of a Note which relates to a single Security or Index, each of the date(s) specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, each of the date(s) specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Automatic Early Redemption Valuation Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e), which shall apply as if such Automatic Early Redemption Valuation Date were a Valuation Date;

**"Averaging Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, in respect of each Valuation Date, each date specified as such or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, in respect of each Valuation Date, each date specified as such or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Averaging Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e);

**"Cash Settlement"** means, in relation to a Series of Notes, that the relevant Noteholder is entitled to receive from the Issuer on the Maturity Date an amount calculated in accordance with the relevant Pricing Supplement in the Settlement Currency;

**"China Connect"** means any securities trading and clearing links developed or to be developed by SEHK, any such China Connect Market, the HKSCC and the CSDCC for the establishment of mutual market access between SEHK and any such China Connect Market;

**"China Connect Business Day"** means any Scheduled Trading Day on which the China Connect Service is open for order-routing during its regular order-routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time;

**"China Connect Disruption"** means (a) any suspension of or limitation imposed on routing of orders (including in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service, relating to the Securities on the Exchange (or in the case of an Index or basket of Indices, relating to Component Securities that



comprise 20 per cent. or more of the level of the relevant Index) or (b) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of the market participants in general to enter orders in respect of Securities through the China Connect Service (or in the case of an Index or basket of Indices, in Component Securities that comprise 20 per cent. or more of the level of the relevant Index);

**"China Connect Early Closure"** means the closure on any China Connect Business Day of the China Connect Service (**provided that**, in the case of an Index or basket of Indices, Component Securities that comprise 20 per cent. or more of the level of the relevant Index are securities that are order-routed through the China Connect Service) prior to its Scheduled Closing Time unless such earlier closing time is announced by SEHK or the Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for order-routing through the China Connect Service on such China Connect Business Day and (ii) the submission deadline for orders to be entered into the China Connect Service system for execution on the Exchange at the Valuation Time on such China Connect Business Day;

**"China Connect Market"** means any stock exchange in mainland China which is acceptable to the SEHK under the securities trading and clearing links programme developed or to be developed by SEHK, any such China Connect Market, the HKSCC and the CSDCC for the establishment of mutual market access with SEHK and any such China Connect Market;

**"China Connect Service"** means the securities trading and clearing links programme developed by the Exchange, China Connect Market, CSDCC and HKSCC, through which (i) SEHK and/or its affiliates provide order-routing and other related services for certain eligible securities traded on the China Connect Market and (ii) CSDCC and HKSCC provide clearing, settlement, depository and other services in relation to such securities;

**"China Connect Underlying"** means eligible securities listed and traded on a China Connect Market under China Connect;

**"Clearing System Business Day"** means, in relation to any Securities, any day on which the principal domestic clearing system customarily used for settling trades in such Securities is (or, but for the occurrence of an event beyond the control of the Issuer as a result of which such clearing system cannot clear the transfer of such securities, would have been) open for the acceptance and execution of settlement instructions;

**"Component Security"** means, with respect to an Index, each component security of that Index;

**"Conversion"** means, in respect of any Securities, any irreversible conversion by the Underlying Company of such Securities into other securities;

**"CSDCC"** means China Securities Depository and Clearing Corporation;

**"Delisting"** means (a) that the Exchange announces that, pursuant to the rules of such Exchange, the Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an Alternative Exchange or (b) that the Calculation Agent determines that listing or trading of Securities on the Exchange (or an Alternative Exchange) has not commenced and will not commence in the foreseeable future prior to redemption of the Notes;

**"Delivery Disruption Event"** means, as determined by the Calculation Agent, the failure by the Issuer to deliver or to procure delivery on the relevant Settlement Date the Securities Transfer Amount under the relevant Note due to illiquidity in the market for such Securities;

**"Deposit Agreement"** means, in relation to each Depository Receipt, the agreement(s) or other instrument(s) constituting such Depository Receipt, as from time to time amended or supplemented;

**"Depository"** means, in relation to a Depository Receipt, the issuer of such Depository Receipt as appointed under the Deposit Agreement, including its successors from time to time;

**"Depository Receipt(s)"** means any Security specified as such in the relevant Pricing Supplement **provided that** if the relevant Deposit Agreement is terminated at any time, any reference to any Depository Receipt(s) shall thereafter be construed as a reference to the relevant Underlying Securities or relevant Replacement DRs, as applicable and as determined by the Calculation Agent pursuant to Condition 22(k) (*Events relating to DR-Linked Notes*);

**"Disrupted Day"** means (a) any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session, or in relation to China Connect Underlying on which the China Connect Service fails to open for order routing during its regular order routing session or, on which a Market Disruption Event has occurred; or (b) if the Notes are Multiple Exchange Index-Linked Notes, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred;

**"Disrupted Day Related Payment Date"** means any payment date on the Notes on which the amount payable is calculated by reference to the price or level (as applicable) of a Security, Index, basket of Securities or basket of Indices determined on the related Valuation Date or Limit Valuation Date;

**"DR-Linked Notes"** means a Series of Equity-Linked Notes which relate to one or more Securities which are Depository Receipts;

**"Early Closure"** means (a) the closure on any Exchange Business Day of the relevant Exchange (in the case of Equity-Linked Notes) or any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of Index-Linked Notes) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or (b) if the Notes are Multiple Exchange Index-Linked Notes, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

**"Equity-Linked Note"** means a Series of Notes in respect of which either an amount, which shall be calculated by reference to the value of a Security or Securities and/or a formula, is payable or a Securities Transfer Amount is deliverable (as indicated in the relevant Pricing Supplement);

**"ETF"** means the exchange traded fund or similarly traded or listed fund as specified in the relevant Pricing Supplement;

**"ETF Adviser"** means, with respect to an ETF, any person appointed in the role of discretionary investment manager or non-discretionary investment manager (including a

non-discretionary investment manager to a discretionary investment manager or to another non-discretionary investment manager), as provided in the related ETF Documents;

**"ETF Documents"** means, in relation to any ETF, the constitutive and governing documents, subscription agreements and other agreements of such ETF specifying the terms and conditions relating to such ETF, in each case as amended and supplemented from time to time;

**"Exchange"** means (a) with respect to a Security or an Index, each exchange or quotation system specified as such in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Security or the components of the Index, as the case may be, has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Security or components, as the case may be, as on the original Exchange); or (b) in the case of a Multiple Exchange Index and each relevant Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent (which exchange or quotation system as of the Issue Date may be specified as such in the relevant Pricing Supplement); **provided, however, that** if the Exchange (the **"Original Exchange"**) announces that, pursuant to the rules of such Exchange, any Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and the Securities are re-listed, re-traded or re-quoted on an Alternative Exchange, then, so long as the Securities are not listed, traded or publicly quoted on the Original Exchange, such Alternative Exchange shall be the **"Exchange"** in relation to such Securities;

**"Exchange Business Day"** means (a) any Scheduled Trading Day on which each Exchange and any relevant Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or (b) with respect to a Multiple Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time;

**"Exchange Disruption"** means (a) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Securities on the Exchange (in the case of an Equity-Linked Note) or on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of an Index-Linked Note), or (ii) to effect transactions in, or obtain market values for, future or options contracts relating to the Securities (in the case of an Equity-Linked Note) or the relevant Index (in the case of an Index-Linked Note) on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) futures or options contracts relating to the Index on the relevant Related Exchange;

**"Extraordinary Dividend"** means the amount per Security specified or otherwise determined as provided in the relevant Pricing Supplement or, if no such amount is so specified or determined, any dividend or the portion of any dividend which the Calculation Agent determines should be characterised as an Extraordinary Dividend;

**"Extraordinary ETF Event"** means, in the determination of the Calculation Agent, the occurrence or existence of any of the following:

- (i) the ETF (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or

regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) to (E) above;

- (ii) the ETF has violated any leverage restriction that is applicable to, or affecting, such ETF or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the ETF Documents or any contractual restriction binding on or affecting the ETF or any of its assets;
- (iii) the resignation, termination or replacement of the ETF Adviser (as defined below);
- (iv) any change or modification of the ETF Documents that could reasonably be expected to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Issue Date;
- (v) any breach or violation of any strategy or investment guidelines stated in the ETF Documents that is reasonably likely to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent);
- (vi) the Issuer, or any of its affiliates, is unable, or it is impractical for it, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to the Units of entering into and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (1) any restrictions or increase in charges or fees are imposed by the ETF on any investor's ability to redeem the Units, in whole or in part, or on any existing or new investor's ability to make new or additional investments in such Units, or (2) any mandatory redemption, in whole or in part, of such Units is imposed by the ETF (in each case other than any restriction in existence on the Issue Date);
- (vii) (A) cancellation, suspension or revocation of the registration or approval of the Units or the ETF by any governmental, legal or regulatory entity with authority over the Units or the ETF, (B) any change in the legal, tax, accounting or regulatory treatments of the ETF or the ETF Adviser that is reasonably likely to have an adverse impact on the value of the Units or on any investor therein (as

determined by the Calculation Agent), or (C) the ETF or the ETF Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of the ETF;

- (viii) (A) the occurrence of any event affecting the Units that, in the determination of the Calculation Agent, would make it impossible or impracticable to determine the value of the Units, and such event is likely, in the determination of the Calculation Agent, to continue for the foreseeable future; or (B) any failure of the ETF to deliver, or cause to be delivered (1) information that the ETF has agreed to deliver, or cause to be delivered to the Issuer and/or Calculation Agent or (2) information that has been previously delivered to the Issuer and/or Calculation Agent in accordance with the ETF's, or its authorised representative's, normal practice and that the Issuer and/or Calculation Agent deems necessary for it to monitor the ETF's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Units;
- (ix) on or after the Strike Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal to hold, acquire or dispose of the Units, or (Y) the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);
- (x) the Issuer would incur a materially increased (as compared with circumstances existing on the Strike Date) amount of tax (including potential taxes which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to the Units of entering into and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Extraordinary ETF Event; and
- (xi) (A) the cancellation or cessation of any Underlying Index or (B) a material change in the formula for or the method of calculating or any other material modification to any Underlying Index (other than a modification prescribed in that formula or method to maintain such Underlying Index in the event of changes in constituent stock and capitalisation and other routine events) or (C) the relevant sponsor of any Underlying Index fails to calculate and announce such Underlying Index;

**"Extraordinary Event"** means (a) in all cases other than where the Pricing Supplement specifies that the Securities are Units in an ETF, a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting (b) in the case where the Pricing Supplement specifies that the Securities are Units in an ETF, a Merger Event, Nationalisation, Insolvency, Delisting or Extraordinary ETF Event;

**"Final Index Level"** means, with respect to an Index and a Valuation Date, the level determined as provided in the relevant Pricing Supplement or, if no such level is so provided (a) the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Valuation Date or (b) with respect to a Multiple Exchange Index, the official closing level of the Index on the Valuation Date as calculated and published by the Index Sponsor or (c) if Averaging Dates are specified in the relevant Pricing Supplement in respect of such Valuation Date, the arithmetic

average as determined by the Calculation Agent (rounded up to four decimal places (with 0.00005 being rounded up)) of the Reference Levels on such Averaging Dates;

**"Final Price"** means, with respect to a Security and a Valuation Date, the price determined as provided in the relevant Pricing Supplement, or if no such price is so provided (a) the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Valuation Date or (b) if Averaging Dates are specified in the relevant Pricing Supplement in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded up to four decimal places (with 0.00005 being rounded up)) of the Reference Prices on such Averaging Dates, **provided, however, that** if "Realisable Sale Price" is specified as applicable in the relevant Pricing Supplement, Final Price shall be determined in accordance with the definition of Realisable Sale Price set out in this Condition 22 (*Provisions relating to Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes*);

**"Government Bonds"** means, in relation to a Series of Notes, bonds or any other debt securities issued by a government, government agency or subdivision or a transnational or supranational organisation as specified in the relevant Pricing Supplement and **"Government Bond"** shall be construed accordingly;

**"HKSCC"** means the Hong Kong Securities Clearing Company Limited;

**"Hypothetical Broker Dealer"** means a hypothetical broker dealer which is (i) subject to the same securities laws and rules and regulations of any securities regulators, exchanges and self-regulating organisations as apply to the Issuer or any affiliate designated by it and (ii) domiciled in the same tax jurisdiction as the Issuer or its such designated affiliates;

**"Index"** means, in relation to a Series of Notes, the index to which such Series of Notes relates (other than an Inflation Index), as specified in the relevant Pricing Supplement, subject to adjustment pursuant to this Condition 22, and **"Indices"** shall be construed accordingly;

**"Index-Linked Note"** means a Series of Notes in respect of which an amount calculated by reference to an Index or Indices and/or a formula is payable (as indicated in the relevant Pricing Supplement), but excluding Inflation Rate-Linked Notes;

**"Index Rules"** means the rules of the Index Sponsor in relation to the Index specified as such in the relevant Pricing Supplement;

**"Index Sponsor"** means the corporation or other entity specified as such in the relevant Pricing Supplement and any successor corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Scheduled Trading Day;

**"Index Substitution Notice"** has the meaning given in Condition 22(f)(iii);

**"Inflation Index"** means, in relation to a Series of Notes, the inflation index to which such Series of Notes relates, as specified in the relevant Pricing Supplement, subject to adjustment pursuant to this Condition 22, and **"Inflation Indices"** shall be construed accordingly;

**"Inflation Rate-Linked Note"** means a Note in relation to which the interest payable thereon (if any) and/or the redemption amount thereof is determined by reference to an inflation rate, inflation rates or any other inflation rate-dependent variables (as indicated in the relevant Pricing Supplement);

**"Initial Index Level"** means, with respect to an Index, the level specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if no such level is so specified or otherwise determined, the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike

Date or, with respect to a Multiple Exchange Index, the official closing level of the Index on the Strike Date as calculated and published by the Index Sponsor each as rounded up to four decimal places (with 0.00005 being rounded up);

**"Initial Price"** means, with respect to a Security, the price specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if no such price is so specified or otherwise determined, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date each as rounded up to four decimal places (with 0.00005 being rounded up);

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Company, (A) all the Securities of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Securities of that Underlying Company become legally prohibited from transferring them;

**"Knock-in Amount"** means the interest amount, redemption amount or other amount as specified as such in the relevant Pricing Supplement;

**"Knock-in Amount Payment Date"** means such date as specified in the relevant Pricing Supplement subject to adjustment in accordance with the Business Day Convention specified in the relevant Pricing Supplement;

**"Knock-in Determination Day"** means:

- (a) in the case of a Note which relates to a single Security or Index, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), or if Knock-in Determination Period is specified in the relevant Pricing Supplement as being applicable, each Scheduled Trading Day during the Knock-in Determination Period; or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-in Determination Day in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index), or if Knock-in Determination Period is specified in the relevant Pricing Supplement as being applicable, each date in respect of each Security or Index (as applicable) comprising the basket which is a Scheduled Trading Day in respect of such Security or Index during the Knock-in Determination Period,

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-in Determination Day were a Valuation Date;

**"Knock-in Determination Period"** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**"Knock-in Event"** means (unless otherwise specified in the relevant Pricing Supplement) that the price of the Security or, as the case may be, the level of the Index, determined by the Calculation Agent as of the Valuation Time or, if specified as such in the relevant Pricing Supplement, observed by the Calculation Agent continuously on any Knock-in Determination Day is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price or, as the case may be, the Knock-in Level;

**"Knock-in Level"** means the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

**"Knock-in Period Beginning Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-in Period Beginning Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-in Period Beginning Date were a Valuation Date;

**"Knock-in Period Ending Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-in Period Ending Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-in Period Ending Date were a Valuation Date;

**"Knock-in Price"** means the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

**"Knock-out Amount"** means the interest amount, redemption amount or other amount as specified as such in the relevant Pricing Supplement;

**"Knock-out Amount Payment Date"** means such date as specified in the relevant Pricing Supplement subject to adjustment in accordance with the Business Day Convention specified in the relevant Pricing Supplement;

**"Knock-out Determination Day"** means:

- (a) in the case of a Note which relates to a single Security or Index, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), or if Knock-out Determination Period is specified in the relevant Pricing Supplement as being applicable, each Scheduled Trading Day during the Knock-out Determination Period; or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-out Determination Day in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index) or if Knock-out Determination Period is specified in the relevant Pricing Supplement as being applicable, each date in respect of each Security or Index (as applicable) comprising the basket which is a Scheduled Trading Day in respect of such Security or Index during the Knock-out Determination Period,



in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-out Determination Day were a Valuation Date;

**"Knock-out Determination Period"** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**"Knock-out Event"** means (unless otherwise specified in the relevant Pricing Supplement) that the price of the Security or, as the case may be, the level of the Index, determined by the Calculation Agent as of the Valuation Time or, if specified as such in the relevant Pricing Supplement, observed by the Calculation Agent continuously on any Knock-out Determination Day is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Price or, as the case may be, Knock-out Level;

**"Knock-out Level"** means the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

**"Knock-out Period Beginning Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-out Period Beginning Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-out Period Beginning Date were a Valuation Date;

**"Knock-out Period Ending Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-out Period Ending Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-out Period Ending Date were a Valuation Date;

**"Knock-out Price"** means the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

**"Market Disruption Event"** means (a) the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, (iii) in relation to China Connect Underlying, a China Connect Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (iv) an Early Closure or in relation to China Connect Underlying, a China Connect Early Closure **provided that** for the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a component of the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the

level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event; or (b) with respect to a Multiple Exchange Index, either:

- (i) (1) the occurrence or existence, in respect of any Component Security, of (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (i) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time at which the relevant price or level triggers the Knock-in Level or the Knock-out Level, as the case may be, or (ii) in all other circumstances, ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, OR (cc) an Early Closure and, in relation to a Component Security which is a China Connect Underlying, a China Connect Early Closure; AND (2) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR
- (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index of: (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (i) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time at which the relevant price or level triggers the Knock-in Level or the Knock-out Level, as the case may be, or (ii) in all other circumstances, ends at the relevant Valuation Time in respect of the Related Exchange; or (cc) an Early Closure;

For the purposes of determining whether a Market Disruption Event exists in respect of a Multiple Exchange Index at any time, if a Market Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data";

**"Merger Event"** means in respect of any relevant Securities, any (i) reclassification or change of such Securities that results in a transfer of or an irrevocable commitment to transfer all of such Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Underlying Company with or into another entity or person (other than a consolidation, amalgamation or merger in which such Underlying Company is the continuing entity and which does not result in a reclassification or change of all of such Securities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Securities of the Underlying Company that results in a transfer of or an irrevocable commitment to transfer all such Securities (other than such Securities owned or controlled by such other entity or person); or (iv) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all of such Securities outstanding but results in the outstanding Securities (other than Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Securities immediately following such event, in each case if the closing date of a Merger Event (or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent) is on or before, in the case of any Equity-Linked Note which is to be redeemed by delivery of a Securities Transfer Amount, the Maturity Date or, in any other case, the final Valuation Date;

If the Notes are DR-Linked Notes, **"Merger Event"** shall include the occurrence of any of the events described in (i) to (iv) (inclusive) above in relation to the relevant Underlying Securities;

"**Multiple Exchange Index**" means an Index identified or specified as such in the relevant Pricing Supplement;

"**Multiple Exchange Index-Linked Notes**" means Notes which relate to a Multiple Exchange Index;

"**Nationalisation**" means that all the Securities (or, if the Notes are DR-Linked Notes, the relevant Underlying Securities) or all or substantially all the assets of an Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;

"**Notional Sale Date**" has the meaning given in the definition of Settlement Date below;

"**Potential Adjustment Event**" means (i) a subdivision, consolidation or reclassification of relevant Securities (unless resulting in a Merger Event), or a free distribution or dividend of any such Securities to existing holders whether by way of bonus, capitalisation or similar issue; or (ii) a distribution, issue or dividend to existing holders of the relevant Securities of (A) such Securities or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of such Securities or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; or (iii) an Extraordinary Dividend; or (iv) a call by the Underlying Company in respect of relevant Securities that are not fully paid; or (v) a repurchase by the Underlying Company or any of its subsidiaries of relevant Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (vi) in respect of the Underlying Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Underlying Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Securities; or (viii) any other event specified as such in the relevant Pricing Supplement;

With respect to Depository Receipts, "**Potential Adjustment Event**" shall also include (x) the occurrence of any of the events described in (i) to (viii) (inclusive) above in respect of the relevant Underlying Securities, **provided that** the occurrence of any of the events described in (i) to (vi) (inclusive) in respect of the relevant Underlying Securities shall not constitute a Potential Adjustment Event unless, the Calculation Agent determines that such event has a diluting or concentrative effect on the theoretical value of the Securities and (y) the making of any amendment or supplement to the terms of the Deposit Agreement;

"**Realisable Sale Price**" means, with respect to a Security and a Valuation Date, the price of the Security on the Valuation Date determined as provided in the relevant Pricing Supplement, or if no such price is so provided, an amount determined by the Calculation Agent equal to the price that would be realised by a Hypothetical Broker Dealer, acting in good faith and a commercially reasonable manner, in terminating or liquidating Applicable Hedge Positions, as adjusted to account for any costs, commissions, taxes and other fees that may be incurred by or levied on such Hypothetical Broker Dealer;

"**Reference Level**" means, unless otherwise specified in the relevant Pricing Supplement (a) in respect of an Index and an Averaging Date, the level of such Index as determined by the Calculation Agent as of the Valuation Time on the Exchange on such Averaging Date and (b) in respect of a Multiple Exchange Index and an Averaging Date, the official closing level of such Multiple Exchange Index on such Averaging Date as calculated and published by the Index Sponsor;

**"Reference Price"** means, unless otherwise specified in the relevant Pricing Supplement, in respect of a Security and an Averaging Date, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the Exchange on such Averaging Date;

**"Related Exchange"** means, subject to the proviso below, in respect of a Security or an Index, each exchange or quotation system specified as such for such Security or Index in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Security or Index, as the case may be, has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Security or Index, as the case may be, as on the original Related Exchange) **provided, however, that** where "All Exchanges" is specified as the Related Exchange in the relevant Pricing Supplement, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Security or Index, as the case may be;

**"Replacement DRs"** means, if the relevant Deposit Agreement is terminated, any depository receipts which the Calculation Agent determines, in accordance with Condition 22(k) (*Events relating to DR-Linked Notes*), are to replace the Depository Receipts constituted by such terminated Deposit Agreement;

**"Residual Amount"** means, in relation to a Noteholder and a Note, the fraction of a Security rounded down pursuant to Condition 22(b), as determined by the Calculation Agent or such amount as otherwise specified in the relevant Pricing Supplement;

**"Residual Cash Amount"** means, in respect of a Residual Amount, the product of such Residual Amount and the fraction of which the numerator is the Final Price and the denominator is the Initial Price or such amount as otherwise specified in the relevant Pricing Supplement;

**"Scheduled Averaging Date"** has the meaning given in Condition 22(e)(ii)(B)(3)(bb);

**"Scheduled Closing Time"** means, in respect of an Exchange, Related Exchange or, in the case of China Connect Underlying, the China Connect Service and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange, Related Exchange or, in the case of China Connect Underlying, the China Connect Service on such Scheduled Trading Day, without regard (in the case of any Exchange or Related Exchange) to after hours or any other trading outside of the regular trading session hours or (in the case of the China Connect Service) any after hours or any other order-routing outside of the regular order-routing session hours;

**"Scheduled Final Averaging Date"** has the meaning given in Condition 22(e)(ii)(B)(3)(aa);

**"Scheduled Trading Day"** means, in respect of a Security or an Index (as applicable), (a) any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading for their respective regular trading sessions; notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and (b) in the case of China Connect Underlying, any day on which the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions; or (c) with respect to a Multiple Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

**"Scheduled Valuation Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

**"Securities"** means, in relation to a Series of Notes or in relation to an Index, the equity securities, debt securities (including without limitation Government Bonds), depository

receipts or other securities or property, as adjusted pursuant to this Condition 22, to which such Notes or Index, as the case may be, relate, as specified in the relevant Pricing Supplement and subject, in the case of a Series of Notes linked to Units in an ETF, to the provisions of Condition 22(l) (*Notes linked to Units in an ETF – General*) and "Security" shall be construed accordingly;

"**Securities Transfer Amount**" means the number of Securities per Note as specified in the relevant Pricing Supplement or if no such number is so specified, the number of Securities per Note calculated by the Calculation Agent and equal to the fraction of which the numerator is the Calculation Amount and the denominator is the Initial Price;

"**SEHK**" means The Stock Exchange of Hong Kong Limited;

"**Settlement Cycle**" means, in respect of a Security or an Index, the period of Clearing System Business Days following a trade in the relevant Security or the securities underlying such Index, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period);

"**Settlement Date**" means, in relation to Securities to be delivered in respect of an Equity-Linked Note (a) in the case of Equity-Linked Notes which relate to equity securities and unless otherwise specified in the relevant Pricing Supplement, the later of (i) the Maturity Date and (ii) the date that falls one Settlement Cycle after the later of (i) the Exchange Business Day following the Valuation Date (the "**Notional Sale Date**") (or if such day is not a Clearing System Business Day, the next following Clearing System Business Day) subject to the provisions of Condition 22(b) and (ii) the Scheduled FX Fixing Date (as postponed pursuant to Condition 9(f)) falling on or immediately after such Valuation Date (if any) or, (b) in any other case, and unless otherwise specified in the relevant Pricing Supplement, the date specified as such in the relevant Pricing Supplement, subject to adjustment in accordance with the Following Business Day Convention unless another Business Day Convention (as defined in Condition 1) is specified in the relevant Pricing Supplement. In each case, if a Settlement Disruption Event prevents delivery of such Securities on that day, then the Settlement Date shall be determined in accordance with Condition 21(b)(ii);

"**Settlement Disruption Event**" in relation to a Security or a Component Security, means an event which the Calculation Agent determines to be beyond the control of the Issuer or relevant obligor and to be an event as a result of which the relevant Clearing System cannot clear the transfer of such Security or Component Security;

"**Specified Maximum Number of Disrupted Days**" means, in relation to an Equity-Linked Note or an Index-Linked Note, the eighth Scheduled Trading Day or such other number of Scheduled Trading Days specified as such in the relevant Pricing Supplement;

"**Strike Date**" means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Strike Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Strike Date were a Valuation Date;

"**Substitute Index**" has the meaning given in Condition 22(f)(iii);

"**Successor Index**" has the meaning given in Condition 22(f)(i) or Condition 22(j) as applicable;

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Underlying Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Trading Disruption**" means (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Securities on the Exchange (in the case of an Equity-Linked Note) or on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of Index-Linked Notes), or (ii) in futures or options contracts relating to the Securities or the relevant Index on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component Security on the Exchange in respect of such Component Security, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange;

"**Transfer Notice**" means for the purposes of Equity-Linked Notes only a notice in the form from time to time approved by the Issuer, which must:

- (i) specify the name and address of the Noteholder;
- (ii) specify the number of Notes in respect of which it is the Noteholder;
- (iii) specify the number of the Noteholder's account at the relevant Clearing System to be debited with such Notes;
- (iv) irrevocably instruct and authorise the relevant Clearing System, (A) to debit the Noteholder's account with such Notes on the Settlement Date, if the Issuer elects (or has elected) the Physical Delivery provisions being applicable or otherwise on the Maturity Date and (B) that no further transfers of the Notes specified in the Transfer Notice may be made;
- (v) contain a representation and warranty from the Noteholder to the effect that the Notes to which the Transfer Notice relates are free from all liens, charges, encumbrances and other third party rights;
- (vi) specify the number and account name of the account at the relevant Clearing System to be credited with the Securities if the Issuer elects (or has elected) the Physical Delivery provisions being applicable;
- (vii) contain an irrevocable undertaking to pay the Transfer Expenses (if any) and an irrevocable instruction to the relevant Clearing System to debit on or after the Settlement Date the cash or other account of the Noteholder with the relevant Clearing System specified in the Transfer Notice with such Transfer Expenses;
- (viii) include a certificate of non-US beneficial ownership in the form required by the Issuer; and
- (ix) authorise the production of the Transfer Notice in any applicable administrative or legal proceedings;

"**Underlying Company**" means the issuer of the Security as specified in the relevant Pricing Supplement and, if the Notes are DR-Linked Notes, each of the Depository and

the issuer of the relevant Underlying Security, in each case subject to adjustment in accordance with Condition 22(g), and subject, in the case of a Series of Notes linked to Units in an ETF, to the provisions of Condition 22(l) (*Notes linked to Units in an ETF – General*);

"**Underlying Index**", in relation to an ETF, means each index to which such ETF relates;

"**Underlying Security**" means, with respect to DR-Linked Notes and a Depository Receipt, the security and any other property to which such Depository Receipt relates;

"**Unit**", in relation to an ETF, has the meaning given to it in the relevant Pricing Supplement;

"**Valid Date**" means, in respect of a Security or an Index (as applicable), a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur;

"**Valuation Date**" means:

- (a) in the case of a Note which relates to a single Security or Index, each date specified or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, each date specified or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Valuation Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to Condition 22(e); and

"**Valuation Time**" means:

- (a) in relation to each Security to be valued or each Index (other than a Multiple Exchange Index) the level of which falls to be determined on any date, the time on such date specified as such in the relevant Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on such date in relation to such Security or Index, as applicable or such scheduled time as set out in the Index Rules. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (b) in relation to a Multiple Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

(b) *Physical Delivery*

In relation to Equity-Linked Notes which are to be redeemed by the delivery of a Securities Transfer Amount, and subject to the other provisions of these Conditions and the relevant Pricing Supplement:

- (i)
- (A) Each Noteholder shall, on or before the date five calendar days before the Maturity Date or the date of early termination or redemption (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations in relation to the Notes and notify to the Paying Agents and the Noteholders) send to the relevant Clearing System, in accordance with its then applicable operating procedures, and copied to the Principal Paying Agent, a duly completed Transfer Notice.
  - (B) A Transfer Notice, once delivered to the relevant Clearing System, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of a Transfer Notice following delivery of such Transfer Notice to the relevant Clearing System. A Transfer Notice shall only be valid to the extent that the relevant Clearing System have not received conflicting prior instructions in respect of the Notes which are the subject of the Transfer Notice.
  - (C) Failure properly to complete and deliver a Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided shall be made by the Principal Paying Agent and shall be conclusive and binding on the Issuer and the Noteholder.
  - (D) The Principal Paying Agent shall promptly on the local banking day following receipt of a Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.
  - (E) Delivery of the Securities will be via the relevant Clearing System. The delivery or transfer of Securities to each Noteholder is at the relevant Noteholder's risk and if delivery occurs later than the earliest possible date for delivery, no additional amounts will be payable by the Issuer.
  - (F) The Issuer shall discharge its obligation to redeem the relevant proportion of the Notes by delivering, or procuring the delivery of, the Securities Transfer Amount on the Settlement Date to the Clearing System for credit to the account with the Clearing System specified in the Transfer Notice of the relevant Noteholder.
  - (G) The amount of Securities to be delivered to or for the account of each Noteholder shall be an amount of Securities equal to the number of Notes in respect of which such Noteholder is the holder as specified in the relevant Transfer Notice multiplied by the Securities Transfer Amount **provided, however, that** if a Noteholder would become entitled to a number of Securities which is not equal to a board lot of the Securities at such time, as determined by the Calculation Agent, or an integral multiple thereof, then the Noteholder's entitlement to delivery of Securities shall be rounded down to the nearest whole Security.
  - (H) In relation to each Noteholder, the Calculation Agent shall calculate the Residual Amount and the Residual Cash Amount. The Residual Cash Amount shall be paid by the Issuer to the relevant Noteholder on the Settlement Date.



- (I) Each Noteholder shall be required as a condition of its entitlement to delivery of Securities in respect of any Notes to pay all Transfer Expenses in respect of such Notes.
- (J) After delivery to or for the account of a Noteholder of the relevant Securities Transfer Amount and for such period of time as the transferor or its agent or nominee shall continue to be registered in any clearing system as the owner of the Securities comprised in such Securities Transfer Amount (the "**Intervening Period**"), none of such transferor or any agent or nominee for the Issuer or such transferor shall (i) be under any obligation to deliver to such Noteholder or any other person any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or such transferor, agent or nominee in its capacity as holder of such Securities, (ii) be under any obligation to exercise any rights (including voting rights) attaching to such Securities during the Intervening Period, or (iii) be under any liability to such Noteholder or any other person in respect of any loss or damage which the Noteholder or any other person may sustain or suffer as a result, whether directly or indirectly, of the Issuer or such transferor, agent or nominee being registered in such clearing system during such Intervening Period as legal owner of such Securities.
- (K) All dividends on Securities to be delivered will be payable to the party that would receive such dividends according to market practice for a sale of the Securities executed on the Notional Sale Date to be delivered in the same manner as such Securities. Any such dividends will be paid to or for credit to the account specified by the Noteholder in the relevant Transfer Notice. No right to dividends on the Securities will accrue to Noteholders prior to the Notional Sale Date.
- (L) If a properly completed Transfer Notice in respect of any Notes has not been received by the relevant Clearing System by the 10<sup>th</sup> Business Day following the Maturity Date or date of early termination or redemption (as applicable) (the "**Transfer Notice Cut-off Date**"), then:
  - (1) the Issuer shall be entitled (but not required) to redeem the relevant Notes by payment of an amount equal to the Net Liquidation Proceeds (as defined below);
  - (2) the Issuer shall be entitled (but not required) to treat any Transfer Notice in relation to such Notes received after the Transfer Notice Cut-off Date as being null and void, and any such determination shall be binding on the Noteholder; and
  - (3) if the Issuer elects to redeem the relevant Notes pursuant to subparagraph (1) above, then the Issuer shall pay the Net Liquidation Proceeds in respect of such Notes to the Noteholder no later than 10 Business Days after the Transfer Notice Cut-Off Date.

For these purposes "**Net Liquidation Proceeds**" means, in relation to any Notes, a cash amount equal to the proceeds received by the Issuer or any of its affiliates from the disposal of the Securities Transfer Amount relating to such Notes, net of all costs, expenses, fees and levies incurred by it or any of its affiliates in connection with such disposal (including, without limitation, all brokers' fees, transaction processing fees and all taxes and other duties). For the avoidance of doubt, in the event that the Issuer elects to redeem the Notes by payment of the Net Liquidation Proceeds, Noteholders will not be entitled to any amounts in addition to the relevant Net Liquidation Proceeds, whether in respect of interest or otherwise.

- (ii) The Calculation Agent shall determine whether or not at any time a Settlement Disruption Event has occurred in relation to any Securities and where it determines such an event has occurred and so has prevented delivery of such Securities on the original day that but for such Settlement Disruption Event would have been the Settlement Date for such Securities, then the Settlement Date for such Securities (and, in the case of a basket, without prejudice to the Settlement Date for any Securities in the basket not affected by the Settlement Disruption Event) will be the first succeeding day on which delivery of such Securities can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the eight relevant Clearing System Business Days immediately following the original date (or during such other period (the "**Disruption Period**") specified in the relevant Pricing Supplement) that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case, if the relevant Securities are debt securities, the Issuer shall use reasonable efforts to deliver such Securities promptly thereafter in a commercially reasonable manner (as determined by the Calculation Agent) outside the Clearing System and in all other cases (a) if such Securities can be delivered in any other commercially reasonable manner (as determined by the Calculation Agent), then the Settlement Date will be the first Business Day on which settlement of a sale of Securities executed on that eighth relevant Clearing System Business Day, or during such other period specified in the relevant Pricing Supplement, customarily would take place using such other commercially reasonable manner (as determined by the Calculation Agent) of delivery (which other manner of delivery will be deemed the relevant Clearing System for the purposes of delivery of the relevant Securities), and (b) if such Securities cannot be delivered in any other commercially reasonable manner (as determined by the Calculation Agent), then the Settlement Date will be postponed until delivery can be effected through the relevant Clearing System or in any other commercially reasonable manner; **provided, however, that**, in all cases (whether or not the Securities are debt securities) and notwithstanding any other provision hereof, the Issuer may at any time and so long as the Settlement Disruption Event is continuing elect, by giving notice to the Noteholders in accordance with Condition 14 (*Notices*), to satisfy its obligations in respect of the relevant Notes by payment by the Issuer (or any person (including any of its affiliates) as it may procure to make the relevant payment on its behalf) to the relevant Noteholders of the Disruption Cash Settlement Price on the Disruption Cash Settlement Date in lieu of physical settlement.

**"Disruption Cash Settlement Date"** means the fifth Business Day following the date of the notice of the relevant election to pay the Disruption Cash Settlement Price or such other date as may be specified in such notice.

**"Disruption Cash Settlement Price"** means, in relation to any Note which is to be redeemed on the Disruption Cash Settlement Date, its fair market value immediately prior to the Disruption Cash Settlement Date (taking into account, where a Settlement Disruption Event affects some but not all of the Securities comprised in a basket, any delivery of such unaffected Securities prior to the Disruption Cash Settlement Date), less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements, as determined by the Calculation Agent in consultation with the Issuer.

- (iii) If the Calculation Agent determines that a Delivery Disruption Event has occurred, it shall notify the Issuer who shall promptly notify the relevant Noteholder(s) and the Issuer may then:
- (A) determine, in its sole and absolute discretion, that the obligation to deliver the relevant Securities Transfer Amount will be terminated and the Issuer will pay such amount as in the opinion of the Calculation Agent (such opinion to be made in a commercially reasonable manner) is fair in the circumstances by way of compensation for the non-delivery of the

Securities Transfer Amount, in which event the entitlements of the respective Noteholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount; or

- (B) deliver on the Settlement Date such amount of the Securities Transfer Amount (if any) as it can deliver on that date and pay such amount as in the opinion of the Calculation Agent (such opinion to be made in a commercially manner) is fair in the circumstances by way of compensation for the non-delivery of the remainder of the Securities Transfer Amount, in which event the entitlements of the respective Noteholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

Where this Condition 22(b)(iii) fails to be applied, insofar as the Calculation Agent determines to be practical, the same shall be applied as between the Noteholders on a *pro rata* basis, but subject to such rounding down (whether of the amount of a payment or of a number of Securities to be delivered) and also to such other adjustments as the Calculation Agent determines to be appropriate to give practical effect to such provisions.

(c) ***Automatic Early Redemption***

This Condition 22(c) is applicable only if Automatic Early Redemption Event is specified as applicable in relevant Pricing Supplement.

If on any Automatic Early Redemption Valuation Date, the Automatic Early Redemption Event occurs, then unless previously redeemed or purchased and cancelled, the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date, together with any interest accrued but unpaid thereon to the Automatic Early Redemption Date (unless otherwise specified in the relevant Pricing Supplement) immediately following such Automatic Early Redemption Valuation Date and the Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount in the relevant currency equal to the relevant Automatic Early Redemption Amount.

(d) ***Knock-in and Knock-out Provisions***

This Condition 22(d) is applicable only if "Knock-in Event" or "Knock-out Event" is specified as applicable in the relevant Pricing Supplement. If on a Knock-in Determination Day or Knock-out Determination Day, a Knock-in Event or Knock-out Event (respectively) occurs, then a Knock-in Amount or Knock-out Amount (respectively) becomes payable on the relevant Knock-in Amount Payment Date or Knock-out Amount Payment Date (respectively), all as specified as such in the relevant Pricing Supplement.

(e) ***Consequences of Disrupted Days***

For the purposes of this Condition 22(e) "**Limit Valuation Date**" shall mean, if any Valuation Date in respect of a Note is a Disrupted Day, the Specified Maximum Number of Disrupted Days following such Valuation Date, notwithstanding the fact that such day is a Disrupted Day.

- (i) If any Valuation Date is a Disrupted Day, then:

- (A) in the case of a Note which relates to a single Security or Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, **provided that** the Valuation Date shall not fall after the Limit Valuation Date. In that case:

- (1) in respect of an Index-Linked Note, the Limit Valuation Date will be deemed to be the Valuation Date, notwithstanding the

fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level of the Index as of the Valuation Time on the Limit Valuation Date determined in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security or other property on the Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and

- (2) in respect of an Equity-Linked Note, the Limit Valuation Date shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and the Calculation Agent shall determine its good faith estimate of the value for the relevant Security as of the Valuation Time on that Limit Valuation Date;
- (B) in the case of a Note which relates to a basket of Indices and/or Securities, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index, unless each of the succeeding Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Index notwithstanding the fact that such day is a Disrupted Day relating to that Index and the Calculation Agent shall determine the level of that Index, as of the Valuation Time on the Limit Valuation Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect to the relevant security or other property on the Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and
  - (C) in the case of a Note which relates to a basket of Indices and/or Securities, the Valuation Date for each Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Security affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Security, unless each of the Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Security. In that case, (1) the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Security, notwithstanding the fact that such day is a Disrupted Day, and (2) the Calculation Agent shall determine its estimate of the value for that Security as of the Valuation Time on the Limit Valuation Date.

- (ii) If Averaging Dates are specified in the relevant Pricing Supplement, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index or Security:
- (A) The Final Price or Final Index Level will be, in relation to any Valuation Date:
- (1) in respect of a Note settled by way of Cash Settlement which relates to a single Security or Index (as the case may be), the arithmetic mean of the Reference Price of the Security or (as the case may be) of the Reference Level of the Index on each Averaging Date;
  - (2) in respect of an Index-Linked Note settled by way of Cash Settlement which relates to a basket of indices, the arithmetic mean of the amounts for such basket determined by the Calculation Agent as provided in the relevant Pricing Supplement as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Index Level is so provided, the arithmetic mean of the amounts for such basket calculated on each Averaging Date as the sum of the Reference Level of each Index comprised in such basket (weighted or adjusted in relation to each Index as provided in the relevant Pricing Supplement); and
  - (3) in respect of an Equity-Linked Note settled by way of Cash Settlement which relates to a basket of Securities, the arithmetic mean of the prices for such basket determined by the Calculation Agent as provided in the relevant Pricing Supplement as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Price is so provided, the arithmetic mean of the prices for such basket calculated on each Averaging Date as the sum of the values calculated for the Securities of each Underlying Company as the product of (aa) the Reference Price of such Security and (bb) the number of such Securities comprised in such basket (weighted or adjusted in relation to each Security as provided in the relevant Pricing Supplement).
- (B) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Pricing Supplement in relation to "**Averaging Date Market Disruption**" is:
- (1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Price or Final Index Level, as applicable, **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Condition 22(e)(i) will apply for purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date, Automatic Early Redemption Date, Instalment Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option) or any other early redemption date in accordance with the Conditions or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential

Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date;

- (2) **"Postponement"**, then Condition 22(e)(i) will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date, Instalment Date, Automatic Early Redemption Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option) or any other early redemption date in accordance with the Conditions or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or
- (3) **"Modified Postponement"**, then:
- (aa) in the case of a Note which relates to a single Index or Security, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Limit Valuation Date (as defined below) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date (the **"Scheduled Final Averaging Date"**) in relation to the relevant Scheduled Valuation Date, then the Limit Valuation Date shall be deemed to be the Averaging Date, notwithstanding the fact that such day is a Disrupted Day (irrespective of whether that Limit Valuation Date is already an Averaging Date) and:
- (i) in respect of an Index-Linked Note, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 22(e)(i)(A)(1); and
- (ii) in respect of an Equity-Linked Note, the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with Condition 22(e)(i)(A)(2); and
- (bb) in the case of a Note which relates to a basket of Indices and/or Securities, the Averaging Date for each Index or Security not affected by the occurrence of a Disrupted Day shall be the day specified in the relevant Pricing Supplement as an Averaging Date in relation to the relevant Valuation Date (the **"Scheduled Averaging Date"**) and the Averaging Date for an Index or Security affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index or Security. If the first succeeding Valid Date in relation to such Index or Security has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging

Date, then the Limit Valuation Date shall be deemed to be the Averaging Date (irrespective of whether that Limit Valuation Date is already an Averaging Date) and:

- (i) in respect of an Index, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 22(e)(i)(B); and
- (ii) in respect of a Security, the Calculation Agent shall determine the relevant amount for that Averaging Date in accordance with Condition 22(e)(i)(C).

If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date, Automatic Early Redemption Date, Instalment Date, an Optional Redemption Date (Call Option), an Optional Redemption Date (Put Option) or other early redemption date or Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.

For the purposes of this Condition 22(e)(ii)(B)(3) only, "**Limit Valuation Date**" shall mean, if any Averaging Date in respect of a Note is a Disrupted Day, the specified Maximum Number of Disrupted Days following such Averaging Date, notwithstanding the fact that such day is a Disrupted Day.

If a Valuation Date is postponed (x) pursuant to this Condition 22(e) (*Consequences of Disrupted Days*) and/or (y) as a result of it not being a Scheduled Trading Day, the Scheduled FX Fixing Date falling on or immediately following the Scheduled Valuation Date may, in the Calculation Agent's discretion (i) be postponed such that the Scheduled FX Fixing Date will be deemed to occur the number of days following such postponed Valuation Date as the Scheduled FX Fixing Date would have occurred following the Scheduled Valuation Date had it not been for the postponement pursuant to this Condition 22(e) (*Consequences of Disrupted Days*) or as a result of a non-Scheduled Trading Day or (ii) if the Scheduled Valuation Date and Scheduled FX Fixing Date are the same date, be postponed to such postponed Valuation Date, provided, in each case, that if the postponed Scheduled FX Fixing Date would, as a result of this paragraph, occur on a day which is not a Relevant Currency Business Day, it will be postponed to the immediately following Relevant Currency Business Day. In respect of a Note which relates to a basket of Indices and/or Securities, the postponed Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date occurring in respect of such Scheduled Valuation Date.

If a Valuation Date is postponed (x) in accordance with this Condition 22(e) (*Consequences of Disrupted Days*) and/or (y) as a result of it not being a Scheduled Trading Day, any Disrupted Day Related Payment Date will also be postponed, if needed, such that the Disrupted Day Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the Pricing Supplement) following the later of (i) the postponed Valuation Date or, if later, the Limit Valuation Date, as applicable and (ii) the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable. In respect of a Note which relates to a basket of Indices and/or Securities, the postponed Valuation Date or Limit Valuation Date referred to in this paragraph will be deemed to be, in respect

of a Scheduled Valuation Date, the latest postponed Valuation Date or Limit Valuation Date, as applicable, occurring in respect of such Scheduled Valuation Date.

Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 22(e) (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Disrupted Day Related Payment Date which is so postponed shall be calculated as if such Disrupted Day Related Payment Date had not been postponed pursuant to this Condition 22(e)) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

(f) *Adjustments to Indices*

This Condition 22(f) is applicable only in relation to Index-Linked Notes.

(i) *Successor Index*

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that Index (the "**Successor Index**") will be deemed to be the Index.

(ii) *Index Modification*

If on or prior to any Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or other routine events) (an "**Index Modification**"), then the Calculation Agent shall determine whether such Index Modification has a material effect on the Notes, and if so, shall make such adjustment(s) (if any) as it determines appropriate to account for the economic effect of the Index Modification and determine the effective date of any such modification or adjustment.

(iii) *Index Cancellation*

If on or prior to any Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date (A) the Index Sponsor fails to calculate and announce a relevant Index, (B) the Index Sponsor announces that it suspends the calculation and publication of the level of a relevant Index or (C) the Index Sponsor permanently cancels the Index and no Successor Index exists (each an "**Index Cancellation**"), then:

- (1) the Issuer shall as soon as is reasonably practicable after determining the same give notice (an "**Index Cancellation Notice**") of such Index Cancellation to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*);
- (2) if Index Substitution is specified as being applicable in the relevant Pricing Supplement, the Issuer shall (acting in good faith and a commercially reasonable manner), determine whether or not and the date as of which the Index is to be substituted with a Substitute Index and, if



it so determines, it shall give an Index Substitution Notice to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*) and, with effect from the date so determined, the Substitute Index shall be deemed to be the Index; and

- (3) if no Substitute Index has been identified within ten Business Days of the giving of such Index Cancellation Notice or if Index Substitution has not been specified as being applicable in the relevant Pricing Supplement, the Issuer shall (acting in good faith and a commercially reasonable manner), determine whether or not the relevant Notes shall continue and:
  - (A) if it determines that the Notes shall continue, then the Calculation Agent shall determine the Final Index Level for such Valuation Date, Automatic Early Redemption Valuation Date or the Reference Level for such Averaging Date, as the case may be using, in lieu of a published level of that Index, the level for that Index as at that Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date (as applicable) as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the Index Cancellation, but using only those components that comprised that Index immediately prior to that Index Cancellation; and
  - (B) if it determines that the Notes shall not continue, the Issuer shall redeem the relevant Notes as of the date selected by the Issuer and give notice thereof to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*), specifying the early redemption amount and early redemption date, and the entitlements of the relevant Noteholders to receive the Final Redemption Amount (or any other payment to be made by the Issuer, as the case may be) shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Fair Market Value of the Notes immediately prior to such early redemption.

For these purposes:

**"Index Substitution Notice"** means a notice specifying a Substitute Index to be substituted for the Index and the date as of which such substitution is to take effect; and

**"Substitute Index"** means a successor index identified by the Calculation Agent using commercially reasonable efforts, with characteristics, objectives and rules similar to the Index in effect immediately prior to the occurrence of the Index Cancellation.

(iv) *Correction of Index Levels*

If the level of an Index published by the Index Sponsor at any time and used or to be used by the Calculation Agent for any calculation or determination under the Notes is subsequently corrected and the correction is published by the Index Sponsor after the original publication, the Calculation Agent will make such adjustment as it determines to be appropriate, if any, to the settlement or payment terms of the Notes to account for such correction **provided that** if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable in respect of the Notes and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Issuer shall be entitled to reimbursement of the relevant excess payment (or, as the case may be, the proportion thereof not

accounted for by an adjustment made by the Calculation Agent) by the relevant Noteholder, together with interest on that amount for the period from and including the day on which payment was originally made to (but excluding) the day of payment of reimbursement by the Noteholder (all as calculated by the Calculation Agent). Any such reimbursement shall be effected in such manner as the Issuer shall determine.

(g) *Adjustments and Events affecting Securities*

This Condition 22(g) is applicable only in relation to Equity-Linked Notes.

(i) *Potential Adjustment Events*

The Calculation Agent shall determine whether or not at any time a Potential Adjustment Event has occurred and where it determines such an event has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Securities and, if so, will make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and/or any other adjustment(s) and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes as the Calculation Agent determines to be appropriate to account for that diluting or concentrative effect and determine the effective date(s) of such adjustment(s). In addition, in relation to China Connect Underlying only, in making such determinations, the Calculation Agent may (but need not) take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such Potential Adjustment Event in respect of Securities held through the China Connect Service.

(ii) *Extraordinary Events*

Without prejudice to Condition 22(g)(v) (*Security Substitution*) below, following the occurrence of any Extraordinary Event (other than a Delisting in respect of any Depository Receipts), the Issuer will determine whether or not the relevant Notes shall continue and, if so, determine any adjustments to be made. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent, acting in a commercially reasonable manner. If the Issuer determines that the relevant Notes shall be redeemed, then the Notes shall be redeemed as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer) as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Fair Market Value of the Notes. In relation to China Connect Underlying only, in making such determinations, the Issuer and/or the Calculation Agent may (but need not) take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in

relation to such Merger Event or Tender Offer in respect of Securities held through the China Connect Service.

(iii) *Conversion*

In respect of an Equity-Linked Note, following the occurrence of any Conversion, the Issuer will determine whether or not the Notes will continue and, if so, determine any adjustment(s) to be made. If the Issuer determines that the Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, number of or type of shares, other securities or other property which may be delivered under such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment and determine the effective date(s) of such adjustment(s). If the Issuer determines that the Notes shall be redeemed, then the Notes shall be redeemed as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Fair Market Value of the Notes.

(iv) *Correction of Prices*

In the event that any price published or announced on a given day and utilised or to be utilised for the purpose of any calculation or determination under the Notes is subsequently corrected and the correction is published or announced by the Exchange within one Settlement Cycle after the original publication, the Calculation Agent will make such adjustment(s) as it determines to be appropriate, if any, to the amount payable in respect of the Notes and their terms to account for such correction and the Calculation Agent shall determine the effective date(s) of such adjustment(s) **provided that** if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable in respect of the Notes and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Issuer shall be entitled to reimbursement of the relevant excess payment (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Noteholder, together with interest on that amount for the period from and including the day on which payment was originally made to (but excluding) the day of payment of reimbursement by the Noteholder (all as calculated by the Calculation Agent). Any such reimbursement shall be effected in such manner as the Issuer shall determine.

(v) *Security Substitution*

- (A) If the relevant Pricing Supplement specifies Substitution of Securities to be applicable, if any Security (the "**Affected Security**") to which the relevant Note relates is affected by an Extraordinary Event (other than a Delisting in respect of any Depository Receipts) or an Additional Disruption Event occurs, then, without prejudice to any other rights that the Issuer may have under the Notes, the Issuer shall have the option to replace the Affected Security with a substitute security (the "**Substitute Security**") selected by the Calculation Agent with effect from a date selected by the Calculation Agent (the "**Substitution Reference Date**").
- (B) The Substitute Security shall satisfy such criteria as the Calculation Agent determines (which may, but need not, include, without limitation, the Substitute Security belonging to a similar economic sector as the

Affected Security and the Underlying Company of the Substitute Security having a similar creditworthiness to the Underlying Company of the Affected Security).

- (C) The Initial Price of the Substitute Security shall be determined in accordance with the following:

Initial Price = Substitute Price × (Affected Security Price(k)/Affected Security Price(j))

where:

"Affected Security Price(j)" means either (i) the last closing price per share of the Affected Security on or prior to the Substitution Reference Date or (ii) an exchange traded price per share of the Affected Security on or recently prior to the Substitution Reference Date, in each case as determined by the Calculation Agent;

"Affected Security Price(k)" means the Initial Price per share of the relevant Affected Security as specified in the relevant Pricing Supplement; and

"Substitute Price" mean the official closing price per share of the relevant Substitute Security as of the Valuation Time on the date on which the Affected Security Price(j) is determined or, if such date is not a Scheduled Trading Day in respect of the Substitute Security, the next following Scheduled Trading Day in respect of the Substitute Security.

- (D) If the currency of the Substitute Security is different from the currency of the Affected Security, the Calculation Agent may make such adjustments to the terms and conditions of the Notes as it determines to be appropriate to account for such difference.
- (E) The Calculation Agent shall notify the Noteholders in accordance with Condition 14 (*Notices*) of the Substitute Security and of any changes to the terms and conditions of the Notes made pursuant to paragraph (D) above as soon as practicable after determining the same.
- (F) In the event that (i) the Issuer determines not to substitute the Security in accordance with the provisions of this Condition 22(g)(v), or (ii) the Calculation Agent determines that it cannot substitute the Affected Security in accordance with the provisions of this Condition 22(g)(v), the Issuer may make appropriate adjustments or redeem the Notes of the relevant Series in accordance with Condition 22(g)(ii) (*Extraordinary Events*) or Condition 22(h) (*Additional Disruption Events*), as applicable.

(h) ***Additional Disruption Events***

Without prejudice to Condition 22(g)(v) (*Security Substitution*), following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the relevant Notes shall continue and, if so, the Calculation Agent shall determine any adjustments to be made. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent. If the Issuer determines that the relevant Notes shall be redeemed, then the Notes shall be redeemed as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Securities

Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Fair Market Value of the Notes.

For the purposes any Series of Notes, "**Additional Disruption Event**" means any event specified as such in the relevant Pricing Supplement, and for such purpose the following terms if so specified shall be deemed to have the following meanings unless otherwise provided in the relevant Pricing Supplement:

- (i) "**Change in Law**" means, in relation to any Notes, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it will, or there is a substantial likelihood that it will, with the passing of time, or has become illegal for the Issuer or any of its designated affiliates to hold, acquire or dispose of or realise, recover or remit the proceeds of the sale of disposal of, Securities, Component Securities or other components comprised in the Index relating to such Notes or any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including, without limitation, any currency risk, of the Issuer issuing and performing its obligations with respect to the Notes (y) it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Notes, or in relation to the Issuer's hedging activities in connection with the Notes or in relation to the hedging activities of the Issuer or any of its designated affiliates in connection with the Notes, (ii) stock loan transactions in relation to such Notes or (iii) other instruments or arrangements (howsoever described) held by the Issuer or any of its designated affiliates in order to hedge, individually or on a portfolio basis, such Notes or (z) the Issuer or any of its designated affiliates will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);
- (ii) "**China Connect Service Termination**" means, on or after the Trade Date, the announcement by one or more of the China Connect Market, SEHK, the CSDCC, HKSCC or any regulatory authority with competent jurisdiction of a suspension or termination of the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the Securities through the China Connect Service and the Calculation Agent determines that there is a reasonable likelihood that such suspension or termination is not, or will not be, temporary;
- (iii) "**China Connect Share Disqualification**" means, on or after the Trade Date, the Securities cease to be accepted as "China Connect Securities" (as defined in the rules of SEHK) for the purpose of the China Connect Service;
- (iv) "**Failure to Deliver**" means the failure of a party to deliver, when due, the relevant Securities in respect of the Notes, where such failure is due to illiquidity in the market for such Securities;
- (v) "**Insolvency Filing**" means that the issuer of the Securities institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by

creditors and not consented to by the issuer of the Securities shall not be deemed an Insolvency Filing;

- (vi) **"Hedging Disruption"** means that the Issuer or any of its designated affiliates is unable or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Issuer wholly or any of its designated affiliates or partially after using commercially reasonable efforts and acting in good faith, to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the equity or any other price risk (including but not limited to, any currency risk) of entering into and performing the Issuer's obligations in respect of the Notes or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s) or (C) without prejudice to (B) above, transfer amounts denominated in the Settlement Currency (1) from accounts inside the Settlement Currency Jurisdiction to accounts outside the Settlement Currency Jurisdiction (2) between accounts inside the Settlement Currency Jurisdiction or (3) to a party that is a non-resident of the Settlement Currency Jurisdiction or (D) without prejudice to (B) and (C) above, convert the Settlement Currency into an Alternative Payment Currency) and, for the avoidance of doubt "using commercially reasonable efforts and acting in good faith" to hedge the risks of the Issuer referred to herein does not include the value of any quota granted to the Issuer or any of its designated affiliates under the Qualified Foreign Institutional Investor ("**QFII**") or Renminbi Qualified Foreign Institutional Investor ("**RQFII**") Schemes; and
  - (vii) **"Increased Cost of Hedging"** means that the Issuer or any of its designated affiliates would incur materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, amount of tax (including any potential tax which the Calculation Agent considers may arise) duty, expense or fee (other than brokerage commissions) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge equity or any other price risk (including but not limited to, any currency risk) of entering into and performing the Issuer's obligations in respect of the Notes or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or its designated affiliates, as applicable, shall not be deemed an Increased Cost of Hedging.
- (i) ***Adjustments where the Securities are Units in an ETF***

Where the Securities are specified in the relevant Pricing Supplement as being Units in an ETF, in the case of the occurrence at any time on or prior to the Valuation Date of any Extraordinary Event affecting the ETF or the value of the Units, the Calculation Agent may make any adjustment as provided in the preceding provisions of this Condition 22 or:

- (i) if the Calculation Agent determines that no adjustment that it could make under the preceding provisions of this Condition 22 would produce a commercially reasonable result:
  - (a) the Calculation Agent will use commercially reasonable efforts to identify a new underlying asset with characteristics, investment objectives and policies similar to those in effect for the Affected Units immediately prior to the occurrence of the relevant Extraordinary Event and any substitution of the new underlying asset for the Affected Units shall be effected at such time and in such manner as determined by the Calculation Agent; and
  - (b) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to, adjustments to account for changes in

volatility, investment strategy or liquidity relevant to the Units or the Notes; or

- (ii) if the Calculation Agent determines that the relevant Notes shall be redeemed, then the Notes shall be redeemed as of the date selected by the Calculation Agent in its discretion and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount any accrued interest, as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Fair Market Value of the Notes.

In this Condition 22(i) "**Affected Unit(s)**" means each Unit subject to an applicable Extraordinary Event.

(j) ***Adjustments to Indices for Inflation Rate-Linked Notes***

This Condition 22(j) is applicable only in relation to Inflation Rate-Linked Notes:

(A) ***Definitions***

In this Condition:

**"Base Level"** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

**"Fallback Bond"** means a bond selected by the Calculation Agent and issued by the government or one of the governments (but not any government agency) of the country (or countries) to whose level of inflation the relevant Inflation Index relates and which pays a coupon and/or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on the same day as the Maturity Date or such other date as the Calculation Agent shall select if there is no such bond maturing on the Maturity Date. If any bond so selected is redeemed, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond is redeemed (including any bond for which the redeemed bond is exchanged);

**"Inflation Index Level"** means the level of the Inflation Index first published or announced for the relevant Reference Month on the Relevant Screen Page, as determined by the Calculation Agent, subject to this Condition 22(j) (*Adjustments to Indices for Inflation Rate-Linked Notes*);

**"Inflation Index Sponsor"** means, the inflation index sponsor specified as such in the Pricing Supplement (being the entity that publishes or announces (directly or through an agent) the level of the Inflation Index) and any successor sponsor of such Inflation Index as determined by the Calculation Agent;

**"Latest Level"** means the latest level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated;

**"Reference Level"** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above;

**"Reference Month"** means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or amended. If the period for which the level of the Inflation Index was reported is a period

other than a month, the Reference Month is the period for which the level of the Inflation Index was reported;

**"Related Bond"** means, the bond specified as such in the relevant Pricing Supplement or, if specified as applicable in the relevant Pricing Supplement and if no bond is specified as the Related Bond, the Related Bond shall be the Fallback Bond. If the bond specified to be the Related Bond redeems or matures during the term of the Inflation Rate-Linked Notes, following such redemption or maturity the Related Bond shall be the Fallback Bond;

**"Relevant Screen Page"** means the page, section or other part of a particular information service specified as such in the relevant Pricing Supplement or such other page, section or other part as may replace it on that information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the level of the Inflation Index; and

**"Substitute Index Level"** means the level of the Inflation Index, determined by the Calculation Agent pursuant to (B) below.

(B) *Delay of Publication*

If the Inflation Index Level for a Reference Month which is relevant to the calculation of an amount payable in respect of Inflation Rate-Linked Notes (a **"Relevant Level"**) has not been published or announced on the Relevant Screen Page by the day that is five Business Days prior to the relevant Interest Payment Date, Automatic Early Redemption Date, Instalment Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option), other early redemption date or Maturity Date, as the case may be (the **"Affected Payment Date"**), the Calculation Agent shall determine a **"Substitute Index Level"** (in place of such Relevant Level) by using the following methodology:

- (i) If Related Bond is specified as applicable in the relevant Pricing Supplement, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Payment Date as that taken by the calculation agent pursuant to the terms and conditions of the Related Bond;
- (ii) If (A) Related Bond is specified as not applicable in the relevant Pricing Supplement; or (B) the Calculation Agent is unable to determine the Substitute Index Level under (i) above for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

$$\begin{aligned} & \textit{Substitute Index Level} \\ & = \textit{Base Level} \times (\textit{Latest Level}/\textit{Reference Level}) \end{aligned}$$

If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the relevant Interest Payment Date, Automatic Early Redemption Date, Instalment Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option), other early redemption date or Maturity Date, as the case may be, such Relevant Level will not be used in any calculations and instead the Substitute Index Level so determined pursuant to this Condition 22(j) (*Adjustments to Indices for Inflation Rate-Linked Notes*) will be the definitive level for the relevant Reference Month.

(C) *Cessation of Publication*

If a level of the Inflation Index has not been published or announced on the Relevant Screen Page for two consecutive months and/or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index, then the Calculation Agent shall determine a Successor Index (in



lieu of any previously applicable Inflation Index) for the purposes of the Notes by using the following methodology:

- (i) if at any time (other than after the designation by the Calculation Agent of a date for the early redemption of the Notes pursuant to paragraph (iv) below) a successor index has been designated by the calculation agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a "**Successor Index**" for the purposes of all subsequent determinations of interest payable and/or of an Early Redemption Amount or of the Final Redemption Amount, notwithstanding that any other Successor Index may previously have been determined under the other subsections of this Condition 22(j);
- (ii) if: (1) a Successor Index has not been determined under paragraph (i) above; (2) there has been no designation of a date for the early redemption of the Notes by the Calculation Agent pursuant to paragraph (iv) below; (3) a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement index specified by the Inflation Index Sponsor; and (4) the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, then such replacement index shall be deemed to be the "**Successor Index**" for the purposes of the Notes from the date that such replacement Inflation Index comes into effect;
- (iii) if a Successor Index has not been determined by the Calculation Agent under paragraphs (i) or (ii) above (and there has been no designation by the Calculation Agent of a date for the early redemption of the Notes pursuant to paragraph (iv) below), the Calculation Agent will determine an appropriate alternative index for such relevant Valuation Date, and such index will be deemed a "**Successor Index**"; and
- (iv) if the Calculation Agent determines that there is no appropriate alternative index, then the Issuer may redeem or cancel all but not some only of the Notes on the date selected by the Calculation Agent at the Early Redemption Amount.

The Issuer shall notify the Noteholders of any Successor Index determined pursuant to this Condition 22(j)(C) (*Adjustments to Indices for Inflation Rate-Linked Notes - Cessation of Publication*).

(D) *Rebasing of the Index*

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of an Inflation Index from the date of such rebasing; **provided, however, that** the Calculation Agent shall make such adjustments as are made by the calculation agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes.

(E) *Material Modification*

If, on or prior to the day that is five Business Days before the next date which is an Interest Payment Date, the relevant Automatic Early Redemption Date, an Instalment Date, the relevant Optional Redemption Date (Call Option), the

relevant Optional Redemption Date (Put Option), any other early redemption date or the Maturity Date (as the case may be), an Inflation Index Sponsor announces that it will make a material change to an Inflation Index, then the Calculation Agent shall make any such adjustments to the Inflation Index and/or the terms of the Notes consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Inflation Index to continue as the Inflation Index.

(F) *Manifest Error in Publication*

If, within thirty days of publication, but no later than the fifth Business Day prior to the relevant Interest Payment Date, relevant Automatic Early Redemption Date, an Instalment Date, the relevant Optional Redemption Date (Call Option), the relevant Optional Redemption Date (Put Option), any other early redemption date or the Maturity Date, as the case may be, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent will take such action as it may deem necessary and practicable to give effect to such correction.

(k) *Events relating to DR-Linked Notes*

In relation to DR-Linked Notes only, if a Delisting of the Securities occurs or the Depository announces that the Deposit Agreement is (or will be) (or is at any time, whether or not announced by the Depository) terminated, then the Issuer will determine whether or not the Notes shall continue. If the Issuer determines that:

- (i) the Notes shall continue, it shall elect whether the Security shall thereafter be (x) the Replacement DRs (y) or the Underlying Security and the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the terms of the Notes (including, without limitation, any change to the notional number of Securities or/or the formula for the Final Redemption Amount), and which change or adjustment(s) shall be effective on such date selected by the Calculation Agent; or
- (ii) the Notes shall not continue, then the Notes shall be redeemed as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Final Redemption Amount (or any other payment to be made by the Issuer) as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Fair Market Value of the Notes.

(l) *Notes Linked to Units in an ETF – General*

If the relevant Pricing Supplement specifies that the Securities in relation to a Series of Notes are Units in an ETF, then this Condition 22 shall apply to the Notes as if references therein to "Underlying Company" were references to the "ETF" and as if references therein to "Security" were references to "Unit".

23. **Provisions relating to Preference Share-Linked Notes**

(a) *Definitions*

As used in this Condition 23 and unless otherwise provided in the relevant Pricing Supplement, the following expressions shall have the following meanings:

"**Additional Disruption Event**" means any event specified as such in the relevant Pricing Supplement, or if no such event is specified in the Pricing Supplement, a Change in Law and/or an Insolvency Filing;

"**Change in Law**" means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or

(B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it will, or there is a substantial likelihood that it will, with the passing of time or it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, or dispose of or realise, recover or remit the proceeds of the sale of or disposal of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk, including without limitation, any currency risk, of the Issuer issuing and performing its obligations with respect to the Preference Share-Linked Notes (y) it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to the Preference Share-Linked Notes, (ii) stock loan transactions in relation to the Preference Share-Linked Notes, (iii) other instruments or arrangements (howsoever described) held by the Issuer or any of its designated affiliates in order to hedge, individually or on a portfolio basis, the Preference Share-Linked Notes or (z) the Issuer or any of its designated affiliates will incur a materially increased cost in performing its obligations under the Preference Share-Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

**"Extraordinary Event"** means a Merger Event, a Tender Offer and/or an Insolvency or such other event specified as such in the relevant Pricing Supplement;

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Preference Share Issuer, (A) all the Preference Shares are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Preference Shares become legally prohibited from transferring them;

**"Insolvency Filing"** means that the Preference Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by creditors and not consented to by the Preference Share Issuer shall not be deemed an Insolvency Filing;

**"Merger Event"** means any (i) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation or merger in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such preference shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares that results in a transfer of or an irrevocable commitment to transfer all such preference shares (other than such Preference Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Preference Shares outstanding but results in the outstanding preference shares (other than preference shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding preference shares immediately following such event, in each case if the closing date of a Merger Event (or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent) is on or before the final Valuation Date;

"**Preference Shares**" means the preference shares as specified in the relevant Pricing Supplement;

"**Preference Share Issuer**" means the issuer of the Preference Shares as specified in the relevant Pricing Supplement;

"**Preference Share Valuation Date**" means the date specified as such in the relevant Pricing Supplement, or if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Preference Share Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent;

"**Preference Share-Linked Note**" means a Note in relation to which the redemption amount payable is linked to the performance of underlying preference shares (as indicated in the relevant Pricing Supplement);

"**Preference Share Value**" means, in respect of any day, the market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent;

"**Preference Share Early Redemption Event**" means that the Issuer or any of its affiliates has received notice from the Preference Share Issuer that the Preference Shares are to be redeemed early;

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Preference Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Valuation Date**" has the meaning given to it in the applicable Pricing Supplement; and

"**Valuation Time**" has the meaning given to it in the applicable Pricing Supplement.

(b) ***Early Redemption of Preference Share-Linked Notes***

Following the occurrence of a Preference Share Early Redemption Event, the Issuer will terminate all (but not some only) of the Notes on the second Business Day immediately preceding the date on which the Preference Shares are to redeem and the entitlement to receive the Final Redemption Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of the Early Redemption Amount.

(c) ***Extraordinary Events***

If in the determination of the Calculation Agent, an Extraordinary Event occurs, the Issuer may (but is not obliged to) terminate all (but not some only) of the Notes on the tenth Business Day immediately after the date on which such determination is made by the Calculation Agent and the entitlement to receive the Final Redemption Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of the Early Redemption Amount.

(d) ***Additional Disruption Event***

If in the determination of the Calculation Agent an Additional Disruption Event occurs, the Issuer may (but is not obliged to) terminate all (but not some only) of the Notes on the tenth Business Day immediately after the date on which such determination is made by the Calculation Agent and the entitlement to receive the Final Redemption Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of the Early Redemption Amount.

(e) ***Notices to Noteholders***

If in the determination of the Calculation Agent a Preference Share Early Redemption Event, an Extraordinary Event or an Additional Disruption Event occurs and the Issuer elects to terminate the Notes, the Issuer will give notice to Noteholders (with a copy to HSBC France) in accordance with Condition 14 (*Notices*).

(f) ***Amendments to the Conditions***

- (i) Condition 7(c) (*Redemption at the Option of the Issuer (Call Option)*) is hereby amended by replacing the words "or some only" with the words ", but not some only,".
- (ii) Condition 7(g) (*Purchases*) is hereby deleted and replaced with the following:

"Each of the Issuer and any person directly or indirectly connected with the Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held or resold or, provided such Notes are held by the Issuer, at the option of the Issuer, reissued or cancelled.
- (iii) Condition 7(h) (*Cancellation*) is hereby amended by inserting the words "by the Issuer" after the words "all Notes purchased".
- (iv) Condition 9(f)(Y) (*Price Source Disruption and FX Disruption*) is hereby deleted.
- (v) Condition 10 (*Redenomination*) is hereby deleted.
- (vi) Condition 15A (*Consequences of a Benchmark Trigger Event*) is hereby deleted.
- (vii) Condition 19 (*Effects of European Economic and Monetary Union*) is hereby deleted.

**PART D1 –  
PRO FORMA PRICING SUPPLEMENT FOR EQUITY-LINKED NOTES, INDEX-LINKED  
NOTES AND INFLATION RATE-LINKED NOTES**

*[When completing any pricing supplement, or adding any other additional terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated [•]

[HSBC Bank plc

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*  
/ HSBC Bank Middle East Limited/ HSBC Continental Europe]

**Programme for the Issuance of Notes and Warrants**

[Further] Issue of

[Aggregate Principal Amount of Tranche]

[Title of Notes]

**[(to be consolidated and form a single series with the existing [Insert details of existing Tranche(s)]) issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A - CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes, including the Terms and Conditions of the Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes (the "**Conditions**") set forth in the Offering Memorandum.] The Alternative Note General Conditions do not apply.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Continental Europe, 38, avenue Kléber, 75116, Paris, France and [www.about.hsbc.fr/investor-relations/debt-issuance](http://www.about.hsbc.fr/investor-relations/debt-issuance)].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other**

than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** -The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Notes which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2021 Amended/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2005]

[2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

*[For Notes offered and sold in the United States of America include:*

### IMPORTANT NOTICES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, the Issuer will promptly furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.] / [HSBC Continental Europe]
2. Tranche number: [ ]



*[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*

3. Currency:
- (i) Settlement Currency: [ ] [subject to Condition 9(j) (*Payments – Conversion*)]
- (ii) Denomination Currency: [*specify*]/Settlement Currency]
4. Aggregate Principal Amount:
- (i) Series:] [ ]
- (ii) Tranche:] [ ]
5. Issue Price: [[ ] per cent. of the Aggregate Principal Amount] [plus accrued interest from [*insert date*] (*in the case of fungible interest-bearing issues only, if applicable*)] [An amount as determined by the Calculation Agent equal to [ ] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [ ].]
6. (i) Denomination(s) (*Condition 2*): [ ]<sup>1</sup>
- [*In respect of HBCE Notes, there should be one denomination only*]
- (ii) Calculation Amount<sup>2</sup>: [ ]
- (iii) Aggregate Outstanding Nominal Amount Rounding: [Applicable] [Not applicable]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [*specify*] [Issue Date] [Not applicable]
- (iii) Trade Date: [ ]
8. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year. In case of undated Notes, specify undated.*] [adjusted in accordance with [*specify*] [*Business Day Convention and any applicable Business Centre(s)*], for the definition of "**Business Day**"]

<sup>1</sup> *If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange (i) the Permanent Global Note for definitive Notes in paragraph (c) of the Permanent Global Note - see item 22(iii) below or (ii) the Global Registered Note for Definitive Notes in paragraph (d) of the Global Registered Note – see item 24(ii) below (as applicable) - should not apply.*

<sup>2</sup> *The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.*

9. Change of interest or redemption basis: *[Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis]*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

10. Fixed Rate Note provisions: *[Applicable]* *[Not applicable]*  
*(Condition 4)*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: *[ ]* per cent. *[per annum]* *[ ]* *[payable annually/semi-annually/quarterly/ monthly]* in arrear *[ ]*
- (ii) Interest Payment Date(s): *[dd/mm, dd/mm, dd/mm and dd/mm]* *[in each year]*  
*[adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "Business Day" / [not adjusted]*
- (iii) Fixed Coupon Amount(s): *[ ]* per Calculation Amount *[Not applicable]*
- (iv) Day Count Fraction: *[30/360 / Actual/Actual (ICMA/ISDA)]* *[Not applicable / other ] [ (specify)]*
- (v) Business Day Convention: *[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not applicable / other (give details)]*
- (vi) Business Centre(s): *[Not applicable/give details]*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: *[Not applicable/give details] (Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)*
11. Floating Rate Note provisions: *[Applicable]* *[Not applicable]*  
*(Condition 5)*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) *[Interest Period(s)] / [Specified Period]<sup>3</sup>*: *[specify]*
- (ii) Interest Payment Dates: *[Not applicable – Floating Rate Convention applies] [specify payment dates]*
- (iii) Business Day Convention: *[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]*
- (iv) Business Centre(s): *[Not applicable/give details]*

<sup>3</sup> Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

- (v) Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA (Condition 5(c)): [Applicable] [Not applicable]
- (1) Reference Rate: [[•] month] [specify rate]
- (2) Interest Determination Date(s): [ ]
- (3) Relevant Screen Page: [ ]
- (4) Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
- (5) Relevant Financial Centre: [ ]
- (6) Relevant Time: [ ]
- (7) Relevant Currency: [ ]
- (vi) ISDA Determination (Condition 5(d)): [Applicable] [Not applicable]
- (1) ISDA Definitions: 2021 ISDA Definitions
- (2) Floating Rate Option: [[•] / CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index]
- (The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (as defined in the ISDA Definitions). These are the only options envisaged by the terms and conditions.)*
- (3) Designated Maturity: [•]
- (Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- (4) Reset Date: [[•] / as specified in the ISDA Definitions / the first day of the relevant Interest Period]
- (5) Compounding: [Applicable] [Not applicable]
- Compounding Method: [Compounding with Lookback]
- Lookback: [•] Applicable Business Days
- [Compounding with Observation Period Shift]

- Observation Period Shift: [] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: []/[Not applicable]
- [Compounding with Lockout]
- Lockout: [] Lockout Period Business Days
- Lockout Period Business Days: []/Applicable Business Days]
- (6) Averaging: [Applicable][Not applicable]
- (i) Averaging Method: [Averaging with Lookback]
- Lookback: [] Applicable Business Days]
- [Averaging with Observation Period Shift]
- Observation Period Shift: [] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: []/[Not applicable]
- [Averaging with Lockout]
- Lockout: [] Lockout Period Business Days
- Lockout Period Business Days: []/Applicable Business Days]
- (7) Index Provisions: [Applicable][Not applicable]
- (i) Index Method: Compounding Index Method with Observation Period Shift
- Observation Period Shift: [] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: []/[Not applicable]
- (8) Applicable Benchmark: [  ] [Not applicable]
- (9) Fixing Day: [  ] [Not applicable]
- (10) Fixing Time: [  ] [Not applicable]
- (11) Any other terms relating to the ISDA Definitions: [  ] [Not applicable]
- (12) Alternative Pre-nominated Index: [  ] [*specify Alternative Pre-nominated Index details*] [Not applicable]

- (vii) Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA (*Condition 5(e)*): [Applicable] [Not applicable]
- (1) Reference Rate: [SONIA] [SOFR] [€STR] [SORA] [TONA]
- (2) Relevant Screen Page: [ ] [Not applicable] – *This is only required if SONIA is the Reference Rate*
- (3) Interest Determination Date(s): [•] [[ ] [prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (*Payments*)) – *use for Payment Delay only*]
- (4) Determination Method: [Compounded Daily Rate] [Weighted Average Rate]
- (5) Observation Method: [Observation Shift][Lag][Lock-Out][Payment Delay]
- (6) Y: [360 – *likely to be specified for USD*][365 -*likely to be specified for GBP*][•]
- (7) "p": [*Specify if Observation Shift (Standard Shift) or Lag are applicable*][Not applicable]
- (8) ARRC Fallbacks: [Applicable][Not Applicable] – *May be applicable if SOFR is the Reference Rate only*
- (9) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days][•] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes. – *include if Payment Delay is specified*][Not applicable]
- (10) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (viii) Linear Interpolation: [Not applicable] [Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [ ] shall be calculated using Linear Interpolation]
- (ix) Margin(s): [[+/-][ ] per cent. [per annum]] [Not applicable]
- (x) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/360/*other (specify)*]
- (xi) Minimum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xii) Maximum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xiii) Fall-back provisions, rounding provisions, denominator and [ ]

any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

- (xiv) Interest Determination Date(s):   [prior to the [The][first] day of each Interest Period]  [The [second][ ] [Business Day][●] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][●] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (Payments)) – use for Payment Delay only]
12. Zero Coupon Note provisions:  [Applicable]  [Not applicable]  
(Condition 6) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield:  [ ] per cent [per annum]
- (ii) Zero Coupon Note Reference Price:  [ ]
- (iii) Day Count Fraction in relation to Early Redemption Amounts (if applicable) and late payments:  [ ]
13. Equity-/Index-Linked Interest Note and other variable-linked interest Note provisions:  [Applicable]  [Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/formula/other variable: *[give or annex details – if appropriate, cross-refer to the definition of Valuation Date in paragraph 31 below]*
- (ii) Provisions for determining interest where calculated by reference to Equity/Index and/or formula and/or other variable:  [ ]
- (iii) Provisions for determining interest where calculation by reference to Equity/Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted:  [ ] *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Interest or calculation period(s):  [ ]
- (v) Interest Payment Dates:  [ ]
- (vi) Business Day Convention:  [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (give details)]

- (vii) Business Centre(s): [ ]
- (viii) Minimum Interest Rate: [[ ] per cent. [per annum]]
- (ix) Maximum Interest Rate: [[ ] per cent. [per annum]]
- (x) Day Count Fraction: [ ]

**PROVISIONS RELATING TO REDEMPTION**

- 14. Issuer's optional redemption (Call Option): [Applicable] [Not applicable]  
(Condition 7(c)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Redemption Amount (Call Option): [[ ] per Calculation Amount (specify — if not par, also specify details of any formula)] [Fair Market Value]
  - (ii) Series redeemable in part: [[ ] per Calculation Amount (specify — otherwise redemption will only be permitted of entire Series)] [Fair Market Value]
  - (iii) Optional Redemption Date (Call Option): [ ]
  - (iv) Minimum Redemption Amount (Call Option): [[ ] per Calculation Amount (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
  - (v) Maximum Redemption Amount (Call Option): [[ ] per Calculation Amount (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
- 15. Noteholder's optional redemption (Put Option): [Applicable] [Not applicable]  
(Condition 7(d)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value]
  - (ii) Optional Redemption Date (Put Option): [ ]
  - (iii) Minimum Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
  - (iv) Maximum Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
- 16. Final Redemption Amount of each Note: [Applicable] [Not applicable]  
(Condition 7(a)) *(specify — if not par, also specify details of any formula)*
- 17. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Equity-Linked, Index-Linked, Inflation Rate-Linked or other variable-linked: [Applicable] [Not applicable]
  - (i) Index/formula/other variable: [give annex details]

- (ii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or formula and/or other variable; [ ]
- (iii) Provisions for determining Final Redemption Amount where calculation by reference to Equity Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Minimum Final Redemption Amount: [ ]
- (v) Maximum Final Redemption Amount: [ ]

18. Instalment Notes: [Applicable] [Not applicable]  
 (Condition 7(a)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)

Instalment Date(s) and corresponding Instalment:	<i>Instalment Date</i>	<i>Instalment Amount</i>
	[ ]	[ ]

19. Early Redemption:
- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): (Conditions 7(b) or 7(f)) [[100] per cent. of the Calculation Amount] [Fair Market Value][Condition 7(e) (Early Redemption of Zero Coupon Notes) applies to the Notes] [other (specify details)]
  - (ii) Early Redemption Amount (upon redemption following an Event of Default): (Condition 11) [[100] per cent. of the Calculation Amount] [Fair Market Value][Condition 7(e) (Early Redemption of Zero Coupon Notes) applies to the Notes] [other (specify details)]
  - (iii) Early Redemption Amount (upon redemption following an FX Disruption Event or a Benchmark Trigger Event): (Condition 9(f)(Y) or 15A) [[100] per cent. of the Calculation Amount] [Fair Market Value] [other (specify details)]
  - (iv) Other redemption provisions: [Specify] [Not applicable] [If the Notes are rated, specify: Early Redemption for Impracticability is not applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes: [(Condition 2(a)) / [(Condition 2)]] (The following elections apply in respect of Notes issued by HBEU or HBME:)

[Bearer Notes/Registered Notes/ Uncertificated Registered Notes]

(The following applies in respect of Notes issued by HBCE only:)



- [Bearer Dematerialised Notes]
21. [New Global Note] [(delete if Registered Note)]/ Issued under the new safekeeping structure [(delete if Bearer Note)]: [Yes/No] [Not applicable]  
(select "Not applicable" in case of Notes issued by HBCE only)
22. If issued in bearer form: [Applicable] [Not applicable]  
(select "Not applicable" and delete (i) to (v) below in case of Notes issued by HBCE only)
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: [Temporary] [Permanent] Global Note
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes: [Yes] [No] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note] [(specify)]  
(Condition 2(a))
- (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation: [Yes] [No] [If no, specify: Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.]
- (iv) Coupons to be attached to Definitive Notes:<sup>4</sup> [Yes] [No] [Not applicable]  
[N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems - see provisions contained in Permanent Global Note]
- (v) Talons for future Coupons to be attached to Definitive Notes:<sup>5</sup> [Yes] [No] [Not applicable]  
[N.B. The above comment also applies here]
23. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days after the Issue Date] [(specify)] [Not applicable]  
(select "Not applicable" in case of Notes issued by HBCE)
24. If issued in registered form (other than Uncertificated Registered Notes): [Applicable] [Not applicable]  
(select "Not applicable" and delete sub paragraphs below in case of Notes issued by HBCE)
- (i) Initially represented by: [Regulation S Global Registered Note][Rule 144A Global Registered Note][Unrestricted Global Registered Note and Restricted Global Registered Note][Combined Global Registered Note][Definitive Registered Notes]

<sup>4</sup> Definitive Notes will typically have coupons attached to them if interest bearing.

<sup>5</sup> Talons will be needed if there are more than 27 coupons.

- [(ii) [Regulation S Global Registered Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Regulation S Global Registered Note][Unrestricted Global Registered Note] for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note]]
- [(ii) [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note][Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note]]
- [(ii) [Combined Global Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]
25. [Masse (Condition 15 of Part B3 – Terms and Conditions of the Notes issued by HBCE): Condition 15 applies. [Not applicable]
- (i) Representative: [•] (specify name and address)
- [(ii) Alternative Representative: [•] (specify name and address)]
- (iii) Remuneration of Representative: [•]
26. Payments: (Condition 9)
- (i) Relevant Financial Centre Day: [specify all places]
- (ii) Payment of Alternative Payment Currency Equivalent: [Applicable] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ] (delete if Cross Currency Exchange Rate is not applicable)
  - Cross Currency Jurisdiction: [ ] (delete if Cross Currency Exchange Rate is not applicable)
  - Settlement Currency Jurisdiction: [ ]
  - Alternative Payment Currency: [ ]

- Alternative Payment Currency Jurisdiction: [ ]
  - Alternative Payment Currency Fixing Page: [ ]
  - Alternative Payment Currency Fixing Time: [ ]
  - Alternative Payment Currency Fixing Date: [ ] [Condition 1 applies] [The relevant jurisdictions/places for the purposes of the Alternative Payment Currency Fixing Date are [ ]]
  - Alternative Payment Currency Exchange Rate Fall-Back provisions: [ ] [Not applicable]
  - Additional Alternative Payment Currency Event: [ ]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (iii) Conversion provisions: [Applicable in respect of [[interest payments under the Notes][Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount][*other*]] [the Conversion Rate is [ ]][*specify further Conversion provisions*] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction:
  - Conversion Rate Business Days: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ] [Condition 1 applies]]
  - Conversion Rate Fixing Date: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]]
  - Conversion Rate Fixing Page: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)]

- [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ] [Condition 1 applies]
- Conversion Rate Fixing Time: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]]
- Denomination Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]]
- Settlement Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]]
- Conversion Rate Fall-Back provisions: [ ] [Condition 1 applies]
- Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
- Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (iv) Underlying Currency Pair provisions: [Applicable in respect of [[interest payments under the Notes] [Final Redemption Amount]] [The Initial Underlying Currency Pair Exchange Rate is [ ]] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
- Cross Currency: [ ]
- Cross Currency Jurisdiction: [ ]
- Reference Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
- Reference Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
- Specified Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
- Specified Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
- Underlying Currency Pair Business Days: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [Condition 1 applies]
- Underlying Currency Pair Fixing Date: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]

- Underlying Currency Pair Fixing Page: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Time: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]]
  - Underlying Currency Pair Exchange Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (v) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9(f): [3] [ ]
  - Dealer Poll: [Applicable] [Not applicable]
  - Unscheduled Holiday and Deferral Period: [The number of the Relevant Currency Business Days for the purposes of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purposes of the Deferral Period [ ] [as per Condition 1]]
  - Interest Adjustment: [Applicable][Not applicable]
- (vi) LBMA Physical Settlement provisions: Not applicable
- (vii) Physical Settlement provisions: Not applicable
27. Redenomination: (Condition 10) [Applicable] [Not applicable]
28. Other terms: [Not applicable] [*specify*] [See Annex]
- (When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)*

**PROVISIONS APPLICABLE TO INDEX-LINKED NOTES, EQUITY-LINKED NOTES**

29. Physical Delivery: [Not applicable] [Condition 22(b) [applies/does not apply]]
- (i) Securities Transfer Amount: [ ]
  - (ii) Residual Amount: [ ] [Condition 22(a) applies]

- (iii) Residual Cash Amount: [ ] [Condition 22(a) applies]
  - (iv) Settlement Date: [ ]
  - (v) Settlement Disruption Event: Condition 22(b)(ii) [applies/does not apply]
  - (vi) Disruption Period: [Condition 22(b)(ii) applies] [ ]
  - (vii) Delivery Disruption Event: Condition 22(b)(iii) [applies/does not apply]
30. Provisions for Equity-Linked Notes: [Applicable] [Not applicable]
- (i) Security(ies): [The Securities are [[ ] (ISIN:[ ])] [Depository Receipts] [Units in an ETF, where "ETF" means [ ], "Unit" means a share or notional unit of the ETF (as defined in the ETF Documents), the price of which is denominated in [ ]. [The Units represent undivided ownership interests in the portfolio of investments held by the ETF][*delete if not applicable*], Condition 22 shall apply to the Notes as if references therein to "**Underlying Company**" were references to the "ETF" and as if references therein to "**Security**" were references to "**Unit**".]
  - (ii) Underlying Company(ies): [ ] [and with respect to the Underlying Securities [ ]] [The ETF]
  - (iii) Exchange(s): [ ]
  - (iv) Related Exchange(s): [ ] [All Exchanges]
  - (v) Initial Price: [ ] [The definition in Condition 22(a) applies]
  - (vi) Strike Date: [ ] [The definition in Condition 22(a) applies]
  - (vii) Final Price: [ ] [The definition in Condition 22(a) applies][The definition of Realisable Sale Price in Condition 22(a) applies]
  - (viii) Reference Price: [ ] [The definition in Condition 22(a) applies]
  - (ix) Potential Adjustment Event: Condition 22(g)(i) [applies/does not apply]
    - Extraordinary Dividend (if other than as specified in the definition in Condition 22(a)) [ ]
    - additional Potential Adjustment Event (for purposes of paragraph (viii) of the definition thereof) [ ]
  - (x) Extraordinary Event: Condition 22(g)(ii) [applies/does not apply]
  - (xi) Conversion: Condition 22(g)(iii) [applies/does not apply]  
(for Notes relating to Government Bonds and debt securities only)

Part D1 - Pro Forma Pricing Supplement for Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes

- (xii) Correction of prices: Condition 22(g)(iv) [applies/does not apply]
- (xiii) China Connect Underlying: [Yes] [No]
- (xiv) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing, Failure to Deliver] [China Connect Share Disqualification] [China Connect Service Termination] [other - give details]] [Not applicable]
- (xv) Substitution of Securities: [Applicable] [Not applicable]
31. Additional provisions for Equity-Linked Notes: [ ] [Not applicable]
32. Provisions for Index-Linked Notes: [Applicable] [Not applicable]
- (i) Index(ices): [ ]
- (ii) Index Sponsor: [ ] [The definition in Condition 22(a) applies]
- (iii) Index Rules: [ ] [Not applicable]
- (iv) Exchange(s): [ ] [The Index / Each of [specify relevant indices in a basket] is a Multiple Exchange Index]
- (v) Related Exchange(s): [ ] [All Exchanges]
- (vi) Initial Index Level: [ ] [The definition in Condition 22(a) applies]
- (vii) Final Index Level: [ ]
- (viii) Strike Date: [ ]
- (ix) Reference Level: [ ] [The definition in Condition 22(a) applies]
- (x) Adjustments to Indices: [Condition 22(f)] / [Condition 22(j)] [applies/does not apply]
- (xi) China Connect Underlying: [Yes] [No]
- (xii) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law, Hedging Disruption, Increased Cost of Hedging] [Other - give details]] [Not applicable]
- (xiii) Index Substitution: [Applicable] [Not applicable]
- (xiv) Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
33. Valuation Date(s): [ ]
- Specified Maximum Number of Disrupted Days: [ ] [Not applicable] [The definition in Condition 22(a) applies]
  - Number of local banking days for the purpose of postponing Disrupted Day Related Payment Dates pursuant to Condition 22(e): [3] [ ]

34. Valuation Time: [ ] [The definition in Condition 22(a) applies]
35. Averaging Dates: [ ] [Not applicable]
- (i) Averaging Date Market [Omission] [Postponement] [Modified Postponement] [Not applicable] [other (specify)]  
 Disruption:
35. Other terms or special conditions relating to Index-Linked Notes or Equity-Linked Notes: [specify] [Not applicable]
- (i) Knock-in Event: [Applicable] [Specify event or occurrence] [If the [Final Price] [Reference Price] [Final Index Level] [Reference Level] [ ] as observed by the Calculation Agent [as of the Valuation Time] [continuously] [ ] [on a Knock-In Determination Day] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant Knock-in [Price] [Level]] [Not applicable]
- Knock-in Determination Day: [ ] [Condition 22(a) applies]
  - Knock-in Determination Period: [Applicable] [Not applicable]
  - Knock-in Period Beginning Date: [ ] [Not applicable]
  - Knock-in Period Ending Date: [ ] [Not applicable]
  - Knock-in Price/ Knock-in Level: [ ]
  - Knock-in Amount: [ ]
  - Knock-in Amount Payment Date: [ ] [Maturity Date]
- (ii) Knock-out Event: [Applicable] [(specify event or occurrence)] [If the [Final Price] [Reference Price] [Final Index Level] [Reference Level] as observed by the Calculation Agent [as of the Valuation Time] [continuously] [ ] [on a Knock-out Determination Day] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant knock-out [Price] [Level]] [Not applicable]
- Knock-out Determination Day: [ ] [Condition 22(a) applies]
  - Knock-out Determination Period: [Applicable] [Not applicable]
  - Knock-out Period Beginning Date: [ ] [Not applicable]
  - Knock-out Period Ending Date: [ ] [Not applicable]



- Knock-out Price/ Knock-out Level: [ ]
  - Knock-out Amount: [ ]
  - Knock-out Amount [ ] [Maturity Date] Payment Date:
- (iii) Automatic Early Redemption Event: [Applicable] [If the [specify relevant security price or index level] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant Automatic Early Redemption [Price] [Level]] [Not applicable]

Automatic Early Redemption Valuation Date	Automatic Early Redemption Date	Automatic Early Redemption Rate	Automatic Early Redemption Date [Level] [Price]
[ ]	[ ]	[ ]	[ ]

- Automatic Early Redemption Amount: [ ] [as per Condition 22(a)]
  - Accrued interest payable on Automatic Early Redemption Date: [Yes] [No, interest does not accrue] [specify]
- (iv) Interest Adjustment: [Applicable] [Not applicable]

**[PROVISIONS APPLICABLE TO INFLATION RATE-LINKED NOTES ONLY]**

36. (i) Inflation Index: [ ]
- (ii) Related Bond: [Applicable [- Related Bond is [ ]]] [Not applicable] (if applicable and nothing further is specified, then it will be the Fallback Bond)
- (iii) Inflation Index Sponsor: [ ]
- (iv) Relevant Screen Page: [ ]

**DISTRIBUTION**

37. (i) If syndicated, names of Relevant Dealer(s): [Not applicable] [HSBC Bank plc] [other - give name]
- (ii) If syndicated, names [, addresses and underwriting commitments] of other Dealers (if any): [Not applicable] [other - give name]
- [(Give addresses and underwriting commitments)]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)

38. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
39. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
40. Selling restrictions: [For Bearer Notes: TEFRA C Rules/ TEFRA D Rules/TEFRA Not applicable]
- United States of America: [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
- [Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "*Transfer Restrictions*"]
- 40-day Distribution Compliance Period: [Applicable] [Not applicable]
41. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"): [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
42. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"): [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
43. Additional U.S. federal income tax considerations: [Not applicable/*give details*] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate

of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [ ]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] *[The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.]*

44. Additional selling restrictions: *[specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]*

## TRANSFER RESTRICTIONS

*[In offers of Notes pursuant to Rule 144A insert<sup>6</sup>*

Because of the following restrictions, purchasers of Notes offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and

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<sup>6</sup> *Transfer Restrictions are only included for Notes offered in the United States in reliance on Rule 144A.*

may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.

- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes, Combined Global Registered Notes and any US Definitive Registered Notes or Combined Definitive Registered Notes (as defined in "Part B4 - Summary of Provisions relating to the Notes while in Global Form" in the Offering Memorandum) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

EITHER<sup>7</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS

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<sup>7</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

OR<sup>8</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN

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<sup>8</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS NOTE OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Note or an interest therein will not be), and is not (and for so long as it holds such Note or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which

either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Note or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.

- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 - Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]

**[PEOPLE'S REPUBLIC OF CHINA**

*[In respect of Notes linked to mainland China underlyings (including those underlying an underlying index) and baskets which contain both mainland China and China Connect underlyings but excluding those linked to China Connect Underlyings only:]*

ANY PLEDGE, SALE OR OTHER TRANSFER OF NOTES TO A PERSON THAT IS A "DOMESTIC INVESTOR", OR TO ANY PERSON USING FUNDS TO PURCHASE NOTES SOURCED FROM A "DOMESTIC INVESTOR", AS THE TERM IS DEFINED IN THE OFFERING MEMORANDUM, SHALL GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE.

*[In respect of Notes linked to China Connect Underlyings only:]*

ANY PLEDGE, SALE OR OTHER TRANSFER OF NOTES TO A PERSON THAT IS A "DOMESTIC INVESTOR", AS THE TERM IS DEFINED IN THE OFFERING MEMORANDUM, SHALL GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE.]

**CONFIRMED**

[HSBC BANK PLC

By: .....  
*Authorised Signatory*

Date: ..... ]

[HSBC BANK MIDDLE EAST LIMITED

By: .....  
*Authorised Signatory*

Date: .....

By: .....  
*Authorised Signatory*

Date: .....]

[HSBC CONTINENTAL EUROPE

By: .....  
*Authorised Signatory*

Date: .....]



## PART B - OTHER INFORMATION

### 1. LISTING

(i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin. No assurance can be given as to whether or not, or when, such application will be granted]

[Not applicable]

(ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from the [Issue Date] [ ]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(iii) Estimated total expenses of admission to trading: [specify amount] [Not applicable]

### 2. RATINGS

Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]

[specify rating and rating agency]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]<sup>9</sup>

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Dealer(s)/distributors in respect of the Notes [as of (or around) the Issue Date] (the "**Distributors**")]/[specify other]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Dealer(s)/Distributor(s)]/[specify other]] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

### 4. [Fixed Rate Notes only – YIELD]<sup>10</sup>

Indication of yield: [[ ] per cent. per annum] [Calculated as *(include details of method of calculation in summary form)* on the Issue Date]<sup>11</sup>

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

<sup>9</sup> For unlisted Notes delete this paragraph.

<sup>10</sup> For unlisted Notes delete this paragraph.

<sup>11</sup> Not required for debt securities with a denomination per unit of at least EUR 100,000.

5. **[Index-Linked, Equity-Linked, Inflation Rate-Linked or other variable-linked Interest Notes only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>12</sup>**

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained).*

6. **REASONS FOR THE OFFER**

[The Notes are "Green Notes" and an amount equivalent to the net proceeds from the sale of the Notes will be used as described in "Part A - Green Notes" in the Offering Memorandum. The Applicable Framework is the [HSBC Green Bond Framework][Specify other].]

**OPERATIONAL INFORMATION**

- 7. ISIN Code:  [Not applicable]
- 8. Common Code:  [Not applicable]
- 9. CUSIP:  [Not applicable]
- 10. Valoren Number:  [Not applicable]
- 11. SEDOL:  [Not applicable]
- 12. WKN:  [Not applicable]
- 13. Other identifier / code:  [Not applicable]
- 14. Intended to be held in a manner which would allow Eurosystem eligibility:<sup>13</sup>  [Yes]  [No]  [Not applicable]

[[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [include this text if "yes" selected]

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for

<sup>12</sup> For unlisted Notes delete this paragraph.

<sup>13</sup> Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB requirements, in order to be eligible as collateral a security must, amongst other things, be denominated in Euros and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg Euro MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

*registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "no" selected]*

15. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST/ Euroclear France/ None/ *specify other*]
16. Central Depository: [Euroclear France] [Not Applicable]  
*(Select Euroclear France for Notes issued by HBCE)*
17. Delivery: Delivery [against/free of] payment
18. Settlement procedures: [Eurobond]/[Medium Term Note]/*[other (specify)]*
19. Additional Paying Agent(s) (if any): [None]/*[specify]*
20. Common Depository: [HSBC Bank plc] [Not applicable]
21. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] *[(specify)]*
22. ERISA Considerations: [ERISA prohibited] [ERISA terms applicable]
23. [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE:]  
*[Applicable]*  
*(If the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE is contemplated, delete this paragraph)*

**PART D1 –  
PRO FORMA PRICING SUPPLEMENT FOR PREFERENCE SHARE-LINKED NOTES**

*[When completing any pricing supplement, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" "or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated: [•]

[HSBC Bank plc

(A company incorporated in England with registered number 14259; the liability of its members is limited)  
/ HSBC Bank Middle East Limited / HSBC Continental Europe]

**Programme for the Issuance of Notes and Warrants**

[Further] Issue of

[Aggregate Principal Amount of Tranche]

[Title of Notes]

**[(to be consolidated and form a single series with the existing *[Insert details of existing Tranche(s)]* issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A - CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes, including the Terms and Conditions of the Preference Share-Linked Notes (the "**Conditions**") set forth in the Offering Memorandum.] The Alternative Note General Conditions do not apply.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Continental Europe, 38, avenue Kléber, 75116, Paris, France and [www.about.hsbc.fr/investor-relations/debt-issuance](http://www.about.hsbc.fr/investor-relations/debt-issuance)].

The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Notes which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/ 2021 Amended/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

**It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing**

**Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority] / [HSBC Continental Europe].
  
2. Tranche number: [ ]  
  
*[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*
  
3. Currency
  - (i) Settlement Currency: [ ] [Subject to Condition 9(j) (*Payments – Conversion*)]
  - (ii) Denomination Currency: [ ]
  
4. Aggregate Principal Amount:<sup>1</sup>
  - [(i) Series:] [ ]
  - [(ii) Tranche:] [ ]
  
5. Issue Price: [[ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (*in the case of fungible interest-bearing issues only, if applicable*)] [An amount as determined by the Calculation Agent equal to [ ] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [ ]]
  
6. (i) Denomination(s) [ ]<sup>14</sup>  
(Condition 2):  
*[In respect of HBCE Notes, there should be one denomination only]*
  
- (ii) Calculation Amount:<sup>15</sup> [ ]
  
- (iii) Aggregate Outstanding [Applicable] [Not applicable]  
Nominal Amount Rounding:

<sup>14</sup> *If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange the Permanent Global Note for definitive Notes in paragraph (c) of the Permanent Global Note should not apply - see item 14(iii) below.*

<sup>15</sup> *The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.*

7. (i) Issue Date: *[specify]* [Issue Date] [Not applicable]  
(ii) Trade Date [ ]
8. Maturity Date: *[[ ] - i.e. date scheduled to fall two Business Days after the Valuation Date or, if later, [two] Business Days after the Valuation Date).*  
(Condition 7(a))
9. Change of interest or redemption basis: *[(Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis)]*

**PROVISIONS RELATING TO REDEMPTION**

10. Final Redemption Amount of each Note: *(Condition 7(a))* The product of:
- $$\left[ \text{Calculation Amount} \times \frac{\text{Share Value final}}{\text{Share Value initial}} \right]$$
- per Calculation Amount
- Where:
- "Share Value<sub>final</sub>" means the Preference Share Value on the Valuation Date; and
- "Share Value<sub>initial</sub>" means the Preference Share Value on the Initial Valuation Date.
11. Early Redemption Amount: Yes
- (i) Early Redemption Amount (upon redemption for taxation reasons, following redemption at the option of the Issuer, following an Event of Default, following the occurrence of a Preference Share Early Redemption Event, an Extraordinary Event, or Additional Disruption Event) *(Conditions 7(b), 7(c), 11, 23(b), 23(c) or 23(d))* Per Calculation Amount, an amount in *[specify currency of payment]* calculated by the Calculation Agent on the same basis as the Final Redemption Amount except that the definition of Share Value<sub>final</sub> shall be the Preference Share Value on the day falling *[two]* Business Days before the due date for early redemption of the Notes.
- (ii) Other redemption provisions: *[Specify]* [Not applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

12. Form of Notes: *(The following elections apply in respect of Notes issued by HBEU or HBME:)*  
*[(Condition 2(a))] / [(Condition 2)]*
- [Bearer Notes/Registered Notes/ Uncertificated Registered Notes]
- (The following applies in respect of Notes issued by HBCE only:)*
- [Bearer Dematerialised Notes]

13. [New Global Note] [(delete if Registered Note)]/ Issued under the new safekeeping structure [(delete if Bearer Note)]: [Yes/No] [Not applicable] *(select "Not applicable" in case of Notes issued by HBCE only)*
14. If issued in bearer form: [Applicable] [Not applicable] *(select "Not applicable" and delete (i) to (v) below in case of Notes issued by HBCE only)*
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: [Temporary] [Permanent] Global Note
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes: [Yes] [No] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note] [(specify)] *(Condition 2(a))*
- (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation: [Yes] [No] [*If no, specify: Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.*]
- (iv) Coupons to be attached to Definitive Notes:<sup>16</sup> [Yes] [No] [Not applicable] *[N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems - see provisions contained in Permanent Global Note]*
- (v) Talons for future Coupons to be attached to Definitive Notes:<sup>17</sup> [Yes] [No] [Not applicable] *[N.B. The above comment also applies here]*
15. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days after the Issue Date] [(specify)] [Not applicable] *(select "Not applicable" in case of Notes issued by HBCE)*
16. If issued in registered form (other than Uncertificated Registered Notes): [Applicable] [Not applicable] *(select "Not applicable" and delete sub paragraphs below in case of Notes issued by HBCE)*
- (i) Initially represented by: [Regulation S Global Registered Note][Rule 144A Global Registered Note][Unrestricted Global Registered Note and Restricted Global Registered Note][Combined Global Registered Note][Definitive Registered Notes]

<sup>16</sup> Definitive Notes will typically have coupons attached to them if interest bearing.

<sup>17</sup> Talons will be needed if there are more than 27 coupons.



- [(ii) [Regulation S Global Registered Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Regulation S Global Registered Note][Unrestricted Global Registered Note] for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note]]
- [(ii) [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note][Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note]]
- [(iii) [Combined Global Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]
17. [Masse (Condition 15 of Part B3 – Terms and Conditions of the Notes issued by HBCE): Condition 15 applies. [Not applicable]
- (i) Representative [•] (*specify name and address*)
- [(ii) Alternative Representative: [•] (*specify name and address*)]
- (iii) Remuneration of Representative: [•]
18. Payments: (*Condition 9*)
- (i) Relevant Financial Centre Day: [*specify all places*]
- (ii) Payment of Alternative Payment Currency Equivalent: Not applicable
- (iii) Conversion provisions: [Applicable in respect of [Final Redemption Amount] [Early Redemption Amount] [*other*] [the Conversion Rate is [ ] ]][*specify further Conversion provisions*][Not applicable]
- Conversion Rate Business Days: [in respect of [Final Redemption Amount] [Early Redemption Amount] [*other*] [ ] ] [Condition 1 applies]
  - Conversion Rate Fixing Date: [in respect of [Final Redemption Amount] [Early Redemption Amount] [*other*] [ ] ]

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- Conversion Rate [in respect of [Final Redemption Amount] [Early Fixing Page: Redemption Amount] *[other]* [ ]] [Condition 1 applies]]
  - Conversion Rate [in respect of [Final Redemption Amount] [Early Fixing Time: Redemption Amount] *[other]* [ ]]
  - Cross Currency [Applicable] [Not applicable] Exchange Rate:
  - Cross Currency: [ ]
  - Cross Currency [ ] Jurisdiction:
  - Denomination [in respect of [Final Redemption Amount] [Early Currency Redemption Amount] *[other]* [ ]] Jurisdiction:
  - Settlement Currency [in respect of [Final Redemption Amount] [Early Jurisdiction: Redemption Amount] *[other]* [ ]]
  - Conversion Rate [ ] [Condition 1 applies] Fall-Back provisions:
  - Alternative Pre-nominated Index: [ ] *[specify Alternative Pre-nominated Index details]* [Not applicable]
- (iv) Price Source Disruption: Not applicable
- (v) LBMA Physical Settlement Provisions: Not applicable
- (vi) Physical Settlement provisions: Not applicable
19. Other terms: [Not applicable] *[specify]* [See Annex]
- (When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)*

**PROVISIONS APPLICABLE TO PREFERENCE SHARE-LINKED NOTES**

20. Provisions for Preference Share-Linked Notes:
- (i) Preference Shares: [ ]
  - (ii) Preference Share Issuer: [ ]
  - (iii) Initial Valuation Date: The Issue Date
  - (iv) Valuation Date: [means the [eighth] Business Day following the Preference Share Valuation Date]
  - (v) Preference Share Valuation Date: [ ]
  - (vi) Valuation Time: [ ]
  - (vii) Extraordinary Event: Condition 23(c) [applies/does not apply]

(insert any additional Extraordinary Events)

(viii) Additional Disruption Event: [Condition 23(d) [applies /does not apply]. The following Additional Disruption Events apply: [Change in Law and/or Insolvency Filing]

21. Additional provisions for Preference Share-Linked Notes: [ ] [Not applicable]

**DISTRIBUTION**

22. (i) If syndicated, names [,]<sup>18</sup> of Relevant Dealer(s): [Not applicable] [HSBC Bank plc] [other - give name]

(Give addresses and underwriting commitments)

(ii) If syndicated, names [, addresses and underwriting commitments] of other Dealers (if any): [Not applicable] [other - give name]

(Give addresses and underwriting commitments)  
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)

23. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]

24. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]

25. Selling restrictions: [For Bearer Notes: TEFRA C Rules/ TEFRA D Rules/TEFRA Not applicable]

United States of America: Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)

40-day Distribution Compliance Period: [Applicable] [Not applicable]

26. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"): [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]

<sup>18</sup> Not required for debt securities with a denomination per unit of at least EUR 100,000.

27. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"):
- [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/[The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
28. Additional U.S. federal income tax considerations:
- [Not applicable/give details] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [ ]]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] [*The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.*]
29. Additional selling restrictions:
- [specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]

**CONFIRMED**

**[HSBC BANK PLC**

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By: .....  
*Authorised Signatory*

Date: .....

By: .....  
*Authorised Signatory*

Date: .....]

**[HSBC CONTINENTAL EUROPE**

By: .....  
*Authorised Signatory*

Date: .....]

**PART B - OTHER INFORMATION**

**1. LISTING**

(i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin. No assurance can be given as to whether or not, or when, such application will be granted.]

[Not applicable]

(ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from [[the Issue Date] [ ]]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(iii) Estimated total expenses of admission to trading: [(specify amount)] [Not applicable]

**2. RATINGS**

Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]

[specify rating and rating agency]

**3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]**

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Dealer(s)/distributors in respect of the Notes [as of (or around) the Issue Date] (the "**Distributors**")]/[specify other]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Dealer(s)/Distributor(s)/[specify other]] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>19</sup>

**4. PERFORMANCE OF THE PREFERENCE SHARES AND OTHER INFORMATION CONCERNING THE PREFERENCE SHARES AND THE PREFERENCE SHARE UNDERLYING**

The Preference Share-Linked Notes relate to the [ ] preference shares relating to [ ] of the Preference Share Issuer.

[The Preference Share Value will be published on each [Business Day] on [ ] page [ ].]

The performance of the Preference Shares depends on the performance of the relevant underlying asset(s) or basis of reference to which the Preference Shares are linked (the "**Preference Share Underlying**"). The Preference Share Underlying is [insert details of the relevant underlying asset(s) or basis of reference to which the Preference Shares relate e.g. FTSE 100]. Information on the Preference Share Underlying (including past and future performance and volatility) is published on [ ].

<sup>19</sup> For unlisted Notes delete this paragraph.

5. **REASONS FOR THE OFFER**

[The Notes are "Green Notes" and an amount equivalent to the net proceeds from the sale of the Notes will be used as described in "Part A - Green Notes" in the Offering Memorandum. The Applicable Framework is the [HSBC Green Bond Framework][Specify other].]

**OPERATIONAL INFORMATION**

- 6. ISIN Code:  [Not applicable]
- 7. Common Code:  [Not applicable]
- 8. CUSIP:  [Not applicable]
- 9. SEDOL:  [Not applicable]
- 10. Other identifier / code:  [Not applicable]
- 11. Intended to be held in a manner which would allow Eurosystem eligibility: <sup>20</sup>  [Yes]  [No]  [Not applicable]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [Include this text if "yes" selected]

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [Include this text if "no" selected]

<sup>20</sup> Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB requirements, in order to be eligible as collateral a security must, amongst other things, be denominated in Euros and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg Euro MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure

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12. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST/ Euroclear France/ None/ *specify other*]
13. Central Depository: [Euroclear France] [Not Applicable]  
*(Select Euroclear France for Notes issued by HBCE)*
14. Delivery: Delivery [against/free of] payment
15. Settlement procedures: [Eurobond]/[Medium Term Note]/*[other (specify)]*
16. Additional Paying Agent(s) (if any): [None]/*[specify]*
17. Common Depository: [HSBC Bank plc] [Not applicable]
18. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] *[specify]*
19. ERISA Considerations: ERISA prohibited
20. [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE:]  
[Applicable] *(If the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE is contemplated, delete this paragraph)*



**PART D1 –  
ANNEX - INFORMATION ON THE PREFERENCE SHARE ISSUER AND THE  
PREFERENCE SHARES**

**The Preference Share Issuer**

UKSED3P Investments Limited (the "**Preference Share Issuer**") is a private company limited by shares and was incorporated under the Companies Act 2006 on 30 April 2010 (with registered number 7240905). The Preference Share Issuer is governed by the laws of England and Wales and has its registered office at 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom.

A copy of the Preference Share Issuer's constitutional documents, its audited, non-consolidated annual financial statements, when published, and the Terms and Conditions of the Preference Shares (as defined below) are available (free of charge) from the registered office of the Preference Share Issuer.

The sole business activity of the Preference Share Issuer is to issue redeemable Preference Shares. Accordingly, the Preference Share Issuer does not have any trading assets and does not generate any significant net income.

**The Preference Shares**

The Preference Share Issuer may issue redeemable Preference Shares of any kind including, but not limited to, Preference Shares linked to a specified index or basket of indices, a specified share or basket of shares, a specified currency or basket of currencies, a specified debt instrument or basket of debt instruments, a specified commodity or basket of commodities, a specified fund share or unit or basket of fund shares or units or to such other underlying instruments, bases of reference or factors (the "**Preference Share Underlying**") and on such terms as may be determined by the Preference Share Issuer and specified in the applicable conditions of the relevant series of Preference Shares (the "**Terms and Conditions of the Preference Shares**"). The Terms and Conditions of the Preference Shares, and any non-contractual obligations arising out of or in connection with the Terms and Conditions of the Preference Shares, shall be governed by and construed in accordance with English law.

The performance of the Preference Shares depends on the performance of the Preference Share Underlying to which the relevant Preference Shares are linked. In determining the value of the Preference Shares, the Preference Share Calculation Agent shall employ the calculation procedure and methodology set out in the applicable Terms and Conditions of the Preference Shares.

**PART D2 –  
ALTERNATIVE ADDITIONAL PROVISIONS RELATING TO EQUITY-LINKED NOTES,  
INDEX-LINKED NOTES AND INFLATION RATE-LINKED NOTES**

The following additional condition shall be deemed to be added as Condition 22 to the terms and conditions set out in the section headed "*Part B2 – Alternative Terms and Conditions of the Notes*" or "*Part B3 - Terms and Conditions of the Notes issued by HBCE*" (as applicable) of this Offering Memorandum in respect of any issue of Equity-Linked Notes, Index-Linked Notes, Inflation Rate-Linked Notes for which the Pricing Supplement specifies that the "Alternative Note General Conditions" apply.

The terms and conditions of the Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes (the "**Terms and Conditions of the Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes**") shall consist of Condition 22 and the terms and conditions set out in the section headed "*Part B2 – Alternative Terms and Conditions of the Notes*" of this Offering Memorandum, as amended or supplemented by the terms of each Tranche of Notes set out in the Pricing Supplement.

22. **Provisions relating to Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes**

(a) **Definitions**

As used in this Condition 22, and unless otherwise provided in the relevant Pricing Supplement, the following expressions shall have the following meanings:

"**Additional Disruption Event**" has the meaning ascribed thereto in Condition 22(h);

"**Alternative Exchange**" means, in relation to any Securities, an exchange or quotation system on which the Securities are re-listed, re-traded or re-quoted and which is located in the same country as the Exchange (or, where the Exchange is within the European Union or the United Kingdom, in any member state of the European Union or the United Kingdom), unless (in any such case) the Calculation Agent determines that the listing, trading or quotation on such exchange or quotation system will materially alter the risk profile of the Notes (in which case such exchange or quotation system shall not constitute an "**Alternative Exchange**");

"**Automatic Early Redemption Amount**" means in respect of an Automatic Early Redemption Date and as calculated by the Calculation Agent in good faith, an amount equal to the Calculation Amount multiplied by the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date or such other amount as specified in the relevant Pricing Supplement;

"**Automatic Early Redemption Date(s)**" means each of the date(s) specified as such in the relevant Pricing Supplement, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Pricing Supplement;

"**Automatic Early Redemption Event**" means (unless otherwise specified in the relevant Pricing Supplement) that the price of the relevant Security or, as the case may be, the level of the Index, in either case as determined by the Calculation Agent as of the Valuation Time on the relevant Automatic Early Redemption Valuation Date is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the relevant Automatic Early Redemption Price, or as the case may be, the relevant Automatic Early Redemption Level;

"**Automatic Early Redemption Level**" means, in respect of an Automatic Early Redemption Valuation Date, the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

"**Automatic Early Redemption Price**" means, in respect of an Automatic Early Redemption Valuation Date, the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

**"Automatic Early Redemption Rate"** means, in respect of any Automatic Early Redemption Valuation Date, the percentage rate specified as such for such Automatic Early Redemption Valuation Date in the relevant Pricing Supplement;

**"Automatic Early Redemption Valuation Date(s)"** means:

- (a) in the case of a Note which relates to a single Security or Index, each of the date(s) specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, each of the date(s) specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Automatic Early Redemption Valuation Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e), which shall apply as if such Automatic Early Redemption Valuation Date were a Valuation Date;

**"Averaging Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, in respect of each Valuation Date, each date specified as such or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, in respect of each Valuation Date, each date specified as such or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Averaging Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e);

**"Cash Settlement"** means, in relation to a Series of Notes, that the relevant Noteholder is entitled to receive from the Issuer on the Maturity Date an amount calculated in accordance with the relevant Pricing Supplement in the Settlement Currency;

**"Clearing System Business Day"** means, in relation to any Securities, any day on which the principal domestic clearing system customarily used for settling trades in such Securities is (or, but for the occurrence of an event beyond the control of the Issuer as a result of which such clearing system cannot clear the transfer of such securities, would have been) open for the acceptance and execution of settlement instructions;

**"Component Security"** means, with respect to an Index, each component security of that Index;

**"Conversion"** means, in respect of any Securities, any irreversible conversion by the Underlying Company of such Securities into other securities;

**"Delisting"** means (a) that the Exchange announces that, pursuant to the rules of such Exchange, the Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an Alternative Exchange or (b) that the Calculation Agent determines that listing or trading of Securities on the Exchange (or an Alternative Exchange) has not commenced and will not commence in the foreseeable future prior to redemption of the Notes;

**"Delivery Disruption Event"** means, as determined by the Calculation Agent, the failure by the Issuer to deliver or to procure delivery on the relevant Settlement Date the Securities Transfer Amount under the relevant Note due to illiquidity in the market for such Securities;

**"Deposit Agreement"** means, in relation to each Depository Receipt, the agreement(s) or other instrument(s) constituting such Depository Receipt, as from time to time amended or supplemented;

**"Depository"** means, in relation to a Depository Receipt, the issuer of such Depository Receipt as appointed under the Deposit Agreement, including its successors from time to time;

**"Depository Receipt(s)"** means any Security specified as such in the relevant Pricing Supplement **provided that** if the relevant Deposit Agreement is terminated at any time, any reference to any Depository Receipt(s) shall thereafter be construed as a reference to the relevant Underlying Securities or relevant Replacement DRs, as applicable and as determined by the Calculation Agent pursuant to Condition 22(k) (*Events relating to DR-Linked Notes*);

**"Disrupted Day"** means (a) any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or (b) if the Notes are Multiple Exchange Index-Linked Notes, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred;

**"Disrupted Day Related Payment Date"** means any payment date on the Notes on which the amount payable is calculated by reference to the price or level (as applicable) of a Security, Index, basket of Securities or basket of Indices determined on the related Valuation Date or Limit Valuation Date;

**"DR-Linked Notes"** means a Series of Equity-Linked Notes which relate to one or more Securities which are Depository Receipts;

**"Early Closure"** means (a) the closure on any Exchange Business Day of the relevant Exchange (in the case of Equity-Linked Notes) or any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of Index-Linked Notes) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or (b) if the Notes are Multiple Exchange Index-Linked Notes, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

**"Equity-Linked Note"** means a Series of Notes in respect of which either an amount, which shall be calculated by reference to the value of a Security or Securities and/or a formula, is payable or a Securities Transfer Amount is deliverable (as indicated in the relevant Pricing Supplement);

**"ETF"** means the exchange traded fund or similarly traded or listed fund as specified in the relevant Pricing Supplement;

**"ETF Adviser"** means, with respect to an ETF, any person appointed in the role of discretionary investment manager or non-discretionary investment manager (including a non-discretionary investment manager to a discretionary investment manager or to another non-discretionary investment manager), as provided in the related ETF Documents;

**"ETF Documents"** means, in relation to any ETF, the constitutive and governing documents, subscription agreements and other agreements of such ETF specifying the terms and conditions relating to such ETF, in each case as amended and supplemented from time to time;

**"Exchange"** means (a) with respect to a Security or an Index, each exchange or quotation system specified as such in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Security or the components of the Index, as the case may be, has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Security or components, as the case may be, as on the original Exchange); or (b) in the case of a Multiple Exchange Index and each relevant Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent (which exchange or quotation system as of the Issue Date may be specified as such in the relevant Pricing Supplement); **provided, however, that** if the Exchange (the **"Original Exchange"**) announces that, pursuant to the rules of such Exchange, any Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and the Securities are re-listed, re-traded or re-quoted on an Alternative Exchange, then, so long as the Securities are not listed, traded or publicly quoted on the Original Exchange, such Alternative Exchange shall be the **"Exchange"** in relation to such Securities;

**"Exchange Business Day"** means (a) any Scheduled Trading Day on which each Exchange and any relevant Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or (b) with respect to a Multiple Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time;

**"Exchange Disruption"** means (a) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Securities on the Exchange (in the case of an Equity-Linked Note) or on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of an Index-Linked Note), or (ii) to effect transactions in, or obtain market values for, future or options contracts relating to the Securities (in the case of an Equity-Linked Note) or the relevant Index (in the case of an Index-Linked Note) on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) futures or options contracts relating to the Index on the relevant Related Exchange;

**"Extraordinary Dividend"** means the amount per Security specified or otherwise determined as provided in the relevant Pricing Supplement or, if no such amount is so specified or determined, any dividend or the portion of any dividend which the Calculation Agent determines is generally considered an Extraordinary Dividend by the market in respect of the relevant Security;

**"Extraordinary ETF Event"** means, in the determination of the Calculation Agent, the occurrence or existence of any of the following:

- (i) the ETF (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation,

amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) to (E) above;

- (ii) the ETF has violated any leverage restriction that is applicable to, or affecting, such ETF or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the ETF Documents or any contractual restriction binding on or affecting the ETF or any of its assets;
- (iii) the resignation, termination or replacement of the ETF Adviser (as defined below);
- (iv) any change or modification of the ETF Documents that could reasonably be expected to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Issue Date;
- (v) any breach or violation of any strategy or investment guidelines stated in the ETF Documents that is reasonably likely to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent);
- (vi) any restrictions or increase in charges or fees are imposed by the ETF on any investor's ability to redeem the Units, in whole or in part, or on any existing or new investor's ability to make new or additional investments in such Units, or any mandatory redemption, in whole or in part, of such Units is imposed by the ETF (in each case other than any restriction in existence on the Issue Date);
- (vii) (A) cancellation, suspension or revocation of the registration or approval of the Units or the ETF by any governmental, legal or regulatory entity with authority over the Units or the ETF, (B) any change in the legal, tax, accounting or regulatory treatments of the ETF or the ETF Adviser that is reasonably likely to have an adverse impact on the value of the Units or on any investor therein (as determined by the Calculation Agent), or (C) the ETF or the ETF Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of

applicable law for any activities relating to or resulting from the operation of the ETF;

- (viii) (A) the occurrence of any event affecting the Units that, in the determination of the Calculation Agent, would make it impossible or impracticable to determine the value of the Units, and such event is likely, in the determination of the Calculation Agent, to continue for the foreseeable future; or (B) any failure of the ETF to deliver, or cause to be delivered (1) information that the ETF has agreed to deliver, or cause to be delivered to the Issuer and/or Calculation Agent or (2) information that has been previously delivered to the Issuer and/or Calculation Agent in accordance with the ETF's, or its authorised representative's, normal practice and that the Issuer and/or Calculation Agent deems necessary for it to monitor the ETF's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Units;
- (ix) (A) the cancellation or cessation of any Underlying Index or (B) a material change in the formula for or the method of calculating or any other material modification to any Underlying Index (other than a modification prescribed in that formula or method to maintain such Underlying Index in the event of changes in constituent stock and capitalisation and other routine events) or (C) the relevant sponsor of any Underlying Index fails to calculate and announce such Underlying Index; and
- (x) on or after the Strike Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that the Issuer will incur a materially increased cost in performing its obligations under the Notes.

**"Extraordinary Event"** means (a) in all cases other than where the Pricing Supplement specifies that the Securities are Units in an ETF, a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting (b) in the case where the Pricing Supplement specifies that the Securities are Units in an ETF, a Merger Event, Nationalisation, Insolvency, Delisting or Extraordinary ETF Event;

**"Final Index Level"** means, with respect to an Index and a Valuation Date, the level determined as provided in the relevant Pricing Supplement or, if no such level is so provided (a) the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Valuation Date or (b) with respect to a Multiple Exchange Index, the official closing level of the Index on the Valuation Date as calculated and published by the Index Sponsor or (c) if Averaging Dates are specified in the relevant Pricing Supplement in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded up to four decimal places (with 0.00005 being rounded up)) of the Reference Levels on such Averaging Dates;

**"Final Price"** means, with respect to a Security and a Valuation Date, the price determined as provided in the relevant Pricing Supplement, or if no such price is so provided (a) the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Valuation Date or (b) if Averaging Dates are specified in the relevant Pricing Supplement in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded up to four decimal places (with 0.00005 being rounded up)) of the Reference Prices on such Averaging Dates;

**"Government Bonds"** means, in relation to a Series of Notes, bonds or any other debt securities issued by a government, government agency or subdivision or a transnational or supranational organisation as specified in the relevant Pricing Supplement and **"Government Bond"** shall be construed accordingly;

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited;

"**Hypothetical Broker Dealer**" means a hypothetical broker dealer which is (i) subject to the same securities laws and rules and regulations of any securities regulators, exchanges and self-regulating organisations as apply to the Issuer or any affiliate designated by it and (ii) domiciled in the same tax jurisdiction as the Issuer or its such designated affiliates;

"**Index**" means, in relation to a Series of Notes, the index to which such Series of Notes relates (other than an Inflation Index), as specified in the relevant Pricing Supplement, subject to adjustment pursuant to this Condition 22, and "**Indices**" shall be construed accordingly;

"**Index-Linked Note**" means a Series of Notes in respect of which an amount calculated by reference to an Index or Indices and/or a formula is payable (as indicated in the relevant Pricing Supplement), but excluding Inflation Rate-Linked Notes;

"**Index Rules**" means the rules of the Index Sponsor in relation to the Index specified as such in the relevant Pricing Supplement;

"**Index Sponsor**" means the corporation or other entity specified as such in the relevant Pricing Supplement and any successor corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Scheduled Trading Day;

"**Index Substitution Notice**" has the meaning given in Condition 22(f)(iii);

"**Inflation Index**" means, in relation to a Series of Notes, the inflation index to which such Series of Notes relates, as specified in the relevant Pricing Supplement, subject to adjustment pursuant to this Condition 22, and "**Inflation Indices**" shall be construed accordingly;

"**Inflation Rate-Linked Note**" means a Note in relation to which the interest payable thereon (if any) and/or the redemption amount thereof is determined by reference to an inflation rate, inflation rates or any other inflation rate-dependent variables (as indicated in the relevant Pricing Supplement);

"**Initial Index Level**" means, with respect to an Index, the level specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if no such level is so specified or otherwise determined, the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date or, with respect to a Multiple Exchange Index, the official closing level of the Index on the Strike Date as calculated and published by the Index Sponsor each as rounded up to four decimal places (with 0.00005 being rounded up);

"**Initial Price**" means, with respect to a Security, the price specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if no such price is so specified or otherwise determined, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date each as rounded up to four decimal places (with 0.00005 being rounded up);

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Company, (A) all the Securities of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Securities of that Underlying Company become legally prohibited from transferring them;

"**Knock-in Amount**" means the interest amount, redemption amount or other amount as specified as such in the relevant Pricing Supplement;



**"Knock-in Amount Payment Date"** means such date as specified in the relevant Pricing Supplement subject to adjustment in accordance with the Business Day Convention specified in the relevant Pricing Supplement;

**"Knock-in Determination Day"** means:

- (a) in the case of a Note which relates to a single Security or Index, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), or if Knock-in Determination Period is specified in the relevant Pricing Supplement as being applicable, each Scheduled Trading Day during the Knock-in Determination Period; or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-in Determination Day in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index), or if Knock-in Determination Period is specified in the relevant Pricing Supplement as being applicable, each date in respect of each Security or Index (as applicable) comprising the basket which is a Scheduled Trading Day in respect of such Security or Index during the Knock-in Determination Period,

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-in Determination Day were a Valuation Date;

**"Knock-in Determination Period"** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**"Knock-in Event"** means (unless otherwise specified in the relevant Pricing Supplement) that the price of the Security or, as the case may be, the level of the Index, determined by the Calculation Agent as of the Valuation Time or, if specified as such in the relevant Pricing Supplement, observed by the Calculation Agent continuously on any Knock-in Determination Day is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price or, as the case may be, the Knock-in Level;

**"Knock-in Level"** means the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

**"Knock-in Period Beginning Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-in Period Beginning Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-in Period Beginning Date were a Valuation Date;

**"Knock-in Period Ending Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-in Period Ending Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-in Period Ending Date were a Valuation Date;

**"Knock-in Price"** means the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

**"Knock-out Amount"** means the interest amount, redemption amount or other amount as specified as such in the relevant Pricing Supplement;

**"Knock-out Amount Payment Date"** means such date as specified in the relevant Pricing Supplement subject to adjustment in accordance with the Business Day Convention specified in the relevant Pricing Supplement;

**"Knock-out Determination Day"** means:

- (a) in the case of a Note which relates to a single Security or Index, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), or if Knock-out Determination Period is specified in the relevant Pricing Supplement as being applicable, each Scheduled Trading Day during the Knock-out Determination Period; or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-out Determination Day in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index) or if Knock-out Determination Period is specified in the relevant Pricing Supplement as being applicable, each date in respect of each Security or Index (as applicable) comprising the basket which is a Scheduled Trading Day in respect of such Security or Index during the Knock-out Determination Period,

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-out Determination Day were a Valuation Date;

**"Knock-out Determination Period"** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**"Knock-out Event"** means (unless otherwise specified in the relevant Pricing Supplement) that the price of the Security or, as the case may be, the level of the Index, determined by the Calculation Agent as of the Valuation Time or, if specified as such in the relevant Pricing Supplement, observed by the Calculation Agent continuously on any Knock-out Determination Day is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Price or, as the case may be, Knock-out Level;

**"Knock-out Level"** means the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

**"Knock-out Period Beginning Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-out Period Beginning Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-out Period Beginning Date were a Valuation Date;

**"Knock-out Period Ending Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Knock-out Period Ending Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Knock-out Period Ending Date were a Valuation Date;

**"Knock-out Price"** means the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

**"Market Disruption Event"** means (a) the occurrence or existence of (i) a Trading Disruption, or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (iii) an Early Closure **provided that** for the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a component of the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event; or (b) with respect to a Multiple Exchange Index, either:

- (A) (1) the occurrence or existence, in respect of any Component Security, of (aa) a Trading Disruption, or (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (i) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time at which the relevant price or level triggers the Knock-in Level or the Knock-out Level, as the case may be, or (ii) in all other circumstances, ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, OR (cc) an Early Closure AND (2) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR

- (B) the occurrence or existence, in respect of futures or options contracts relating to the Index of: (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (i) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time at which the relevant price or level triggers the Knock-in Level or the Knock-out Level, as the case may be, or (ii) in all other circumstances, ends at the relevant Valuation Time in respect of the Related Exchange; or (cc) an Early Closure;

For the purposes of determining whether a Market Disruption Event exists in respect of a Multiple Exchange Index at any time, if a Market Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data";

**"Merger Event"** means in respect of any relevant Securities, any (i) reclassification or change of such Securities that results in a transfer of or an irrevocable commitment to transfer all of such Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Underlying Company with or into another entity or person (other than a consolidation, amalgamation or merger in which such Underlying Company is the continuing entity and which does not result in a reclassification or change of all of such Securities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Securities of the Underlying Company that results in a transfer of or an irrevocable commitment to transfer all such Securities (other than such Securities owned or controlled by such other entity or person); or (iv) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all of such Securities outstanding but results in the outstanding Securities (other than Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Securities immediately following such event, in each case if the closing date of a Merger Event (or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent) is on or before, in the case of any Equity-Linked Note which is to be redeemed by delivery of a Securities Transfer Amount, the Maturity Date or, in any other case, the final Valuation Date;

If the Notes are DR-Linked Notes, **"Merger Event"** shall include the occurrence of any of the events described in (i) to (iv) (inclusive) above in relation to the relevant Underlying Securities;

**"Multiple Exchange Index"** means an Index identified or specified as such in the relevant Pricing Supplement;

**"Multiple Exchange Index-Linked Notes"** means Notes which relate to a Multiple Exchange Index;

**"Nationalisation"** means that all the Securities (or, if the Notes are DR-Linked Notes, the relevant Underlying Securities) or all or substantially all the assets of an Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;

**"Notional Sale Date"** has the meaning given in the definition of Settlement Date below;

**"Potential Adjustment Event"** means (i) a subdivision, consolidation or reclassification of relevant Securities (unless resulting in a Merger Event), or a free distribution or dividend of any such Securities to existing holders whether by way of bonus, capitalisation or similar issue; or (ii) a distribution, issue or dividend to existing holders of the relevant

Securities of (A) such Securities or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of such Securities or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; or (iii) an Extraordinary Dividend; or (iv) a call by the Underlying Company in respect of relevant Securities that are not fully paid; or (v) a repurchase by the Underlying Company or any of its subsidiaries of relevant Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (vi) in respect of the Underlying Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Underlying Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Securities; or (viii) any other event specified as such in the relevant Pricing Supplement;

With respect to Depository Receipts, "**Potential Adjustment Event**" shall also include (x) the occurrence of any of the events described in (i) to (viii) (inclusive) above in respect of the relevant Underlying Securities, **provided that** the occurrence of any of the events described in (i) to (vi) (inclusive) in respect of the relevant Underlying Securities shall not constitute a Potential Adjustment Event unless, the Calculation Agent determines that such event has a diluting or concentrative effect on the theoretical value of the Securities and (y) the making of any amendment or supplement to the terms of the Deposit Agreement;

"**Reference Level**" means, unless otherwise specified in the relevant Pricing Supplement (a) in respect of an Index and an Averaging Date, the level of such Index as determined by the Calculation Agent as of the Valuation Time on the Exchange on such Averaging Date and (b) in respect of a Multiple Exchange Index and an Averaging Date, the official closing level of such Multiple Exchange Index on such Averaging Date as calculated and published by the Index Sponsor;

"**Reference Price**" means, unless otherwise specified in the relevant Pricing Supplement, in respect of a Security and an Averaging Date, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the Exchange on such Averaging Date;

"**Related Exchange**" means, subject to the proviso below, in respect of a Security or an Index, each exchange or quotation system specified as such for such Security or Index in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Security or Index, as the case may be, has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Security or Index, as the case may be, as on the original Related Exchange) **provided, however, that** where "All Exchanges" is specified as the Related Exchange in the relevant Pricing Supplement, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Security or Index, as the case may be;

"**Replacement DRs**" means, if the relevant Deposit Agreement is terminated, any depository receipts which the Calculation Agent determines, in accordance with Condition 22(k) (*Events relating to DR-Linked Notes*), are to replace the Depository Receipts constituted by such terminated Deposit Agreement;

"**Residual Amount**" means, in relation to a Noteholder and a Note, the fraction of a Security rounded down pursuant to Condition 22(b), as determined by the Calculation Agent or such amount as otherwise specified in the relevant Pricing Supplement;

**"Residual Cash Amount"** means, in respect of a Residual Amount, the product of such Residual Amount and the fraction of which the numerator is the Final Price and the denominator is the Initial Price or such amount as otherwise specified in the relevant Pricing Supplement;

**"Scheduled Averaging Date"** has the meaning given in Condition 22(e)(ii)(B)(3)(bb);

**"Scheduled Closing Time"** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Scheduled Final Averaging Date"** has the meaning given in Condition 22(e)(ii)(B)(3)(aa);

**"Scheduled Trading Day"** means, in respect of a Security or an Index (as applicable), (a) any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading for their respective regular trading sessions; notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or (b) with respect to a Multiple Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

**"Scheduled Valuation Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

**"Securities"** means, in relation to a Series of Notes or in relation to an Index, the equity securities, debt securities (including without limitation Government Bonds), depository receipts or other securities or property, as adjusted pursuant to this Condition 22, to which such Notes or Index, as the case may be, relate, as specified in the relevant Pricing Supplement and subject, in the case of a Series of Notes linked to Units in an ETF, to the provisions of Condition 22(l) (*Notes linked to Units in an ETF – General*) and **"Security"** shall be construed accordingly;

**"Securities Transfer Amount"** means the number of Securities per Note as specified in the relevant Pricing Supplement or if no such number is so specified, the number of Securities per Note calculated by the Calculation Agent and equal to the fraction of which the numerator is the Calculation Amount and the denominator is the Initial Price;

**"Settlement Cycle"** means, in respect of a Security or an Index, the period of Clearing System Business Days following a trade in the relevant Security or the securities underlying such Index, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period);

**"Settlement Date"** means, in relation to Securities to be delivered in respect of an Equity-Linked Note (a) in the case of Equity-Linked Notes which relate to equity securities and unless otherwise specified in the relevant Pricing Supplement, the later of (i) the Maturity Date and (ii) the date that falls one Settlement Cycle after the later of (i) the Exchange Business Day following the Valuation Date (the **"Notional Sale Date"**) (or if such day is not a Clearing System Business Day, the next following Clearing System Business Day) subject to the provisions of Condition 22(b) and (ii) the Scheduled FX Fixing Date (as postponed pursuant to Condition 9(f)) falling on or immediately after such Valuation Date (if any) or, (b) in any other case, and unless otherwise specified in the relevant Pricing Supplement, the date specified as such in the relevant Pricing Supplement, subject to adjustment in accordance with the Following Business Day Convention unless another Business Day Convention (as defined in Condition 1) is specified in the relevant Pricing Supplement. In each case, if a Settlement Disruption Event prevents delivery of such Securities on that day, then the Settlement Date shall be determined in accordance with Condition 21(b)(ii);

**"Settlement Disruption Event"** in relation to a Security or a Component Security, means an event which the Calculation Agent determines to be beyond the control of the Issuer or relevant obligor and to be an event as a result of which the relevant Clearing System cannot clear the transfer of such Security or Component Security;

**"Specified Maximum Number of Disrupted Days"** means, in relation to an Equity-Linked Note or an Index-Linked Note, the eighth Scheduled Trading Day or such other number of Scheduled Trading Days specified as such in the relevant Pricing Supplement;

**"Strike Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Strike Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 22(e) which shall apply as if such Strike Date were a Valuation Date;

**"Substitute Index"** has the meaning given in Condition 22(f)(iii);

**"Successor Index"** has the meaning given in Condition 22(f)(i) or Condition 22(j) as applicable;

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Underlying Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

**"Trading Disruption"** means (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Securities on the Exchange (in the case of an Equity-Linked Note) or on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of Index-Linked Notes), or (ii) in futures or options contracts relating to the Securities or the relevant Index on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component Security on the Exchange in respect of such Component Security, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange;

**"Transfer Notice"** means for the purposes of Equity-Linked Notes only a notice in the form from time to time approved by the Issuer, which must:

- (i) specify the name and address of the Noteholder;
- (ii) specify the number of Notes in respect of which it is the Noteholder;
- (iii) specify the number of the Noteholder's account at the relevant Clearing System to be debited with such Notes;

- (iv) irrevocably instruct and authorise the relevant Clearing System, (A) to debit the Noteholder's account with such Notes on the Settlement Date, if the Issuer elects (or has elected) the Physical Delivery provisions being applicable or otherwise on the Maturity Date and (B) that no further transfers of the Notes specified in the Transfer Notice may be made;
- (v) contain a representation and warranty from the Noteholder to the effect that the Notes to which the Transfer Notice relates are free from all liens, charges, encumbrances and other third party rights;
- (vi) specify the number and account name of the account at the relevant Clearing System to be credited with the Securities if the Issuer elects (or has elected) the Physical Delivery provisions being applicable;
- (vii) contain an irrevocable undertaking to pay the Transfer Expenses (if any) and an irrevocable instruction to the relevant Clearing System to debit on or after the Settlement Date the cash or other account of the Noteholder with the relevant Clearing System specified in the Transfer Notice with such Transfer Expenses;
- (viii) include a certificate of non-US beneficial ownership in the form required by the Issuer; and
- (ix) authorise the production of the Transfer Notice in any applicable administrative or legal proceedings;

**"Underlying Company"** means the issuer of the Security as specified in the relevant Pricing Supplement and, if the Notes are DR-Linked Notes, each of the Depository and the issuer of the relevant Underlying Security, in each case subject to adjustment in accordance with Condition 22(g), and subject, in the case of a Series of Notes linked to Units in an ETF, to the provisions of Condition 22(l) (*Notes Linked to Units in an ETF – General*);

**"Underlying Index"**, in relation to an ETF, means each index to which such ETF relates;

**"Underlying Security"** means, with respect to DR-Linked Notes and a Depository Receipt, the security and any other property to which such Depository Receipt relates;

**"Unit"**, in relation to an ETF, has the meaning given to it in the relevant Pricing Supplement;

**"Valid Date"** means, in respect of a Security or an Index (as applicable), a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur;

**"Valuation Date"** means:

- (a) in the case of a Note which relates to a single Security or Index, each date specified or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Note which relates to a basket of Securities and/or Indices, each date specified or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Valuation Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to Condition 22(e); and



"**Valuation Time**" means:

- (a) in relation to each Security to be valued or each Index (other than a Multiple Exchange Index) the level of which falls to be determined on any date, the time on such date specified as such in the relevant Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on such date in relation to such Security or Index, as applicable or such scheduled time as set out in the Index Rules. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (b) in relation to a Multiple Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

(b) ***Physical Delivery***

In relation to Equity-Linked Notes which are to be redeemed by the delivery of a Securities Transfer Amount, and subject to the other provisions of these Conditions and the relevant Pricing Supplement:

- (i)
  - (A) Each Noteholder shall, on or before the date five calendar days before the Maturity Date or the date of early termination or redemption (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations in relation to the Notes and notify to the Paying Agents and the Noteholders) send to the relevant Clearing System, in accordance with its then applicable operating procedures, and copied to the Principal Paying Agent, a duly completed Transfer Notice.
  - (B) A Transfer Notice, once delivered to the relevant Clearing System, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of a Transfer Notice following delivery of such Transfer Notice to the relevant Clearing System. A Transfer Notice shall only be valid to the extent that the relevant Clearing System have not received conflicting prior instructions in respect of the Notes which are the subject of the Transfer Notice.
  - (C) Failure properly to complete and deliver a Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided shall be made by the Principal Paying Agent and shall be conclusive and binding on the Issuer and the Noteholder.
  - (D) The Principal Paying Agent shall promptly on the local banking day following receipt of a Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.
  - (E) Delivery of the Securities will be via the relevant Clearing System. The delivery or transfer of Securities to each Noteholder is at the relevant Noteholder's risk and if delivery occurs later than the earliest possible date for delivery, no additional amounts will be payable by the Issuer.

- (F) The Issuer shall discharge its obligation to redeem the relevant proportion of the Notes by delivering, or procuring the delivery of, the Securities Transfer Amount on the Settlement Date to the Clearing System for credit to the account with the Clearing System specified in the Transfer Notice of the relevant Noteholder.
- (G) The amount of Securities to be delivered to or for the account of each Noteholder shall be an amount of Securities equal to the number of Notes in respect of which such Noteholder is the holder as specified in the relevant Transfer Notice multiplied by the Securities Transfer Amount **provided, however, that** if a Noteholder would become entitled to a number of Securities which is not equal to a board lot of the Securities at such time, as determined by the Calculation Agent, or an integral multiple thereof, then the Noteholder's entitlement to delivery of Securities shall be rounded down to the nearest whole Security.
- (H) In relation to each Noteholder, the Calculation Agent shall calculate the Residual Amount and the Residual Cash Amount. The Residual Cash Amount shall be paid by the Issuer to the relevant Noteholder on the Settlement Date.
- (I) Each Noteholder shall be required as a condition of its entitlement to delivery of Securities in respect of any Notes to pay all Transfer Expenses in respect of such Notes.
- (J) After delivery to or for the account of a Noteholder of the relevant Securities Transfer Amount and for such period of time as the transferor or its agent or nominee shall continue to be registered in any clearing system as the owner of the Securities comprised in such Securities Transfer Amount (the "**Intervening Period**"), none of such transferor or any agent or nominee for the Issuer or such transferor shall (i) be under any obligation to deliver to such Noteholder or any other person any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or such transferor, agent or nominee in its capacity as holder of such Securities, (ii) be under any obligation to exercise any rights (including voting rights) attaching to such Securities during the Intervening Period, or (iii) be under any liability to such Noteholder or any other person in respect of any loss or damage which the Noteholder or any other person may sustain or suffer as a result, whether directly or indirectly, of the Issuer or such transferor, agent or nominee being registered in such clearing system during such Intervening Period as legal owner of such Securities.
- (K) All dividends on Securities to be delivered will be payable to the party that would receive such dividends according to market practice for a sale of the Securities executed on the Notional Sale Date to be delivered in the same manner as such Securities. Any such dividends will be paid to or for credit to the account specified by the Noteholder in the relevant Transfer Notice. No right to dividends on the Securities will accrue to Noteholders prior to the Notional Sale Date.
- (L) If a properly completed Transfer Notice in respect of any Notes has not been received by the relevant Clearing System by the 10<sup>th</sup> Business Day following the Maturity Date or date of early termination or redemption (as applicable) (the "**Transfer Notice Cut-off Date**"), then:
  - (1) the Issuer shall be entitled (but not required) to redeem the relevant Notes by payment of an amount equal to the Net Liquidation Proceeds (as defined below);

- (2) the Issuer shall be entitled (but not required) to treat any Transfer Notice in relation to such Notes received after the Transfer Notice Cut-off Date as being null and void, and any such determination shall be binding on the Noteholder; and
- (3) if the Issuer elects to redeem the relevant Notes pursuant to subparagraph (1) above, then the Issuer shall pay the Net Liquidation Proceeds in respect of such Notes to the Noteholder no later than 10 Business Days after the Transfer Notice Cut-Off Date.

For these purposes "**Net Liquidation Proceeds**" means, in relation to any Notes, a cash amount equal to the proceeds received by the Issuer or any of its affiliates from the disposal of the Securities Transfer Amount relating to such Notes, net of all costs, expenses, fees and levies incurred by it or any of its affiliates in connection with such disposal (including, without limitation, all brokers' fees, transaction processing fees and all taxes and other duties). For the avoidance of doubt, in the event that the Issuer elects to redeem the Notes by payment of the Net Liquidation Proceeds, Noteholders will not be entitled to any amounts in addition to the relevant Net Liquidation Proceeds, whether in respect of interest or otherwise.

- (ii) The Calculation Agent shall determine whether or not at any time a Settlement Disruption Event has occurred in relation to any Securities and where it determines such an event has occurred and so has prevented delivery of such Securities on the original day that but for such Settlement Disruption Event would have been the Settlement Date for such Securities, then the Settlement Date for such Securities (and, in the case of a basket, without prejudice to the Settlement Date for any Securities in the basket not affected by the Settlement Disruption Event) will be the first succeeding day on which delivery of such Securities can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the eight relevant Clearing System Business Days immediately following the original date (or during such other period (the "**Disruption Period**") specified in the relevant Pricing Supplement) that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case, if the relevant Securities are debt securities, the Issuer shall use reasonable efforts to deliver such Securities promptly thereafter acting in good faith and in a commercially reasonable manner (as determined by the Calculation Agent) outside the Clearing System and in all other cases (a) if such Securities can be delivered in any other commercially reasonable manner (as determined by the Calculation Agent), then the Settlement Date will be the first Business Day on which settlement of a sale of Securities executed on that eighth relevant Clearing System Business Day, or during such other period specified in the relevant Pricing Supplement, customarily would take place using such other commercially reasonable manner (as determined by the Calculation Agent) of delivery (which other manner of delivery will be deemed the relevant Clearing System for the purposes of delivery of the relevant Securities), and (b) if such Securities cannot be delivered in any other commercially reasonable manner (as determined by the Calculation Agent), then the Settlement Date will be postponed until delivery can be effected through the relevant Clearing System or in any other commercially reasonable manner; **provided, however, that**, in all cases (whether or not the Securities are debt securities) and notwithstanding any other provision hereof, the Issuer may at any time and so long as the Settlement Disruption Event is continuing elect if it considers that the continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date, by giving notice to the Noteholders in accordance with Condition 14 (*Notices*), to satisfy its obligations in respect of the relevant Notes by payment by the Issuer (or any person (including any of its affiliates) as it may procure to make the relevant payment on its behalf)

to the relevant Noteholders of the Disruption Cash Settlement Price on the Disruption Cash Settlement Date in lieu of physical settlement.

**"Disruption Cash Settlement Date"** means the fifth Business Day following the date of the notice of the relevant election to pay the Disruption Cash Settlement Price or such other date as may be specified in such notice.

**"Disruption Cash Settlement Price"** means, in relation to any Note which is to be redeemed on the Disruption Cash Settlement Date, the Early Redemption Amount of such Notes.

- (iii) If the Calculation Agent determines that a Delivery Disruption Event has occurred, it shall notify the Issuer who shall promptly notify the relevant Noteholder(s) and the Issuer may then:
- (A) determine, in its sole and absolute discretion, a new Settlement Date such date being no later than the earlier of (i) the Scheduled Trading Day immediately following the day on which the Delivery Disruption Event has ceased to exist and (ii) the eighth Scheduled Trading Day falling after the original Settlement Date, provided, in each case such day is a Clearing System Business Day (or, if not, the Scheduled Trading Day that is a Clearing System Business Day immediately following such day);
  - (B) determine (either upon the occurrence of a Delivery Disruption Event or, if no new Settlement Date was determined prior to the eighth Scheduled Trading Day falling after the original Settlement Date pursuant to paragraph (A) above, upon such eighth Scheduled Trading Date (the **"Postponed Determination Date"**), in its sole and absolute discretion, that the obligation to deliver the relevant Securities Transfer Amount will be terminated and the Issuer will pay such amount as in the opinion of the Calculation Agent (such opinion to be made acting in good faith and in a commercially reasonable manner) is fair (i) by reference to the spot price on an Exchange for such Securities on the date of the Delivery Disruption Event (or the Postponed Determination Date, if the Issuer has first elected to apply paragraph (A) above), or if no such spot price is available (or if the Calculation Agent acting in good faith and in a commercially reasonable manner determines that such spot price materially differs from the price that would be obtained in a liquid and well-functioning market), (ii) as determined by the Calculation Agent to be the arithmetic mean of the price quoted for such Securities by investment banks appointed by the Calculation Agent that are acting in the market for the relevant Securities on the date of the Delivery Disruption Event (or the Postponed Determination Date, if the Issuer has first elected to apply paragraph (A) above) or (iii) if less than two such quotations are received, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, in each case by way of compensation for the non-delivery of the Securities Transfer Amount, in which event the entitlements of the respective Noteholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount; or
  - (C) deliver on the Settlement Date (as may have been postponed pursuant to paragraph (A) above) such amount of the Securities Transfer Amount (if any) as it can deliver on that date and the Issuer will pay such amount as in the opinion of the Calculation Agent (such opinion to be made acting in good faith and in a commercially reasonable manner) is fair (i) by reference to the spot price on an Exchange for such Securities on the date of the Delivery Disruption Event (or the Postponed Determination Date, if the Issuer has first elected to apply paragraph (A) above), or if no such spot price is available, (or if the Calculation Agent acting in good faith

and in a commercially reasonable manner determines that such spot price materially differs from the price that would be obtained in a liquid and well-functioning market) (ii) as determined by the Calculation Agent to be the arithmetic mean of the price quoted for such Securities by investment banks appointed by the Calculation Agent that are acting in the market for the relevant Securities on the date of the Delivery Disruption Event (or the Postponed Determination Date, if the Issuer has first elected to apply paragraph (A) above) or (iii) if less than two such quotations are received, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, in each case by way of compensation for the non-delivery of the remainder of the Securities Transfer Amount, in which event the entitlements of the respective Noteholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

Where this Condition 22(b)(iii) fails to be applied, insofar as the Calculation Agent determines to be practical, the same shall be applied as between the Noteholders on a *pro rata* basis, but subject to such rounding down (whether of the amount of a payment or of a number of Securities to be delivered) and also to such other adjustments as the Calculation Agent determines to be appropriate to give practical effect to such provisions.

(c) ***Automatic Early Redemption***

This Condition 22(c) is applicable only if Automatic Early Redemption Event is specified as applicable in relevant Pricing Supplement.

If on any Automatic Early Redemption Valuation Date, the Automatic Early Redemption Event occurs, then unless previously redeemed or purchased and cancelled, the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date, together with any interest accrued but unpaid thereon to the Automatic Early Redemption Date (unless otherwise specified in the relevant Pricing Supplement) immediately following such Automatic Early Redemption Valuation Date and the Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount in the relevant currency equal to the relevant Automatic Early Redemption Amount.

(d) ***Knock-in and Knock-out Provisions***

This Condition 22(d) is applicable only if "Knock-in Event" or "Knock-out Event" is specified as applicable in the relevant Pricing Supplement. If on a Knock-in Determination Day or Knock-out Determination Day, a Knock-in Event or Knock-out Event (respectively) occurs, then a Knock-in Amount or Knock-out Amount (respectively) becomes payable on the relevant Knock-in Amount Payment Date or Knock-out Amount Payment Date (respectively), all as specified as such in the relevant Pricing Supplement.

(e) ***Consequences of Disrupted Days***

For the purposes of this Condition 22(e) "**Limit Valuation Date**" shall mean, if any Valuation Date in respect of a Note is a Disrupted Day, the Specified Maximum Number of Disrupted Days following such Valuation Date, notwithstanding the fact that such day is a Disrupted Day.

(i) If any Valuation Date is a Disrupted Day, then:

(A) in the case of a Note which relates to a single Security or Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, **provided that** the Valuation Date shall not fall after the Limit Valuation Date. In that case:

- (1) in respect of an Index-Linked Note, the Limit Valuation Date will be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level of the Index as of the Valuation Time on the Limit Valuation Date determined in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security or other property on the Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and
  - (2) in respect of an Equity-Linked Note, the Limit Valuation Date shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and the Calculation Agent shall determine its good faith estimate of the value for the relevant Security as of the Valuation Time on that Limit Valuation Date;
- (B) in the case of a Note which relates to a basket of Indices and/or Securities, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index, unless each of the succeeding Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Index notwithstanding the fact that such day is a Disrupted Day relating to that Index and the Calculation Agent shall determine the level of that Index, as of the Valuation Time on the Limit Valuation Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect to the relevant security or other property on the Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and
- (C) in the case of a Note which relates to a basket of Indices and/or Securities, the Valuation Date for each Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Security affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Security, unless each of the Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Security. In that case, (1) the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Security, notwithstanding the fact that such day is a Disrupted Day, and (2) the Calculation Agent shall determine its estimate of the value for that Security as of the Valuation Time on the Limit Valuation Date.

- (ii) If Averaging Dates are specified in the relevant Pricing Supplement, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index or Security:
- (A) The Final Price or Final Index Level will be, in relation to any Valuation Date:
- (1) in respect of a Note settled by way of Cash Settlement which relates to a single Security or Index (as the case may be), the arithmetic mean of the Reference Price of the Security or (as the case may be) of the Reference Level of the Index on each Averaging Date;
  - (2) in respect of an Index-Linked Note settled by way of Cash Settlement which relates to a basket of indices, the arithmetic mean of the amounts for such basket determined by the Calculation Agent as provided in the relevant Pricing Supplement as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Index Level is so provided, the arithmetic mean of the amounts for such basket calculated on each Averaging Date as the sum of the Reference Level of each Index comprised in such basket (weighted or adjusted in relation to each Index as provided in the relevant Pricing Supplement); and
  - (3) in respect of an Equity-Linked Note settled by way of Cash Settlement which relates to a basket of Securities, the arithmetic mean of the prices for such basket determined by the Calculation Agent as provided in the relevant Pricing Supplement as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Price is so provided, the arithmetic mean of the prices for such basket calculated on each Averaging Date as the sum of the values calculated for the Securities of each Underlying Company as the product of (aa) the Reference Price of such Security and (bb) the number of such Securities comprised in such basket (weighted or adjusted in relation to each Security as provided in the relevant Pricing Supplement).
- (B) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Pricing Supplement in relation to "**Averaging Date Market Disruption**" is:
- (1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Price or Final Index Level, as applicable, **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Condition 22(e)(i) will apply for purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date, Automatic Early Redemption Date, Instalment Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option) or any other early redemption date in accordance with the Conditions or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential

Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date;

- (2) **"Postponement"**, then Condition 22(e)(i) will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date, Instalment Date, Automatic Early Redemption Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option) or any other early redemption date in accordance with the Conditions or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or
- (3) **"Modified Postponement"**, then:
  - (aa) in the case of a Note which relates to a single Index or Security, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Limit Valuation Date (as defined below) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date (the **"Scheduled Final Averaging Date"**) in relation to the relevant Scheduled Valuation Date, then the Limit Valuation Date shall be deemed to be the Averaging Date, notwithstanding the fact that such day is a Disrupted Day (irrespective of whether that Limit Valuation Date is already an Averaging Date) and:
    - (i) in respect of an Index-Linked Note, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 22(e)(i)(A)(1); and
    - (ii) in respect of an Equity-Linked Note, the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with Condition 22(e)(i)(A)(2); and
  - (bb) in the case of a Note which relates to a basket of Indices and/or Securities, the Averaging Date for each Index or Security not affected by the occurrence of a Disrupted Day shall be the day specified in the relevant Pricing Supplement as an Averaging Date in relation to the relevant Valuation Date (the **"Scheduled Averaging Date"**) and the Averaging Date for an Index or Security affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index or Security. If the first succeeding Valid Date in relation to such Index or Security has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging



Date, then the Limit Valuation Date shall be deemed to be the Averaging Date (irrespective of whether that Limit Valuation Date is already an Averaging Date) and:

- (i) in respect of an Index, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 22(e)(i)(B); and
- (ii) in respect of a Security, the Calculation Agent shall determine the relevant amount for that Averaging Date in accordance with Condition 22(e)(i)(C).

If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date, Automatic Early Redemption Date, Instalment Date, an Optional Redemption Date (Call Option), an Optional Redemption Date (Put Option) or other early redemption date or Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.

For the purposes of this Condition 22(e)(ii)(B)(3) only, "**Limit Valuation Date**" shall mean, if any Averaging Date in respect of a Note is a Disrupted Day, the specified Maximum Number of Disrupted Days following such Averaging Date, notwithstanding the fact that such day is a Disrupted Day.

If a Valuation Date is postponed (x) pursuant to this Condition 22(e) (*Consequences of Disrupted Days*) and/or (y) as a result of it not being a Scheduled Trading Day, the Scheduled FX Fixing Date falling on or immediately following the Scheduled Valuation Date may, in the Calculation Agent's discretion (i) be postponed such that the Scheduled FX Fixing Date will be deemed to occur the number of days following such postponed Valuation Date as the Scheduled FX Fixing Date would have occurred following the Scheduled Valuation Date had it not been for the postponement pursuant to this Condition 22(e) (*Consequences of Disrupted Days*) or as a result of a non-Scheduled Trading Day or (ii) if the Scheduled Valuation Date and Scheduled FX Fixing Date are the same date, be postponed to such postponed Valuation Date, provided, in each case, that if the postponed Scheduled FX Fixing Date would, as a result of this paragraph, occur on a day which is not a Relevant Currency Business Day, it will be postponed to the immediately following Relevant Currency Business Day. In respect of a Note which relates to a basket of Indices and/or Securities, the postponed Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date occurring in respect of such Scheduled Valuation Date.

If a Valuation Date is postponed (x) in accordance with this Condition 22(e) (*Consequences of Disrupted Days*) and/or (y) as a result of it not being a Scheduled Trading Day, any Disrupted Day Related Payment Date will also be postponed, if needed, such that the Disrupted Day Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the Pricing Supplement) following the later of (i) the postponed Valuation Date or, if later, the Limit Valuation Date, as applicable and (ii) the postponed Scheduled FX Fixing Date or, if later,

the FX Cut-off Date or Postponed FX Fixing Date, as applicable. In respect of a Note which relates to a basket of Indices and/or Securities, the postponed Valuation Date or Limit Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date or Limit Valuation Date, as applicable, occurring in respect of such Scheduled Valuation Date.

Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 22(e) (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Disrupted Day Related Payment Date which is so postponed shall be calculated as if such Disrupted Day Related Payment Date had not been postponed pursuant to this Condition 22(e)) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

(f) ***Adjustments to Indices***

This Condition 22(f) is applicable only in relation to Index-Linked Notes.

(i) ***Successor Index***

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that Index (the "**Successor Index**") will be deemed to be the Index.

(ii) ***Index Modification***

If on or prior to any Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or other routine events) (an "**Index Modification**"), then the Calculation Agent shall determine whether such Index Modification has a material effect on the Notes, and if so, shall make such adjustment(s) (if any) as it determines appropriate to account for the economic effect of the Index Modification with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant Index Modification, and determine the effective date of any such modification or adjustment.

(iii) ***Index Cancellation***

If on or prior to any Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date (A) the Index Sponsor fails to calculate and announce a relevant Index, (B) the Index Sponsor announces that it suspends the calculation and publication of the level of a relevant Index, or (C) the Index Sponsor permanently cancels the Index and no Successor Index exists (each an "**Index Cancellation**"), then:

- (1) the Issuer shall as soon as is reasonably practicable after determining the same give notice (an "**Index Cancellation Notice**") of such Index Cancellation to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*);

- (2) if Index Substitution is specified as being applicable in the relevant Pricing Supplement, the Issuer shall (acting in good faith and a commercially reasonable manner), determine whether or not and the date as of which the Index is to be substituted with a Substitute Index and, if it so determines, it shall give an Index Substitution Notice to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*) and, with effect from the date so determined, the Substitute Index shall be deemed to be the Index; and
- (3) if no Substitute Index has been identified within ten Business Days of the giving of such Index Cancellation Notice or if Index Substitution has not been specified as being applicable in the relevant Pricing Supplement, the Issuer shall (acting in good faith and a commercially reasonable manner), determine whether or not the relevant Notes shall continue and:
  - (A) if it determines that the Notes shall continue, then the Calculation Agent shall determine the Final Index Level for such Valuation Date, Automatic Early Redemption Valuation Date or the Reference Level for such Averaging Date, as the case may be using, in lieu of a published level of that Index, the level for that Index as at that Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date (as applicable) as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the Index Cancellation, but using only those components that comprised that Index immediately prior to that Index Cancellation; and
  - (B) if it determines that continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date, the Issuer shall terminate the relevant Notes as of the date selected by the Issuer and give notice thereof to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*), specifying the Early Redemption Amount and early redemption date, and the entitlements of the relevant Noteholders to receive the Final Redemption Amount (or any other payment to be made by the Issuer, as the case may be) shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

For these purposes:

**"Index Substitution Notice"** means a notice specifying a Substitute Index to be substituted for the Index and the date as of which such substitution is to take effect; and

**"Substitute Index"** means, in respect of an Index, a successor index identified by the Calculation Agent using commercially reasonable efforts, with characteristics, objectives and rules similar to the Index in effect immediately prior to the occurrence of the Index Cancellation with a view to produce a commercially reasonable result which will put the Issuer and the Noteholders in substantially the same economic position as prior to the relevant Index Cancellation.

- (iv) *Correction of Index Levels*

If the level of an Index published by the Index Sponsor at any time and used or to be used by the Calculation Agent for any calculation or determination under the

Notes is subsequently corrected and the correction is published by the Index Sponsor after the original publication, the Calculation Agent will make such adjustment as it determines to be appropriate, if any, to the settlement or payment terms of the Notes to account for such correction **provided that** if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable in respect of the Notes and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Issuer shall be entitled to reimbursement of the relevant excess payment (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Noteholder, together with interest on that amount for the period from and including the day on which payment was originally made to (but excluding) the day of payment of reimbursement by the Noteholder (all as calculated by the Calculation Agent). Any such reimbursement shall be effected in such manner as the Issuer shall determine.

(g) *Adjustments and Events affecting Securities*

This Condition 22(g) is applicable only in relation to Equity-Linked Notes.

(i) *Potential Adjustment Events*

The Calculation Agent shall determine whether or not at any time a Potential Adjustment Event has occurred and where it determines such an event has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Securities and, if so, will make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and/or any other adjustment(s) and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes as the Calculation Agent determines to be appropriate to account for that diluting or concentrative effect with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant Potential Adjustment Event, and determine the effective date(s) of such adjustment(s).

(ii) *Extraordinary Events*

(A) Without prejudice to Condition 22(g)(v) (*Security Substitution*) below, following the occurrence of any Extraordinary Event (other than a Delisting in respect of any Depository Receipts), the Issuer will determine whether or not the relevant Notes shall continue and, if so, determine any adjustments to be made. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, with a view to produce a commercially reasonable result which will put the Issuer and the Noteholders in substantially the same economic position as prior to the relevant Extraordinary Event, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on

such date selected by the Calculation Agent, acting in good faith and in a commercially reasonable manner.

- (B) If the Issuer determines that continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case, after having taken into account any possible adjustment pursuant to paragraph (A) above), then the Notes shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer) as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

(iii) *Conversion*

In respect of an Equity-Linked Note, following the occurrence of any Conversion, the Issuer will determine whether or not the Notes will continue and, if so, determine any adjustment(s) to be made. If the Issuer determines that the Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate with a view to producing a commercially reasonable result which will put the Issuer and the Noteholders in substantially the same economic position as prior to the Conversion, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, number of or type of shares, other securities or other property which may be delivered under such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment and determine the effective date(s) of such adjustment(s). If the Issuer determines that continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case, after having taken into account any possible adjustment pursuant to this paragraph), then the Notes shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

(iv) *Correction of Prices*

In the event that any price published or announced on a given day and utilised or to be utilised for the purpose of any calculation or determination under the Notes is subsequently corrected and the correction is published or announced by the Exchange within one Settlement Cycle after the original publication, the Calculation Agent will make such adjustment(s) as it determines to be appropriate, if any, to the amount payable in respect of the Notes and their terms to account for such correction and the Calculation Agent shall determine the effective date(s) of such adjustment(s) **provided that** if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable in respect of the Notes and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Issuer shall be entitled to reimbursement of the relevant excess payment (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Noteholder, together with interest on that amount for the period from and including the day on which payment was originally made to (but excluding) the day of payment of reimbursement by the Noteholder (all as calculated by the Calculation Agent).

Any such reimbursement shall be effected in such manner as the Issuer shall determine.

(v) *Security Substitution*

(A) If the relevant Pricing Supplement specifies Substitution of Securities to be applicable, if any Security (the "**Affected Security**") to which the relevant Note relates is affected by an Extraordinary Event (other than a Delisting in respect of any Depository Receipts) or an Additional Disruption Event occurs, then, without prejudice to any other rights that the Issuer may have under the Notes, the Issuer shall have the option to replace the Affected Security with a substitute security (the "**Substitute Security**") selected by the Calculation Agent with effect from a date selected by the Calculation Agent (the "**Substitution Reference Date**").

(B) The Substitute Security shall satisfy such criteria as the Calculation Agent determines (which may, but need not, include, without limitation, the Substitute Security belonging to a similar economic sector as the Affected Security and the Underlying Company of the Substitute Security having a similar creditworthiness to the Underlying Company of the Affected Security) with a view to produce a commercially reasonable result which will put the Issuer and the Noteholders in substantially the same economic position as prior to the relevant Substitution of Security.

(C) The Initial Price of the Substitute Security shall be determined in accordance with the following:

$$\text{Initial Price} = \text{Substitute Price} \times (\text{Affected Security Price(k)}/\text{Affected Security Price(j)})$$

where:

"**Affected Security Price(j)**" means either (i) the last closing price per share of the Affected Security on or prior to the Substitution Reference Date or (ii) an exchange traded price per share of the Affected Security on or recently prior to the Substitution Reference Date, in each case as determined by the Calculation Agent;

"**Affected Security Price(k)**" means the Initial Price per share of the relevant Affected Security as specified in the relevant Pricing Supplement; and

"**Substitute Price**" mean the official closing price per share of the relevant Substitute Security as of the Valuation Time on the date on which the Affected Security Price(j) is determined or, if such date is not a Scheduled Trading Day in respect of the Substitute Security, the next following Scheduled Trading Day in respect of the Substitute Security.

(D) If the currency of the Substitute Security is different from the currency of the Affected Security, the Calculation Agent may make such adjustments to the terms and conditions of the Notes as it determines to be appropriate to account for such difference.

(E) The Calculation Agent shall notify the Noteholders in accordance with Condition 14 (*Notices*) of the Substitute Security and of any changes to the terms and conditions of the Notes made pursuant to paragraph (D) above as soon as practicable after determining the same.

(F) In the event that (i) the Issuer determines not to substitute the Security in accordance with the provisions of this Condition 22(g)(v), or (ii) the Calculation Agent determines that it cannot substitute the Affected

Security in accordance with the provisions of this Condition 22(g)(v), the Issuer may make appropriate adjustments or redeem the Notes of the relevant Series in accordance with Condition 22(g)(ii) (*Extraordinary Events*) or Condition 22(h) (*Additional Disruption Events*), as applicable.

(h) ***Additional Disruption Events***

- (A) Without prejudice to Condition 22(g)(v) (*Security Substitution*), following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the relevant Notes shall continue and, if so, the Calculation Agent shall determine any adjustments to be made with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant Additional Disruption Event. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent.
- (B) If the Issuer determines that the continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case, after having taken into account any possible adjustment pursuant to paragraph (A) above), then the Notes shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

For the purposes any Series of Notes, "**Additional Disruption Event**" means any event specified as such in the relevant Pricing Supplement, and for such purpose the following terms if so specified shall be deemed to have the following meanings unless otherwise provided in the relevant Pricing Supplement:

- (i) "**Change in Law**" means, in relation to any Notes, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines (in its sole and absolute discretion) that (x) it will, or it will with the passing of time, or it has become illegal for the Issuer to issue, have outstanding and/or perform its obligations with respect to the Notes or (y) the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position or due to any regulation, rule or other regulatory action of any regulator of the Issuer in respect of the Notes);
- (ii) "**Failure to Deliver**" means the failure of a party to deliver, when due, the relevant Securities in respect of the Notes, where such failure is due to illiquidity in the market for such Securities; and
- (iii) "**Insolvency Filing**" means that the issuer of the Securities institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or

it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by creditors and not consented to by the issuer of the Securities shall not be deemed an Insolvency Filing.

(i) ***Adjustments where the Securities are Units in an ETF***

Where the Securities are specified in the relevant Pricing Supplement as being Units in an ETF, in the case of the occurrence at any time on or prior to the Valuation Date of any Extraordinary Event affecting the ETF or the value of the Units, the Calculation Agent may make any adjustment as provided in the preceding provisions of this Condition 22 or:

- (i) if the Calculation Agent determines that no adjustment that it could make under the preceding provisions of this Condition 22 would produce a commercially reasonable result:
  - (a) the Calculation Agent will use commercially reasonable efforts to identify a new underlying asset with characteristics, investment objectives and policies similar to those in effect for the Affected Units immediately prior to the occurrence of the relevant Extraordinary Event and any substitution of the new underlying asset for the Affected Units shall be effected at such time and in such manner as determined by the Calculation Agent; and
  - (b) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to, adjustments to account for changes in volatility, investment strategy or liquidity relevant to the Units or the Notes,

in each case with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the Extraordinary Event; or

- (ii) if the Calculation Agent determines that the continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case, after having taken into account any possible adjustment pursuant to paragraph (i) above), then the Notes shall be terminated as of the date selected by the Calculation Agent in its discretion and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount any accrued interest, as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

In this Condition 22(i) "**Affected Unit(s)**" means each Unit subject to an applicable Extraordinary Event.

(j) ***Adjustments to Indices for Inflation Rate-Linked Notes***

This Condition 22(j) is applicable only in relation to Inflation Rate-Linked Notes:

(A) *Definitions*

In this Condition:

**"Base Level"** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;



**"Fallback Bond"** means a bond selected by the Calculation Agent and issued by the government or one of the governments (but not any government agency) of the country (or countries) to whose level of inflation the relevant Inflation Index relates and which pays a coupon and/or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on the same day as the Maturity Date or such other date as the Calculation Agent shall select if there is no such bond maturing on the Maturity Date. If any bond so selected is redeemed, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond is redeemed (including any bond for which the redeemed bond is exchanged);

**"Inflation Index Level"** means the level of the Inflation Index first published or announced for the relevant Reference Month on the Relevant Screen Page, as determined by the Calculation Agent, subject to this Condition 22(j) (*Adjustments to Indices for Inflation Rate-Linked Notes*);

**"Inflation Index Sponsor"** means, the inflation index sponsor specified as such in the Pricing Supplement (being the entity that publishes or announces (directly or through an agent) the level of the Inflation Index) and any successor sponsor of such Inflation Index as determined by the Calculation Agent;

**"Latest Level"** means the latest level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated;

**"Reference Level"** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above;

**"Reference Month"** means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or amended. If the period for which the level of the Inflation Index was reported is a period other than a month, the Reference Month is the period for which the level of the Inflation Index was reported;

**"Related Bond"** means, the bond specified as such in the relevant Pricing Supplement or, if specified as applicable in the relevant Pricing Supplement and if no bond is specified as the Related Bond, the Related Bond shall be the Fallback Bond. If the bond specified to be the Related Bond redeems or matures during the term of the Inflation Rate-Linked Notes, following such redemption or maturity the Related Bond shall be the Fallback Bond;

**"Relevant Screen Page"** means the page, section or other part of a particular information service specified as such in the relevant Pricing Supplement or such other page, section or other part as may replace it on that information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the level of the Inflation Index; and

**"Substitute Index Level"** means the level of the Inflation Index, determined by the Calculation Agent pursuant to (B) below.

(B) *Delay of Publication*

If the Inflation Index Level for a Reference Month which is relevant to the calculation of an amount payable in respect of Inflation Rate-Linked Notes (a **"Relevant Level"**) has not been published or announced on the Relevant Screen Page by the day that is five Business Days prior to the relevant Interest Payment Date, Automatic Early Redemption Date, Instalment Date, Optional Redemption

Date (Call Option), Optional Redemption Date (Put Option), other early redemption date or Maturity Date, as the case may be (the "**Affected Payment Date**"), the Calculation Agent shall determine a "**Substitute Index Level**" (in place of such Relevant Level) by using the following methodology:

- (i) If Related Bond is specified as applicable in the relevant Pricing Supplement, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Payment Date as that taken by the calculation agent pursuant to the terms and conditions of the Related Bond;
- (ii) If (A) Related Bond is specified as not applicable in the relevant Pricing Supplement; or (B) the Calculation Agent is unable to determine the Substitute Index Level under (i) above for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level} / \text{Reference Level})$$

If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the relevant Interest Payment Date, Automatic Early Redemption Date, Instalment Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option), other early redemption date or Maturity Date, as the case may be, such Relevant Level will not be used in any calculations and instead the Substitute Index Level so determined pursuant to this Condition 22(j) (*Adjustments to Indices for Inflation Rate-Linked Notes*) will be the definitive level for the relevant Reference Month.

(C) *Cessation of Publication*

If a level of the Inflation Index has not been published or announced on the Relevant Screen Page for two consecutive months and/or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index, then the Calculation Agent shall determine a Successor Index (in lieu of any previously applicable Inflation Index) for the purposes of the Notes by using the following methodology:

- (i) if at any time (other than after the designation by the Calculation Agent of a date for the early redemption of the Notes pursuant to paragraph (iv) below) a successor index has been designated by the calculation agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a "**Successor Index**" for the purposes of all subsequent determinations of interest payable and/or of an Early Redemption Amount or of the Final Redemption Amount, notwithstanding that any other Successor Index may previously have been determined under the other subsections of this Condition 22(j);
- (ii) if: (1) a Successor Index has not been determined under paragraph (i) above; (2) there has been no designation of a date for the early redemption of the Notes by the Calculation Agent pursuant to paragraph (iv) below; (3) a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement index specified by the Inflation Index Sponsor; and (4) the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, then such replacement index shall be deemed to be the "**Successor Index**" for the purposes of the Notes from the date that such replacement Inflation Index comes into effect;

- (iii) if a Successor Index has not been determined by the Calculation Agent under paragraphs (i) or (ii) above (and there has been no designation by the Calculation Agent of a date for the early redemption of the Notes pursuant to paragraph (iv) below), the Calculation Agent will determine an appropriate alternative index for such relevant Valuation Date with a view to produce a commercially reasonable result which will put the Issuer and the Noteholders in substantially the same economic position as prior to the cessation of publication, and such index will be deemed a "**Successor Index**"; and
- (iv) if the Calculation Agent determines that there is no appropriate alternative index, then the Issuer may redeem or cancel all but not some only of the Notes on the date selected by the Calculation Agent at the Early Redemption Amount.

The Issuer shall notify the Noteholders of any Successor Index determined pursuant to this Condition 22(j)I (*Adjustments to Indices for Inflation Rate-Linked Notes – Cessation of Publication*).

(D) *Rebasing of the Index*

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of an Inflation Index from the date of such rebasing; **provided, however, that** the Calculation Agent shall make such adjustments as are made by the calculation agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes.

(E) *Material Modification*

If, on or prior to the day that is five Business Days before the next date which is an Interest Payment Date, the relevant Automatic Early Redemption Date, an Instalment Date, the relevant Optional Redemption Date (Call Option), the relevant Optional Redemption Date (Put Option), any other early redemption date or the Maturity Date (as the case may be), an Inflation Index Sponsor announces that it will make a material change to an Inflation Index, then the Calculation Agent shall make any such adjustments to the Inflation Index and/or the terms of the Notes consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Inflation Index to continue as the Inflation Index.

(F) *Manifest Error in Publication*

If, within thirty days of publication, but no later than the fifth Business Day prior to the relevant Interest Payment Date, relevant Automatic Early Redemption Date, an Instalment Date, the relevant Optional Redemption Date (Call Option), the relevant Optional Redemption Date (Put Option), any other early redemption date or the Maturity Date, as the case may be, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent will take such action as it may deem necessary and practicable to give effect to such correction.

(k) ***Events relating to DR-Linked Notes***

In relation to DR-Linked Notes only, if a Delisting of the Securities occurs or the Depository announces that the Deposit Agreement is (or will be) (or is at any time, whether or not announced by the Depository) terminated, then the Issuer will determine whether or not the Notes shall continue. If the Issuer determines that:

- (i) the Notes shall continue, it shall elect whether the Security shall thereafter be (x) the Replacement DRs (y) or the Underlying Security and the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the terms of the Notes (including, without limitation, any change to the notional number of Securities or/or the formula for the Final Redemption Amount) to reflect such election, and which change or adjustment(s) shall be effective on such date selected by the Calculation Agent; or
- (ii) the continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case after having taken into account any possible adjustment pursuant to paragraph (i) above), then the Notes shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Final Redemption Amount (or any other payment to be made by the Issuer) as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

(l) ***Notes Linked to Units in an ETF – General***

If the relevant Pricing Supplement specifies that the Securities in relation to a Series of Notes are Units in an ETF, then this Condition 22 shall apply to the Notes as if references therein to "**Underlying Company**" were references to the "**ETF**" and as if references therein to "**Security**" were references to "**Unit**".

**PART D2 –  
PRO FORMA PRICING SUPPLEMENT FOR EQUITY-LINKED NOTES,  
INDEX-LINKED NOTES AND, INFLATION RATE-LINKED NOTES (ALTERNATIVE NOTE  
GENERAL CONDITIONS)**

[When completing any pricing supplement, or adding any other additional terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]

**PRICING SUPPLEMENT**

Pricing Supplement dated [•]

[HSBC Bank plc

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*

/ HSBC Continental Europe]

**Programme for the Issuance of Notes and Warrants**

[Further] Issue of

[Aggregate Principal Amount of Tranche]

[Title of Notes]

[(to be consolidated and form a single series with the existing *[Insert details of existing Tranche(s)]*)  
issued pursuant to the Programme for the Issuance of Notes and Warrants]

**PART A – CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**")] and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes, including the Terms and Conditions of the Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes (the "**Conditions**") set forth in the Offering Memorandum. The Alternative Note General Conditions apply to the Notes.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Continental Europe, 38, avenue Kléber, 75116, Paris, France and [www.abouthsbc.fr/investor-relations/debt-issuance](http://www.abouthsbc.fr/investor-relations/debt-issuance)].

The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).

[EU PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or

otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Notes which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2020/2021/2021 Amended/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2020] [2021] [2021 Amended] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2020] [2021] [2021 Amended] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

*[For Notes offered and sold in the United States of America include:*

### IMPORTANT NOTICES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, the Issuer will promptly furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] / [HSBC Continental Europe]
2. Tranche number: [ ]  
*[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*
3. Currency:
  - (i) Settlement Currency: [ ] [subject to Condition 9(j) (*Payments – Conversion*)]
  - (ii) Denomination Currency: [*specify*/Settlement Currency]
4. Aggregate Principal Amount:
  - (i) Series: [ ]

- [(ii) Tranche:] [ ]
5. Principal Protected Amount [Not applicable] [[ ] per cent. of the Aggregate Principal Amount] [Accreted Principal Amount]<sup>21</sup>
6. Issue Price: [[ ] per cent. of the Aggregate Principal Amount] [plus accrued interest from [insert date] (in the case of fungible interest-bearing issues only, if applicable)] [An amount as determined by the Calculation Agent equal to [ ] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [ ].]
7. (i) Denomination(s) (Condition 2): [In respect of HBCE Notes, there should be one denomination only]<sup>22</sup>
- (ii) Calculation Amount<sup>23</sup>: [ ]
- (iii) Aggregate Nominal Rounding: Outstanding Amount [Applicable] [Not applicable]
8. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [specify] [Issue Date] [Not applicable ]
- (iii) Trade Date: [ ]
9. Maturity Date: (Condition 7(a)) [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year. In case of undated Notes, specify undated.] [adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "**Business Day**"]
10. Change of interest or redemption basis: [Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis]

<sup>21</sup> The Accreted Principal Amount should be included for any Zero-Coupon Notes that are principal protected Notes.

<sup>22</sup> If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange (i) the Permanent Global Note for definitive Notes in paragraph (c) of the Permanent Global Note - see item 22(iii) below or (ii) the Global Registered Note for Definitive Notes in paragraph (d) of the Global Registered Note - see item 24(ii) below (as applicable) - should not apply.

<sup>23</sup> The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.



**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

11. Fixed Rate Note provisions: [Applicable] [Not applicable]  
(Condition 4)  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. [per annum] [ ] [payable [annually/semi-annually/quarterly/ monthly] in arrear] [ ]
- (ii) Interest Payment Date(s): [dd/mm, dd/mm, dd/mm and dd/mm] [in each year]  
*[adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "Business Day" / [not adjusted]*
- (iii) Fixed Coupon Amount(s): [[ ] per Calculation Amount] [Not applicable]
- (iv) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)] [Not applicable / other] [*specify*]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not applicable / other (*give details*)]
- (vi) Business Centre(s): [Not applicable/*give details*]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not applicable/*give details*] (Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)
12. Floating Rate Note provisions: [Applicable] [Not applicable]  
(Condition 5)  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) [Interest Period(s)] / [specify]  
[Specified Period]<sup>24</sup>:
- (ii) Interest Payment Dates: [Not applicable – Floating Rate Convention applies] [*specify payment dates*]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (iv) Business Centre(s): [Not applicable/*give details*]

<sup>24</sup> Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

- (v) Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA (Condition 5(c)): [Applicable] [Not applicable]
- (1) Reference Rate: [[•] month] [*specify rate*]
  - (2) Interest Determination Date(s): [ ]
  - (3) Relevant Screen Page: [ ]
  - (4) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
  - (5) Relevant Financial Centre: [ ]
  - (6) Relevant Time: [ ]
  - (7) Relevant Currency: [ ]
- (vi) ISDA Determination (Condition 5(d)): [Applicable] [Not applicable]
- (1) ISDA Definitions: 2021 ISDA Definitions
  - (2) Floating Rate Option: [[•] / CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index]
- (The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (as defined in the ISDA Definitions). These are the only options envisaged by the terms and conditions.)*
- (3) Designated Maturity: [•]  
*(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
  - (4) Reset Date: [[•] / as specified in the ISDA Definitions / the first day of the relevant Interest Period]
  - (5) Compounding: [Applicable] [Not applicable]
- Compounding Method: [Compounding with Lookback  
Lookback: [•] Applicable Business Days  
[Compounding with Observation Period Shift]

- Observation Period Shift:  Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: /[Not applicable]
- [Compounding with Lockout]
- Lockout:  Lockout Period Business Days
- Lockout Period Business Days: /Applicable Business Days]
- (6) Averaging: [Applicable][Not applicable]
- (i) Averaging Method: [Averaging with Lookback]
- Lookback:  Applicable Business Days]
- [Averaging with Observation Period Shift]
- Observation Period Shift:  Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: /[Not applicable]
- [Averaging with Lockout]
- Lockout:  Lockout Period Business Days
- Lockout Period Business Days: /Applicable Business Days]
- (7) Index Provisions: [Applicable][Not applicable]
- (i) Index Method: Compounding Index Method with Observation Period Shift
- Observation Period Shift:  Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: /[Not applicable]
- (8) Applicable Benchmark: [  ] [Not applicable]
- (9) Fixing Day: [  ] [Not applicable]
- (10) Fixing Time: [  ] [Not applicable]
- (11) Any other terms relating to the ISDA Definitions: [  ] [Not applicable]
- (12) Alternative Pre-nominated Index: [  ] [*specify Alternative Pre-nominated Index details*] [Not applicable]

- (vii) Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA (Condition 5(e)):
- (1) Reference Rate: [SONIA] [SOFR] [€STR] [SORA] [TONA]
- (2) Relevant Screen Page: [ ] [Not applicable] – *This is only required if SONIA is the Reference Rate*
- (3) Interest Determination Date(s): [•] [ ] [prior to the [The][first] day of each Interest Period] [The [second][ ] [Business Day][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (Payments)) – *use for Payment Delay only*]
- (4) Determination Method: [Compounded Daily Rate][Weighted Average Rate]
- (5) Observation Method:
- (6) Y: [360 – likely to be specified for USD][365 -likely to be specified for GBP][•]
- (7) "p": [*Specify if Observation Shift (Standard Shift) or Lag are applicable*][Not applicable]
- (8) ARRC Fallbacks: [Applicable][Not Applicable] – *May be applicable if SOFR is the Reference Rate only*
- (9) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days][•] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes. – *include if Payment Delay is specified*][Not applicable]
- (10) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*][Not applicable]
- (viii) Linear Interpolation: [Not applicable] [Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [ ] shall be calculated using Linear Interpolation]
- (ix) Margin(s): [[+/-][ ] per cent. [per annum]] [Not applicable]
- (x) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/360/other (specify)]
- (xi) Minimum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xii) Maximum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]

- (xiii) Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xiv) Interest Determination Date(s): [•] [[ ]][prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day][•]] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][•]] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (Payments)) – use for Payment Delay only]
13. Zero Coupon Note provisions: [Applicable] [Not applicable]  
(Condition 6)  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [[ ] per cent [per annum]]
- (ii) Zero Coupon Note Reference Price: [ ]
- (iii) Day Count Fraction in relation to Early Redemption Amounts and late payments: [ ]
14. Equity-/Index-Linked Interest Note and other variable-linked interest Note provisions: [Applicable] [Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/formula/other variable: [give or annex details – if appropriate, cross-refer to the definition of Valuation Date in paragraph 31 below]
- (ii) Provisions for determining interest where calculated by reference to Equity/Index and/or formula and/or other variable: [ ]
- (iii) Provisions for determining interest where calculation by reference to Equity/Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]  
*[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Interest or calculation period(s): [ ]

- (v) Interest Payment Dates: [ ]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (*give details*)]
- (vii) Business Centre(s): [ ]
- (viii) Minimum Interest Rate: [[ ] per cent. [per annum]]
- (ix) Maximum Interest Rate: [[ ] per cent. [per annum]]
- (x) Day Count Fraction: [ ]
- (x) Day Count Fraction: [ ]

**PROVISIONS RELATING TO REDEMPTION**

- 15. Issuer's optional redemption (Call Option): [Applicable] [Not applicable]  
(Condition 7I) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Redemption Amount (Call Option): [[ ] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value]
  - (ii) Series redeemable in part: [[ ] per Calculation Amount (*specify — otherwise redemption will only be permitted of entire Series*)] [Fair Market Value]
  - (iii) Optional Redemption Date (Call Option): [ ]
  - (iv) Minimum Redemption Amount (Call Option): [[ ] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
  - (v) Maximum Redemption Amount (Call Option): [[ ] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
- 16. Noteholder's optional redemption (Put Option): [Applicable] [Not applicable]  
(Condition 7(d)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Redemption Amount (Put Option): [[ ] per Calculation Amount / (*specify — if not par, also specify details of any formula*)] [Fair Market Value]
  - (ii) Optional Redemption Date (Put Option): [ ]
  - (iii) Minimum Redemption Amount (Put Option): [[ ] per Calculation Amount / (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
  - (iv) Maximum Redemption Amount (Put Option): [[ ] per Calculation Amount / (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]

17. Final Redemption Amount of each Note: (Condition 7(a))  per Calculation Amount (*specify — if not par, also specify details of any formula*)
18. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Equity-Linked, Index-Linked, Inflation Rate-Linked or other variable-linked:  [Applicable]  [Not applicable]
- (i) Index/formula/other variable:  [give annex details]
- (ii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or formula and/or other variable;  [ ]
- (iii) Provisions for determining Final Redemption Amount where calculation by reference to Equity Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted:  [*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (iv) Minimum Final Redemption Amount:  [ ]
- (v) Maximum Final Redemption Amount:  [ ]
19. Instalment Notes: (Condition 7(a))  [Applicable]  [Not applicable]
- (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

Instalment Date(s) and corresponding Instalment:	Instalment Date	Instalment Amount
	<input type="checkbox"/> [ ]	<input type="checkbox"/> [ ]

20. Early Redemption:
- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): (Conditions 7(b) or 7(f))  [[100] per cent. of the Calculation Amount]  [Fair Market Value]  [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes]  [Market Value 1]  [Market Value 2]  [Principal Protected Amount]  [Highest Value (Vanilla)]  [Highest Value (Structured)]  [Accreted Principal Amount]
- (ii) Early Redemption Amount (upon redemption following an Event of Default): (Condition 11)  [[100] per cent. of the Calculation Amount]  [Fair Market Value]  [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes]  [*other (specify details)*]
- (iii) Early Redemption Amount (in case of other events giving rise to the  [[100] per cent. of the Calculation Amount]  [Fair Market Value]  [Market Value 1]  [Market Value 2]  [Principal Protected Amount]  [Highest Value

- |      |   |   |
|------|---|---|
|      | determination of an Early Redemption Amount (other than Force Majeure)) | (Vanilla) [Highest Value (Structured)] [Accreted Principal Amount] [Not applicable] |
| (iv) | Monetisation Option   | [Applicable] [Not applicable]   |
| (v)  | Other redemption provisions:  | [Specify] [Not applicable]  |
| (vi) | Other redemption provisions:  | [Specify] [Not applicable]  |

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes:  
[(Condition 2(a)) / [Condition 2]] *(The following elections apply in respect of Notes issued by HBEU or HBME:)*
- [Bearer Notes/Registered Notes/ Uncertificated Registered Notes]
- (The following applies in respect of Notes issued by HBCE only:)*
- [Bearer Dematerialised Notes]
22. [New Global Note] [(delete if Registered Note)]/ Issued under the new safekeeping structure [(delete if Bearer Note)]; [Yes/No] [Not applicable]
- (select "Not applicable" in case of Notes issued by HBCE only)*
23. If issued in bearer form: [Applicable] [Not applicable]
- (select "Not applicable" and delete (i) to (v) below in case of Notes issued by HBCE only)*
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: [Temporary] [Permanent] Global Note
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes: [Yes] [No] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note] [(specify)]
- (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation: [Yes] [No] [*If no, specify:* Paragraph I of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph I of the Permanent Global Note.]
- (iv) Coupons to be attached to Definitive Notes:<sup>25</sup> [Yes] [No] [Not applicable]
- [N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing

<sup>25</sup> Definitive Notes will typically have coupons attached to them if interest bearing.



- systems – see provisions contained in Permanent Global Note]
- (v) Talons for future Coupons to be attached to Definitive Notes:<sup>26</sup> [Yes] [No] [Not applicable]  
[N.B. The above comment also applies here]
24. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days after the Issue Date] [(specify)] [Not applicable]  
*(select "Not applicable" in case of Notes issued by HBCE)*
25. If issued in registered form (other than Uncertificated Registered Notes): [Applicable] [Not applicable]  
*(select "Not applicable" and delete sub-paragraphs below in case of Notes issued by HBCE)*
- (i) Initially represented by: [Regulation S Global Registered Note][Rule 144A Global Registered Note][Unrestricted Global Registered Note and Restricted Global Registered Note][Combined Global Registered Note][Definitive Registered Notes]
- [(ii) [Regulation S Global Registered Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Regulation S Global Registered Note][Unrestricted Global Registered Note] for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note]]
- [(ii) [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note][Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note]]
- [(ii) [Combined Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]

<sup>26</sup> Talons will be needed if there are more than 27 coupons.

26. [Masse (Condition 15 of Part B3 – Condition 15 applies. [Not applicable]  
Terms and Conditions of the Notes  
issued by HBCE):
- (i) Representative: [•] (*specify name and address*)
- [(ii) Alternative Representative: [•] (*specify name and address*)]
- (iii) Remuneration of [•]  
Representative:
27. Payments:  
(Condition 9)
- (i) Relevant Financial Centre [specify all places]  
Day:
- (ii) Payment of Alternative [Applicable] [Not applicable]  
Payment Currency  
Equivalent:
- Cross Currency [Applicable] [Not applicable]  
Exchange Rate:
  - Cross Currency: [ ] (*delete if Cross Currency Exchange Rate is not  
applicable*)
  - Cross Currency [ ] (*delete if Cross Currency Exchange Rate is not  
applicable*)  
Jurisdiction:
  - Settlement [ ]  
Currency  
Jurisdiction:
  - Alternative [ ]  
Payment Currency:
  - Alternative [ ]  
Payment Currency  
Jurisdiction:
  - Alternative [ ]  
Payment Currency  
Fixing Page:
  - Alternative [ ]  
Payment Currency  
Fixing Time:
  - Alternative [ ] [Condition 1 applies] [The relevant  
Payment Currency [jurisdictions/places] for the purposes of the  
Fixing Date: Alternative Payment Currency Fixing Date are [ ]]
  - Alternative [ ] [Not applicable]  
Payment Currency  
Exchange Rate Fall-  
Back provisions:
  - Additional [ ]  
Alternative

- Payment Currency  
Event:
- Offshore RMB [Hong Kong] [Taiwan] [Singapore] [ ] [Not Centre: applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (iii) Conversion provisions: [Applicable in respect of [[interest payments under the Notes][Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount][*other*]] [the Conversion Rate is [ ] ] [*specify further Conversion provisions*] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction:
  - Conversion Rate Business Days: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ] [Condition 1 applies]]
  - Conversion Rate Fixing Date: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]]
  - Conversion Rate Fixing Page: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]] [Condition 1 applies]]
  - Conversion Rate Fixing Time: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]]
  - Denomination Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ]]
  - Settlement Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*][ ]]

- Conversion Rate [ ] [Condition 1 applies]  
Fall-Back provisions:
  - Offshore RMB [Hong Kong] [Taiwan] [Singapore] [ ] [Not Centre: applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (iv) Underlying Currency Pair provisions: [Applicable in respect of [[interest payments under the Notes] [Final Redemption Amount]] [The Initial Underlying Currency Pair Exchange Rate is [ ]] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction [ ]
  - Reference Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Reference Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Specified Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Specified Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Underlying Currency Pair Business Days: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ]] [Condition 1 applies]
  - Underlying Currency Pair Fixing Date: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Underlying Currency Pair Fixing Page: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ]] [Condition 1 applies]
  - Underlying Currency Pair Fixing Time: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Underlying Currency Pair Exchange Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB [Hong Kong] [Taiwan] [Singapore] [ ] [Not Centre: applicable]

**Part D2 - Pro Forma Pricing Supplement for Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes  
(Alternative Note General Conditions)**

- Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (v) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9(h): [3] [ ]
  - Dealer Poll: [Applicable] [Not applicable]
  - Unscheduled Holiday and Deferral Period: [The number of the Relevant Currency Business Days for the purposes of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purposes of the Deferral Period [ ] [as per Condition 1]
  - Interest Adjustment: [Applicable][Not applicable]
- (vi) LBMA Physical Settlement provisions: Not applicable
- (vii) Physical Settlement provisions: Not applicable
28. Redenomination: (Condition 10) [Applicable] [Not applicable]
29. Other terms: [Not applicable] [*specify*] [See Annex]
- (When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)*

**PROVISIONS APPLICABLE TO INDEX-LINKED NOTES, EQUITY-LINKED NOTES**

30. Physical Delivery: [Not applicable] [Condition 22(b) [applies/does not apply]
- (i) Securities Transfer Amount: [ ]
  - (ii) Residual Amount: [ ] [Condition 22(a) applies]
  - (iii) Residual Cash Amount: [ ] [Condition 22(a) applies]
  - (iv) Settlement Date: [ ]
  - (v) Settlement Disruption Event: Condition 22(b)(ii) [applies/does not apply]
  - (vi) Disruption Period: [Condition 22(b)(ii) applies] [ ]
  - (vii) Delivery Disruption Event: Condition 22(b)(iii) [applies/does not apply]

31. Provisions for Equity-Linked Notes: [Applicable] [Not applicable]
- (i) Security(ies): [The Securities are [] (ISIN:[)] [Depository Receipts] [Units in an ETF, where "ETF" means [], "Unit" means a share or notional unit of the ETF (as defined in the ETF Documents), the price of which is denominated in []. [The Units represent undivided ownership interests in the portfolio of investments held by the ETF][*delete if not applicable*], Condition 22 shall apply to the Notes as if references therein to "**Underlying Company**" were references to the "ETF" and as if references therein to "**Security**" were references to "Unit".]
- (ii) Underlying Company(ies): [] [and with respect to the Underlying Securities []] [The ETF]
- (iii) Exchange(s): []
- (iv) Related Exchange(s): [] [All Exchanges]
- (v) Initial Price: [] [The definition in Condition 22(a) applies]
- (vi) Strike Date: [] [The definition in Condition 22(a) applies]
- (vii) Final Price: [] [The definition in Condition 22(a) applies]
- (viii) Reference Price: [] [The definition in Condition 22(a) applies]
- (ix) Potential Adjustment Event: Condition 22(g)(i) [applies/does not apply]
- Extraordinary Dividend (if other than as specified in the definition in Condition 22(a)) []
  - additional Potential Adjustment Event (for purposes of paragraph (viii) of the definition thereof) []
- (x) Extraordinary Event: Condition 22(g)(ii) [applies/does not apply]
- (xi) Conversion: (for Notes relating to Government Bonds and debt securities only) Condition 22(g)(iii) [applies/does not apply]
- (xii) Correction of prices: Condition 22(g)(iv) [applies/does not apply]
- (xiii) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law, Insolvency Filing, Failure to Deliver] [*other – give details*]] [Not applicable]
- (xiv) Substitution of Securities: [Applicable] [Not applicable]
32. Additional provisions for Equity-Linked Notes: [] [Not applicable]
33. Provisions for Index-Linked Notes: [Applicable] [Not applicable]

**Part D2 - Pro Forma Pricing Supplement for Equity-Linked Notes, Index-Linked Notes and Inflation Rate-Linked Notes  
(Alternative Note General Conditions)**

- (i) Index(ices): [ ]
- (ii) Index Sponsor: [ ] [The definition in Condition 22(a) applies]
- (iii) Index Rules: [ ] [Not applicable]
- (iv) Exchange(s): [ ] [The Index / Each of *[specify relevant indices in a basket]* is a Multiple Exchange Index]
- (v) Related Exchange(s): [ ] [All Exchanges]
- (vi) Initial Index Level: [ ] [The definition in Condition 22(a) applies]
- (vii) Final Index Level: [ ]
- (viii) Strike Date: [ ]
- (ix) Reference Level: [ ] [The definition in Condition 22(a) applies]
- (x) Adjustments to Indices: [Condition 22(f)] / [Condition 22(j)] [applies/does not apply]
- (xi) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law] [*Other – give details*]] [Not applicable]
- (xii) Index Substitution: [Applicable] [Not applicable]
- (xiii) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
34. Valuation Date(s): [ ]
- Specified Maximum Number of Disrupted Days: [ ] [Not applicable] [The definition in Condition 22(a) applies]
  - Number of local banking days for the purpose of postponing Disrupted Day Related Payment Dates pursuant to Condition 22(e): [3] [ ]
35. Valuation Time: [ ] [The definition in Condition 22(a) applies]
36. Averaging Dates: [ ] [Not applicable]
- (i) Averaging Date Market Disruption: [Omission] [Postponement] [Modified Postponement] [Not applicable] [*other (specify)*]
37. Other terms or special conditions relating to Index-Linked Notes or Equity-Linked Notes: [*specify*] [Not applicable]
- (i) Knock-in Event: [Applicable] [*Specify event or occurrence*] [If the [Final Price] [Reference Price] [Final Index Level] [Reference Level] [ ] as observed by the Calculation Agent [as of the Valuation Time] [continuously] [ ] [on a Knock-In Determination Day] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant Knock-in [Price] [Level]] [Not applicable]

- Knock-in Determination Day: [ ] [Condition 22(a) applies]
  - Knock-in Determination Period: [Applicable] [Not applicable]
  - Knock-in Period Beginning Date: [ ] [Not applicable]
  - Knock-in Period Ending Date: [ ] [Not applicable]
  - Knock-in Price/ Knock-in Level: [ ]
  - Knock-in Amount: [ ]
  - Knock-in Amount Payment Date: [ ] [Maturity Date]
- (ii) Knock-out Event: [Applicable] [(specify event or occurrence)] [If the [Final Price] [Reference Price] [Final Index Level] [Reference Level] as observed by the Calculation Agent [as of the Valuation Time] [continuously] [ ] [on a Knock-out Determination Day] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant knock-out [Price] [Level]] [Not applicable]
- Knock-out Determination Day: [ ] [Condition 22(a) applies]
  - Knock-out Determination Period: [Applicable] [Not applicable]
  - Knock-out Period Beginning Date: [ ] [Not applicable]
  - Knock-out Period Ending Date: [ ] [Not applicable]
  - Knock-out Price/ Knock-out Level: [ ]
  - Knock-out Amount: [ ]
  - Knock-out Amount Payment Date: [ ] [Maturity Date]
- (iii) Automatic Redemption Event: Early [Applicable] [If the [specify relevant security price or index level] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant Automatic Early Redemption [Price] [Level]] [Not applicable]
-



Automatic Early Redemption Valuation Date			
[ ]	Automatic Early Redemption Date	Automatic Early Redemption Rate	Automatic Early Redemption Date [Level] [Price]
	[ ]	[ ]	[ ]

- Automatic Early Redemption Amount: [ ] [as per Condition 22(a)]
- Accrued interest payable on Automatic Early Redemption Date: [Yes] [No, interest does not accrue] [*specify*]

(iv) Interest Adjustment: [Applicable] [Not applicable]

**[PROVISIONS APPLICABLE TO INFLATION RATE-LINKED NOTES ONLY]**

38. (i) Inflation Index: [ ]
- (ii) Related Bond: [Applicable [- Related Bond is [ ]]] [Not applicable] (*if applicable and nothing further is specified, then it will be the Fallback Bond*)
- (iii) Inflation Index Sponsor: [ ]
- (iv) Relevant Screen Page: [ ]
- (iv) Relevant Screen Page: [ ]

**DISTRIBUTION**

39. (i) If syndicated, names of Relevant Dealer(s): [Not applicable] [HSBC Bank plc] [*other – give name*]
- (ii) If syndicated, names [, addresses and underwriting commitments] of other Dealers (if any): [Not applicable] [*other – give name*] [*(Give addresses and underwriting commitments)*] (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.*)
40. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
41. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
42. Selling restrictions: [For Bearer Notes: TEFRA C Rules/ TEFRA D Rules/TEFRA Not applicable]

- United States of America: [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
- [Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "Transfer Restrictions"]
- 40-day Distribution Compliance Period: [Applicable]  
[Not applicable]
43. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"):
- [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
44. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"):
- [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
45. Additional U.S. federal income tax considerations:
- [Not applicable/give details] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [ ]]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] [*The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that*

*reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.]*

46. Additional selling restrictions: *[specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]*

## TRANSFER RESTRICTIONS

*[In offers of Notes pursuant to Rule 144A insert<sup>27</sup>*

Because of the following restrictions, purchasers of Notes offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes, Combined Global Registered Notes and any US Definitive Registered Notes or Combined Definitive Registered Notes (as defined in "*Part B4 - Summary of Provisions relating to the Notes while in Global Form*" in the Offering Memorandum) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE

<sup>27</sup> *Transfer Restrictions are only included for Notes offered in the United States in reliance on Rule 144A.*

STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

EITHER<sup>28</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.]

OR<sup>29</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL

<sup>28</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

<sup>29</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS NOTE OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements,

representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Note or an interest therein will not be), and is not (and for so long as it holds such Note or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Note or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975I(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 - Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]

**[PEOPLE'S REPUBLIC OF CHINA**

*[In respect of Notes linked to mainland China underlyings (including those underlying an underlying index) and baskets which contain both mainland China and China Connect underlyings but excluding those linked to China Connect Underlyings only):]*

ANY PLEDGE, SALE OR OTHER TRANSFER OF NOTES TO A PERSON THAT IS A "DOMESTIC INVESTOR", OR TO ANY PERSON USING FUNDS TO PURCHASE NOTES SOURCED FROM A "DOMESTIC INVESTOR", AS THE TERM IS DEFINED IN THE OFFERING MEMORANDUM SHALL GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE.

*[In respect of Notes linked to China Connect Underlyings:]*

ANY PLEDGE, SALE OR OTHER TRANSFER OF NOTES TO A PERSON THAT IS A "DOMESTIC INVESTOR", AS THE TERM IS DEFINED IN THE OFFERING MEMORANDUM SHALL GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE.]

**CONFIRMED**

**[HSBC BANK PLC**

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC CONTINENTAL EUROPE**

By: .....  
*Authorised Signatory*

Date: .....

## PART B – OTHER INFORMATION

### 1. LISTING

(i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin. No assurance can be given as to whether or not, or when, such application will be granted]

[Not applicable]

(ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from the [Issue Date] [ ]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

(iii) Estimated total expenses of admission to trading: [*specify amount*] [Not applicable]

### 2. RATINGS

Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]

[*specify rating and rating agency*]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]<sup>30</sup>

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Dealer(s)/distributors in respect of the Notes [as of (or around) the Issue Date] (the "**Distributors**")/*specify other*]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Dealer(s)/Distributor(s)/*specify other*] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

### 4. [*Fixed Rate Notes only – YIELD*]<sup>31</sup>

Indication of yield: [[ ] per cent. per annum] [Calculated as (*include details of method of calculation in summary form*) on the Issue Date]<sup>32</sup>

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

<sup>30</sup> For unlisted Notes delete this paragraph.

<sup>31</sup> For unlisted Notes delete this paragraph.

<sup>32</sup> Not required for debt securities with a denomination per unit of at least EUR 100,000.



5. **[Index-Linked, Equity-Linked, Inflation Rate-Linked or other variable-linked Interest Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>33</sup>**

(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained).

6. **REASONS FOR THE OFFER**

[The Notes are "Green Notes" and an amount equivalent to the net proceeds from the sale of the Notes will be used as described in "Part A - Green Notes" in the Offering Memorandum. The Applicable Framework is the [HSBC Green Bond Framework][Specify other].]

**OPERATIONAL INFORMATION**

7. ISIN Code:  [Not applicable]
8. Common Code:  [Not applicable]
9. CUSIP:  [Not applicable]
10. Valoren Number:  [Not applicable]
11. SEDOL:  [Not applicable]
12. WKN:  [Not applicable]
13. Other identifier / code:  [Not applicable]
14. Intended to be held in a manner which would allow Eurosystem eligibility:<sup>34</sup>  [Yes]  [No]  [Not applicable]

[[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)[include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [include this text if "yes" selected]

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes

<sup>33</sup> For unlisted Notes delete this paragraph.

<sup>34</sup> Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB requirements, in order to be eligible as collateral a security must, amongst other things, be denominated in Euros and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg Euro MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "no" selected]*

15. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST]/ Euroclear France/[None]/[specify other]
16. Central Depository: [Euroclear France] [Not Applicable]  
*(Select Euroclear France for Notes issued by HBCE)*
17. Delivery: Delivery [against/free of] payment
18. Settlement procedures: [Eurobond]/[Medium Term Note]/*[other (specify)]*
19. Additional Paying Agent(s) (if any): [None]/*[specify]*
20. Common Depository: [HSBC Bank plc] [Not applicable]
21. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] *[specify]*
22. ERISA Considerations: [ERISA prohibited] [ERISA terms applicable]
23. [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE:]  
*[Applicable]*  
*(If the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE is contemplated, delete this paragraph)*

**PART D3 –  
ADDITIONAL PROVISIONS RELATING TO EQUITY-LINKED WARRANTS, INDEX-  
LINKED WARRANTS AND INFLATION-RATE LINKED WARRANTS**

The following additional conditions shall be deemed to be added as Conditions 18 and 19 (the "**Additional Terms and Conditions of Equity-Linked Warrants, Index-Linked Warrants and Inflation Rate-Linked Warrants**") to terms and conditions set out in the section headed "*Part C1 - Terms and Conditions of the Warrants*" appearing in "*Part C – Information relating to the Warrants Generally*" of this Offering Memorandum in respect of any issue of Equity-Linked Warrants, Index-Linked Warrants and Inflation Rate-Linked Warrants.

The terms and conditions of the Equity-Linked Warrants, Index-Linked Warrants and Inflation Rate-Linked Warrants (the "**Terms and Conditions of the Equity-Linked Warrants, Index-Linked Warrants and Inflation Rate-Linked Warrants**") shall consist of Conditions 18 and 19 and, in each case, the terms and conditions set out in the section headed "*Part C1 - Terms and Conditions of the Warrants*" appearing in "*Part C - Information relating to the Warrants Generally*" of this Offering Memorandum, as amended or supplemented by the terms of each Tranche of Warrants set out in the Pricing Supplement.

**18. Provisions relating to Equity Linked Warrants, Index Linked Warrants and Inflation Rate-Linked Warrants**

As used in this Condition 18 and Condition 19, and in respect of Equity Linked Warrants, Index Linked Warrants and Inflation Rate-Linked Warrants, and unless otherwise provided in the relevant Pricing Supplement, the following expressions shall have the following meanings:

"**Additional Disruption Event**" has the meaning ascribed thereto in Condition 19(e);

"**Applicable Hedge Positions**" means, in respect of each Security, the purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) that a Hypothetical Broker Dealer would consider necessary to hedge the equity price risk or currency risk of entering into and performing its obligations in respect of the Warrants;

"**Alternative Exchange**" means, in relation to any Securities, an exchange or quotation system on which the Securities are re-listed, re-traded or re-quoted and which is located in the same country as the Exchange (or, where the Exchange is within the European Union or the United Kingdom, in any member state of the European Union or the United Kingdom), unless (in any such case) the Calculation Agent determines that the listing, trading or quotation on such exchange or quotation system will materially alter the risk profile of the Warrants (in which case such exchange or quotation system shall not constitute an "**Alternative Exchange**");

"**Averaging Date**" means:

- (a) in the case of a Warrant which relates to a single Security or Index, in respect of each Valuation Date, each date specified as such or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Warrant which relates to a Basket, in respect of each Valuation Date, each date specified as such or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the basket, the Averaging Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 19(b);

"**Basket**" means, (i) in respect of an Index Basket Warrant, a basket composed of each Index specified in the relevant Pricing Supplement in the relative proportions indicated in the Pricing Supplement, (ii) in the case of a Security Basket Warrant, a basket composed of Securities of each Underlying Company specified in the relevant Pricing Supplement in the relative proportions and numbers of Securities of each Underlying Company indicated in the Pricing Supplement and, (iii)

in the case of a Mixed Basket Warrant, a basket composed of each Index and Securities of each Underlying Company specified in the relevant Pricing Supplement, in the relative proportions (and, in the case of Securities, the relative number of Securities of each Underlying Company indicated in the Pricing Supplement);

**"China Connect"** means any securities trading and clearing links developed or to be developed by SEHK, any such China Connect Market, the HKSCC and the CSDCC for the establishment of mutual market access between SEHK and any such China Connect Market;

**"China Connect Business Day"** means any Scheduled Trading Day on which the China Connect Service is open for order-routing during its regular order-routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time;

**"China Connect Disruption"** means (a) any suspension of or limitation imposed on routing of orders (including in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service, relating to the Securities on the Exchange (or in the case of an Index or basket of Indices, relating to Component Securities that comprise 20 per cent. or more of the level of the relevant Index) or (b) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of the market participants in general to enter orders in respect of Securities through the China Connect Service (or in the case of an Index or basket of Indices, in Component Securities that comprise 20 per cent. or more of the level of the relevant Index);

**"China Connect Early Closure"** means the closure on any China Connect Business Day of the China Connect Service (**provided that**, in the case of an Index or basket of Indices, Component Securities that comprise 20 per cent. or more of the level of the relevant Index are securities that are order-routed through the China Connect Service) prior to its Scheduled Closing Time unless such earlier closing time is announced by SEHK or the Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for order-routing through the China Connect Service on such China Connect Business Day and (ii) the submission deadline for orders to be entered into the China Connect Service system for execution on the Exchange at the Valuation Time on such China Connect Business Day;

**"China Connect Market"** means any stock exchange in mainland China which is acceptable to the SEHK under the securities trading and clearing links programme developed or to be developed by SEHK, any such China Connect Market, the HKSCC and the CSDCC for the establishment of mutual market access with SEHK and any such China Connect Market;

**"China Connect Service"** means the securities trading and clearing links programme developed by the Exchange, China Connect Market, CSDCC and HKSCC, through which (i) SEHK and/or its affiliates provide order-routing and other related services for certain eligible securities traded on the China Connect Market and (ii) CSDCC and HKSCC provide clearing, settlement, depository and other services in relation to such securities;

**"China Connect Underlying"** means eligible securities listed and traded on a China Connect Market under China Connect;

**"Clearing System Business Day"** means, in relation to any Securities, any day on which the principal domestic clearing system customarily used for settling trades in such Securities is (or, but for the occurrence of an event beyond the control of the Issuer as a result of which such clearing system cannot clear the transfer of such securities, would have been) open for the acceptance and execution of settlement instructions;

**"Component Security"** means, with respect to an Index, each component security of that Index.;

**"Conversion"** means, in respect of any Securities, any irreversible conversion by the Underlying Company of such Securities into other securities;

**"CSDCC"** means China Securities Depository and Clearing Corporation;

**"Delisting"** means (a) that the Exchange announces that, pursuant to the rules of such Exchange, the Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any

reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an Alternative Exchange or (b) that the Calculation Agent determines that listing or trading of Securities on the Exchange (or an Alternative Exchange) has not commenced and will not commence in the foreseeable future prior to the Expiry Date of the Warrants;

**"Deposit Agreement"** means, in relation to each Depository Receipt, the agreement(s) or other instrument(s) constituting such Depository Receipt, as from time to time amended or supplemented;

**"Depository"** means, in relation to a Depository Receipt, the issuer of such Depository Receipt as appointed under the Deposit Agreement, including its successors from time to time;

**"Depository Receipt(s)"** means any Security specified as such in the relevant Pricing Supplement **provided that** if the relevant Deposit Agreement is terminated at any time, any reference to any Depository Receipt(s) shall thereafter be construed as a reference to the relevant Underlying Securities or relevant Replacement DRs, as applicable and as determined by the Calculation Agent pursuant to Condition 19(j) (*Events relating to DR-Linked Warrants*);

**"Disrupted Day"** means (a) any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session, or, in relation to China Connect Underlying, on which the China Connect Service fails to open for order routing during its regular order-routing session, or on which a Market Disruption Event has occurred; or (b) if the Warrants are Multiple Exchange Index-Linked Warrants, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred;

**"Disrupted Day Related Payment Date"** means any payment date on the Warrants on which the amount payable is calculated by reference to the price or level (as applicable) of a Security, Index, basket of Securities or basket of Indices determined on the related Valuation Date or Limit Valuation Date;

**"DR-Linked Warrants"** means a Series of Security Warrants which relate to one or more Securities which are Depository Receipts;

**"Early Closure"** means (a) the closure on any Exchange Business Day of the relevant Exchange (in the case of Equity-Linked Warrants) or any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of Index-Linked Warrants) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or (b) if the Warrants are Multiple Exchange Index-Linked Warrants, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

**"Equity-Linked Warrant"** means a Series of Warrants in respect of which an amount, which shall be calculated by reference to the value of a Security or Securities and/or a formula, is payable;

**"ETF"** means the exchange traded fund or similarly traded or listed fund as specified in the relevant Pricing Supplement;

**"ETF Adviser"** means, with respect to an ETF, any person appointed in the role of discretionary investment manager or non-discretionary investment manager (including a non-discretionary investment manager to a discretionary investment manager or to another non-discretionary investment manager), as provided in the related ETF Documents;

"**ETF Documents**" means, in relation to any ETF, the constitutive and governing documents, subscription agreements and other agreements of such ETF specifying the terms and conditions relating to such ETF, in each case as amended or supplemented from time to time;

"**Exchange**" means (a) with respect to a Security or an Index, each exchange or quotation system specified as such in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Security or the components of the Index, as the case may be, has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Security or components, as the case may be, as on the original Exchange); or (b) in the case of a Multiple Exchange Index and each relevant Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent (which exchange or quotation system as of the Issue Date may be specified as such in the relevant Pricing Supplement); **provided, however, that** if the Exchange (the "**Original Exchange**") announces that, pursuant to the rules of such Exchange, any Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and the Securities are re-listed, re-traded or re-quoted on an Alternative Exchange, then, so long as the Securities are not listed, traded or publicly quoted on the Original Exchange, such Alternative Exchange shall be the "**Exchange**" in relation to such Securities;

"**Exchange Business Day**" means (a) any Scheduled Trading Day on which each Exchange and any relevant Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or (b) with respect to a Multiple Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time;

"**Exchange Disruption**" means (a) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for the Securities on the Exchange (in the case of an Equity-Linked Warrant) or on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of an Index-Linked Warrant), or (ii) to effect transactions in, or obtain market values for, future or options contracts relating to the Securities (in the case of an Equity-Linked Warrant) or the relevant Index (in the case of an Index-Linked Warrant) on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) futures or options contracts relating to the Index on the relevant Related Exchange;

"**Exercise Date**" means, in respect of any Warrant, the day on which an Exercise Notice relating to that Warrant is delivered in accordance with the provisions of Condition 5(a) (*Exercise Procedure – Exercise Notice*) or, if Automatic Exercise is specified as applicable in the relevant Pricing Supplement, the Expiry Date, in accordance with the provisions of Condition 4(i) (*Automatic Exercise*); **provided, however, that:**

- (i) if the Exercise Notice is delivered (A) on any day which is not a Business Day or (B) after 10.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located) on any Business Day, then, in either such case, the Exercise Date shall be the next succeeding day which is a Business Day; and
- (ii) except as provided in (i) above, the Exercise Date may not be later than the Expiry Date;

"**Expiry Date**" means the date specified as such in the relevant Pricing Supplement, **provided, however, that:**

- (X) if Automatic Exercise is specified as not applicable in the relevant Pricing Supplement:
  - (i) if the Valuation Date on or immediately preceding the Expiry Date is postponed (x) pursuant to the provisions of Condition 19(b) and/or (y) as a result of it not

- being a Scheduled Trading Day, the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall one Business Day following the later of (i) the postponed Valuation Date or, if later, the Limit Valuation Date, as applicable and (ii) the postponed Scheduled FX Fixing Date, or if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable. In respect of a Warrant which relates to a Basket, the postponed Valuation Date or Limit Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date or Limit Valuation Date, as applicable, occurring in respect of such Scheduled Valuation Date; and
- (ii) if the Scheduled FX Fixing Date on or immediately preceding the Expiry Date is postponed pursuant to the provisions of Condition 5(g) (Price Source Disruption and FX Disruption) (but the Valuation Date is not also postponed), then the Expiry Date shall be the Business Day immediately following the later of (i) the Valuation Date and (ii) the postponed Scheduled FX Fixing Date, or if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable; and
- (Y) if Automatic Exercise is specified as applicable in the relevant Pricing Supplement:
- (i) if the Valuation Date on or immediately preceding the Expiry Date is postponed (x) pursuant to the provisions of Condition 19(b) and/or (y) as a result of it not being a Scheduled Trading Day, the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall on the later of (i) the postponed Valuation Date or, if later, the Limit Valuation Date, as applicable and (ii) the postponed Scheduled FX Fixing Date, or if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable. In respect of a Warrant which relates to a Basket, the postponed Valuation Date or Limit Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date or Limit Valuation Date, as applicable, occurring in respect of such Scheduled Valuation Date; and
  - (ii) if the Scheduled FX Fixing Date on or immediately preceding the Expiry Date is postponed pursuant to the provisions of Condition 5(g) (*Price Source Disruption and FX Disruption*) (but the Valuation Date is not also postponed), then the Expiry Date shall fall on the later of (i) the Valuation Date and (ii) the postponed Scheduled FX Fixing Date, or if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable;

**"Extraordinary Dividend"** means the amount per Security specified or otherwise determined as provided in the relevant Pricing Supplement or, if no such amount is so specified or determined, any dividend or the portion of any dividend which the Calculation Agent determines should be characterised as an Extraordinary Dividend;

**"Extraordinary ETF Event"** means, in the determination of the Calculation Agent, the occurrence or existence of any of the following:

- (i) the ETF (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not

dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) to (E) above;

- (ii) the ETF has violated any leverage restriction that is applicable to, or affecting, such ETF or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the ETF Documents or any contractual restriction binding on or affecting the ETF or any of its assets;
- (iii) the resignation, termination or replacement of the ETF Adviser (as defined below);
- (iv) any change or modification of the ETF Documents that could reasonably be expected to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Issue Date;
- (v) any breach or violation of any strategy or investment guidelines stated in the ETF Documents that is reasonably likely to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent);
- (vi) the Issuer, or any of its affiliates, is unable, or it is impractical for it, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to the Units of entering into and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (1) any restrictions or increase in charges or fees imposed by the ETF on any investor's ability to redeem the Units, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Units, or (2) any mandatory redemption, in whole or in part, of such Units imposed by the ETF (in each case other than any restriction in existence on the Issue Date);
- (vii) (A) cancellation, suspension or revocation of the registration or approval of the Units or the ETF by any governmental, legal or regulatory entity with authority over the Units or the ETF, (B) any change in the legal, tax, accounting or regulatory treatments of the ETF or the ETF Adviser that is reasonably likely to have an adverse impact on the value of the Units or on any investor therein (as determined by the Calculation Agent), or (C) the ETF or the ETF Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of the ETF;
- (viii) (A) the occurrence of any event affecting the Units that, in the determination of the Calculation Agent, would make it impossible or impracticable to determine the value of the Units, and such event is likely, in the determination of the Calculation Agent, to continue for the foreseeable future; or (B) any failure of the ETF to deliver, or cause to be delivered (1) information that the ETF has agreed to deliver, or cause to be delivered to the Issuer and/or Calculation Agent or (2) information that has been previously delivered to the Issuer and/or Calculation Agent in accordance with the ETF's, or its authorised representative's, normal practice and that the Issuer and/or Calculation Agent deems necessary for it to monitor the ETF's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Units;
- (ix) on or after the Strike Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation



of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal to hold, acquire or dispose of the Units, or (Y) the Issuer will incur a materially increased cost in performing its obligations under the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

- (x) the Issuer would incur a materially increased (as compared with circumstances existing on the Strike Date) amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to the Units of entering into and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Extraordinary ETF Event; and
- (xi) (A) the cancellation or cessation of any Underlying Index or (B) a material change in the formula for or the method of calculating or any other material modification to any Underlying Index (other than a modification prescribed in that formula or method to maintain such Underlying Index in the event of changes in constituent stock and capitalisation and other routine events) or (C) the relevant sponsor of any Underlying Index fails to calculate and announce such Underlying Index;

**"Extraordinary Event"** means (a) in all cases other than where the Pricing Supplement specifies that the Securities are Units in an ETF, a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting (b) in the case where the Pricing Supplement specifies that the Securities are Units in an ETF, a Merger Event, Nationalisation, Insolvency, Delisting or Extraordinary ETF Event;

**"Final Index Level"** means, with respect to an Index and a Valuation Date, the level determined as provided in the relevant Pricing Supplement or, if no such level is so provided (a) the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Valuation Date or (b) with respect to a Multiple Exchange Index, the official closing level of the Index on the Valuation Date as calculated and published by the Index Sponsor or (c) if Averaging Dates are specified in the relevant Pricing Supplement in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded up to four decimal places (with 0.00005 being rounded up)) of the Reference Level on such Averaging Dates;

**"Final Price"** means, with respect to a Security and a Valuation Date, the price determined as provided in the relevant Pricing Supplement, or if no such price is so provided (a) the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Valuation Date or (b) if Averaging Dates are specified in the relevant Pricing Supplement in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded up to four decimal places (with 0.00005 being rounded up)) of the Reference Prices on such Averaging Dates, **provided, however, that** if "Realisable Sale Price" is specified as applicable in the relevant Pricing Supplement, Final Price shall be determined in accordance with the definition of Realisable Sale Price set out in this Condition 18 (*Provisions relating to Equity Linked Warrants, Index Linked Warrants and Inflation Rate-Linked Warrants*);

**"ETF"** means the exchange traded fund or similarly traded or listed fund as specified in the relevant Pricing Supplement;

**"ETF Adviser"** means, with respect to an ETF, any person appointed in the role of discretionary investment manager or non-discretionary investment manager (including a non-discretionary investment manager to a discretionary investment manager or to another non-discretionary investment manager), as provided in the related ETF Documents;

**"ETF Documents"** means, in relation to any ETF, the constitutive and governing documents, subscription agreements and other agreements of such ETF specifying the terms and conditions relating to such ETF, in each case as amended or supplemented from time to time;

**"Government Bonds"** means, in relation to a Series of Warrants, bonds or any other debt securities issued by a government, government agency or subdivision or a transnational or supranational organisation as specified in the relevant Pricing Supplement and **"Government Bond"** shall be construed accordingly;

**"Hypothetical Broker Dealer"** means a hypothetical broker dealer which is (i) subject to the same securities laws and rules and regulations of any securities regulators, exchanges and self-regulating organisations as apply to the Issuer or any affiliate designated by it and (ii) domiciled in the same tax jurisdiction as the Issuer or its such designated affiliates;

**"Index"** means, in relation to a Series of Warrants, the index to which such Series of Warrants relates (other than an Inflation Index), as specified in the relevant Pricing Supplement, subject to adjustment pursuant to Condition 19, and **"Indices"** shall be construed accordingly;

**"Index Basket Warrants"** means a Series of Warrants relating to a basket of Indices, as specified in the relevant Pricing Supplement;

**"Index-Linked Warrant"** means a Series of Warrants in respect of which an amount calculated by reference to an Index or Indices and/or formula is payable (as indicated in the relevant Pricing Supplement), but excluding Inflation Rate-Linked Warrants;

**"Index Rules"** means the rules of the Index Sponsor in relation to the Index specified as such in the relevant Pricing Supplement;

**"Index Sponsor"** means the corporation or other entity specified as such in the relevant Pricing Supplement and any successor corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Scheduled Trading Day;

**"Index Substitution Notice"** has the meaning given in Condition 19(c)(iii);

**"Index Warrants"** means a Series of Warrants relating to a single Index, as specified in the relevant Pricing Supplement including Inflation Rate-Linked Warrants;

**"Inflation Index"** means, in relation to a Series of Warrants, the inflation index to which such Series of Warrants relates, as specified in the relevant Pricing Supplement, subject to adjustment pursuant to Condition 19, and **"Inflation Indices"** shall be construed accordingly;

**"Inflation Rate-Linked Warrant"** means a Warrant in relation to which the cash settlement amount or any other amount payable thereon is determined by reference to an inflation rate, inflation rates or other inflation rate-dependent variables (as indicated in the relevant Pricing Supplement);

**"Initial Index Level"** means, with respect to an Index, the level specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if no such level is so specified or otherwise determined, the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date or, with respect to a Multiple Exchange Index, the official closing level of the Index on the Strike Date as calculated and published by the Index Sponsor each as rounded up to four decimal places (with 0.00005 being rounded up);

**"Initial Price"** means, with respect to a Security, the price specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if no such price is so specified or otherwise determined, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date each as rounded up to four decimal places (with 0.00005 being rounded up);

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Company, (A) all the Securities of that Underlying Company are required to be transferred to a

trustee, liquidator or other similar official or (B) holders of the Securities of that Underlying Company become legally prohibited from transferring them;

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited;

"**Knock-in Amount**" means the cash settlement amount or other amount as specified as such in the relevant Pricing Supplement;

"**Knock-in Amount Payment Date**" means such date as specified in the relevant Pricing Supplement;

"**Knock-in Determination Day**" means:

- (a) in the case of a Warrant which relates to a single Security or Index, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), or if Knock-in Determination Period is specified in the relevant Pricing Supplement as being applicable, each Scheduled Trading Day during the Knock-in Determination Period; or
- (b) in the case of a Warrant which relates to a Basket, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the Basket, the Knock-in Determination Day in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index), or if Knock-in Determination Period is specified in the relevant Pricing Supplement as being applicable, each date in respect of each Security or Index (as applicable) comprising the Basket which is a Scheduled Trading Day in respect of such Security or Index during the Knock-in Determination Period,

in each case subject to the provisions of Condition 19(b) which shall apply as if such Knock-in Determination Day were a Valuation Date;

"**Knock-in Determination Period**" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

"**Knock-in Event**" means (unless otherwise specified in the relevant Pricing Supplement) that the price of the Security or, as the case may be, the level of the Index, determined by the Calculation Agent as of the Valuation Time or, if specified as such in the relevant Pricing Supplement, observed by the Calculation Agent continuously on any Knock-in Determination Day is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price or, as the case may be, the Knock-in Level;

"**Knock-in Level**" means the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

"**Knock-in Period Beginning Date**" means:

- (a) in the case of a Warrant which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Warrant which relates to a Basket, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the Basket, the Knock-in Period Beginning Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 19(b) which shall apply as if such Knock-in Period Beginning Date were a Valuation Date;

**"Knock-in Period Ending Date"** means:

- (a) in the case of a Warrant which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Warrant which relates to a Basket, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the Basket, the Knock-in Period Ending Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 19(b) which shall apply as if such Knock-in Period Ending Date were a Valuation Date;

**"Knock-in Price"** means the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

**"Knock-out Amount"** means the cash settlement amount or other amount as specified as such in the relevant Pricing Supplement;

**"Knock-out Amount Payment Date"** means such date as specified in the relevant Pricing Supplement;

**"Knock-out Determination Day"** means:

- (a) in the case of a Warrant which relates to a single Security or Index, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), or if Knock-out Determination Period is specified in the relevant Pricing Supplement as being applicable, each Scheduled Trading Day during the Knock-out Determination Period; or
- (b) in the case of a Warrant which relates to a Basket, each date specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the Basket, the Knock-out Determination Day in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index) or if Knock-out Determination Period is specified in the relevant Pricing Supplement as being applicable, each date in respect of each Security or Index (as applicable) comprising the Basket which is a Scheduled Trading Day in respect of such Security or Index during the Knock-out Determination Period,

in each case subject to the provisions of Condition 19(b) which shall apply as if such Knock-out Determination Day were a Valuation Date;

**"Knock-out Determination Period"** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**"Knock-out Event"** means (unless otherwise specified in the relevant Pricing Supplement) that the price of the Security or, as the case may be, the level of the Index, determined by the Calculation Agent as of the Valuation Time or, if specified in the relevant Pricing Supplement, observed by the Calculation Agent continuously on any Knock-out Determination Day is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Price or, as the case may be, Knock-out Level;

**"Knock-out Level"** means the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

**"Knock-out Period Beginning Date"** means:

- (a) in the case of a Warrant which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Warrant which relates to a Basket, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the Basket, the Knock-out Period Beginning Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 19(b) which shall apply as if such Knock-out Period Beginning Date were a Valuation Date;

**"Knock-out Period Ending Date"** means:

- (a) in the case of a Warrant which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Warrant which relates to a Basket, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the Basket, the Knock-out Period Ending Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 19(b) which shall apply as if such Knock-out Period Ending Date were a Valuation Date;

**"Knock-out Price"** means the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

**"Market Disruption Event"** means (a) the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, (iii) in relation to China Connect Underlying, a China Connect Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time or (iv) an Early Closure or in relation to China Connect Underlying, a China Connect Early Closure **provided that** for the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a component of the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event; or (b) with respect to a Multiple Exchange Index, either:

- (i) the occurrence or existence, in respect of any Component Security, of (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (i) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time at which the relevant price or level triggers the Knock-in Level or the Knock-out Level, as the case may be, or (ii) in all other circumstances, ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, OR (cc) an Early Closure and, in relation to a Component Security which is a China Connect Underlying, a China Connect Early Closure; AND (2) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR
- (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index of: (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (i) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time at which the relevant price or level triggers the Knock-in Level or the

Knock-out Level, as the case may be, or (ii) in all other circumstances, ends at the relevant Valuation Time in respect of the Related Exchange; or (cc) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of a Multiple Exchange Index at any time, if a Market Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data";

**"Merger Event"** means in respect of any relevant Securities, any (i) reclassification or change of such Securities that results in a transfer of or an irrevocable commitment to transfer all of such Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Underlying Company with or into another entity or person (other than a consolidation, amalgamation or merger in which such Underlying Company is the continuing entity and which does not result in a reclassification or change of all of such Securities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Securities of the Underlying Company that results in a transfer of or an irrevocable commitment to transfer all such Securities (other than such Securities owned or controlled by such other entity or person) or (iv) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all of such Securities outstanding but results in the outstanding Securities (other than Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Securities immediately following such event, in each case if the closing date of a Merger Event (or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent) is on or before the final Valuation Date.

If the Warrants are DR-Linked Warrants, **"Merger Event"** shall include the occurrence of any of the events described in (i) to (iv) (inclusive) above in relation to the relevant Underlying Securities;

**"Mixed Basket Warrant"** means a Warrant relating to a basket of Indices and Securities, as specified in the relevant Pricing Supplement;

**"Multiple Exchange Index"** means an Index identified or specified as such in the relevant Pricing Supplement;

**"Multiple Exchange Index-Linked Warrants"** means Warrants which relate to a Multiple Exchange Index;

**"Nationalisation"** means that all the Securities (or, if the Warrants are DR-Linked Warrants, the relevant Underlying Securities) or all or substantially all the assets of an Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;

**"Potential Adjustment Event"** means (i) a subdivision, consolidation or reclassification of relevant Securities (unless resulting in a Merger Event), or a free distribution or dividend of any such Securities to existing holders whether by way of bonus, capitalisation or similar issue; or (ii) a distribution, issue or dividend to existing holders of the relevant Securities of (A) such Securities or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of such Securities or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; or (iii) an Extraordinary Dividend; or (iv) a call by the Underlying Company in respect of relevant Securities that are not fully paid; or (v) a repurchase by the Underlying Company or any of its subsidiaries of relevant Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (vi) in respect of the Underlying Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock

of the Underlying Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Securities; or (viii) any other event specified as such in the relevant Pricing Supplement;

With respect to Depository Receipts, "**Potential Adjustment Event**" shall also include (x) the occurrence of any of the events described in (i) to (viii) (inclusive) above in respect of the relevant Underlying Securities, **provided that** the occurrence of any of the events described in (i) to (vi) (inclusive) in respect of the relevant Underlying Securities shall not constitute a Potential Adjustment Event unless, the Calculation Agent determines that such event has a diluting or concentrative effect on the theoretical value of the Securities and (y) the making of any amendment or supplement to the terms of the Deposit Agreement;

"**Potential Exercise Date**" means each date specified as such in the Pricing Supplement or if such date is not a Business Day, the next succeeding date that is a Business Date, **provided, however, that**, if the:

- (i) Valuation Date on or immediately preceding the Potential Exercise Date is postponed (x) pursuant to the provisions of Condition 19(b) and/or (y) as a result of it not being a Scheduled Trading Day, the Potential Exercise Date will be postponed, if needed, such that the Potential Exercise Date shall fall one Business Day following the later of (i) the postponed Valuation Date or, if later, the Limit Valuation Date, as applicable and (ii) the postponed Scheduled FX Fixing Date, or if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable. In respect of a Warrant which relates to a Basket, the postponed Valuation Date or Limit Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date or Limit Valuation Date, as applicable, occurring in respect of such Scheduled Valuation Date; and
- (ii) Scheduled FX Fixing Date on or immediately preceding the Potential Exercise Date is postponed pursuant to the provisions of Condition 5(g) (*Price Source Disruption and FX Disruption*) (but the Valuation Date is not also postponed), then the Potential Exercise Date shall be the Business Day immediately following the later of (i) the Valuation Date and (ii) the postponed Scheduled FX Fixing Date, or if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable;

"**Realisable Sale Price**" means, with respect to a Security and a Valuation Date, the price of the Security on the Valuation Date determined as provided in the relevant Pricing Supplement, or if no such price is so provided, an amount equal to the price that would be realised by a Hypothetical Broker Dealer, acting in good faith and a commercially reasonable manner, in terminating or liquidating Applicable Hedge Positions, as adjusted to account for any costs, commissions, taxes and other fees that may be incurred by or levied on such Hypothetical Broker Dealer;

"**Reference Level**" means, unless otherwise specified in the relevant Pricing Supplement (a) in respect of an Index and an Averaging Date, the level of such Index as determined by the Calculation Agent as of the Valuation Time on the Exchange on such Averaging Date and (b) in respect of a Multiple Exchange Index and an Averaging Date, the official closing level of such Multiple Exchange Index on such Averaging Date as calculated and published by the Index Sponsor;

"**Reference Price**" means, unless otherwise specified in the relevant Pricing Supplement, in respect of a Security and an Averaging Date, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the Exchange on such Averaging Date;

"**Related Exchange**" means, subject to the proviso below, in respect of a Security or Index, each exchange or quotation system specified as such for such Security or Index in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Security or Index, as the case may be, has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such

Security or Index, as the case may be, as on the original Related Exchange) **provided, however, that** where "All Exchanges" is specified as the Related Exchange in the relevant Pricing Supplement, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Security or Index, as the case may be;

"**Replacement DRs**" means, if the relevant Deposit Agreement is terminated, any depository receipts which the Calculation Agent determines, in accordance with Condition 19(j) (*Events relating to DR-Linked Warrants*), are to replace the Depository Receipts constituted by such terminated Deposit Agreement;

"**Scheduled Averaging Date**" has the meaning given in Condition 19(b)(ii)(B)(3)(bb);

"**Scheduled Closing Time**" means in respect of an Exchange, Related Exchange or in the case of China Connect Underlying, the China Connect Service and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange, Related Exchange or, in the case of China Connect Underlying, the China Connect Service on such Scheduled Trading Day, without regard (in the case of any Exchange or Related Exchange) to after hours or any other trading outside of the regular trading session hours or (in the case of the China Connect Service) any after hours or any other order-routing outside of the regular order-routing session hours;

"**Scheduled Final Averaging Date**" has the meaning given in Condition 19(b)(ii)(B)(3)(aa);

"**Scheduled Trading Day**" means, in respect of a Security or an Index (as applicable), (a) any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading for their respective regular trading sessions; notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and (b) in the case of China Connect Underlying, any day on which the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions; or (c) with respect to a Multiple Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"**Securities**" means, in relation to a Series of Warrants or in relation to an Index, the equity securities, debt securities (including without limitation Government Bonds), depository receipts or other securities or property, as adjusted pursuant to this Condition 18 and Condition 19, to which such Warrants or Index, as the case may be, relate, as specified in the relevant Pricing Supplement and subject, in the case of a Series of Warrants linked to Units in an ETF, to the provisions of Condition 19(i) (*Warrants linked to Units in an ETF – General*) and "**Security**" shall be construed accordingly;

"**Security Basket Warrants**" means a Series of Warrants relating to a basket of Securities, as specified in the relevant Pricing Supplement and "**Security Basket Warrant**" shall be construed accordingly;

"**Security Warrants**" means a Series of Warrants relating to a single Security, as specified in the relevant Pricing Supplement and "**Security Warrant**" shall be construed accordingly;

"**SEHK**" means The Stock Exchange of Hong Kong Limited;

"**Specified Maximum Number of Disrupted Days**" means, in relation to an Equity-Linked Warrant or an Index-Linked Warrant, the eighth Scheduled Trading Day or such other number of Scheduled Trading Days specified as such in the relevant Pricing Supplement;

"**Strike Date**" means:

- (a) in the case of a Warrant which relates to a single Security or Index, the date specified as such in the relevant Pricing Supplement (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or



- (b) in the case of a Warrant which relates to a Basket, the date specified as such in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the Basket, the Strike Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to the provisions of Condition 19(b) which shall apply as if such Strike Date were a Valuation Date;

"**Strike Price**" has the meaning given in the relevant Pricing Supplement;

"**Substitute Index**" has the meaning given in Condition 19(c)(iii);

"**Successor Index**" has the meaning given in Condition 19(c) or Condition 19(i) (as applicable);

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Underlying Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Trading Disruption**" means (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (1) relating to the Securities on the Exchange (in the case of an Equity-Linked Warrant) or on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of an Index-Linked Warrant); or (2) in futures or options contracts relating to the Securities or the relevant Index on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (1) relating to any Component Security on the Exchange in respect of such Component Security, or (2) in futures or options contracts relating to the Index on any relevant Related Exchange;

"**Underlying Company**" means the issuer of the Security as specified in the relevant Pricing Supplement (or, if the Warrants are DR-Linked Warrants, each of the Depository and the issuer of the relevant Underlying Security), subject to adjustment in accordance with this Condition 18 and Condition 19, and subject, in the case of a Series of Warrants linked to Units in an ETF, to the provisions of Condition 19(i) (*Warrants Linked to Units in an ETF – General*);

"**Underlying Index**", in relation to an ETF, means each index to which such ETF relates;

"**Underlying Security**" means, with respect to DR-Linked Warrants and a Depository Receipt, the security and any other property to which such Depository Receipt relates;

"**Unit**", in relation to an ETF, has the meaning given to it in the relevant Pricing Supplement;

"**Valid Date**" means, in respect of a Security or an Index (as applicable), a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur;

"**Valuation Date**" means:

- (a) in the case of a Warrant which relates to a single Security or Index, each date specified or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in the case of a Warrant which relates to a Basket, each date specified or otherwise determined as provided in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day in respect of any Security or Index (as applicable) comprising the

Basket, the Valuation Date in respect of such Security or Index shall be the next date which is a Scheduled Trading Day in respect of such Security or Index),

in each case subject to Condition 19(b); and

"**Valuation Time**" means, (a) in relation to each Security to be valued or each Index the level of which falls to be determined on any date, the time on such date specified as such in the relevant Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on such date in relation to such Security or Index, as applicable or such scheduled time as set out in the Index Rules. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or (b) in relation to a Multiple Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (c) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

19. **Valuation, Adjustments and Extraordinary Events**

(a) ***Knock-in and Knock-out Provisions***

This Condition 19(a) is applicable only if "Knock-in Event" or "Knock-out Event" is specified as applicable in the relevant Pricing Supplement. If on a Knock-in Determination Day or Knock-out Determination Day, a Knock-in Event or Knock-out Event (respectively) occurs, then a Knock-in Amount or Knock-out Amount (respectively) becomes payable on the relevant Knock-in Amount Payment Date or Knock-out Amount Payment Date (respectively), all as specified as such in the relevant Pricing Supplement.

(b) ***Consequences of Disrupted Days***

For the purposes of this Condition 19(b) "**Limit Valuation Date**" shall mean, if any Valuation Date in respect of a Warrant is a Disrupted Day, the Specified Maximum Number of Disrupted Days following such Valuation Date, notwithstanding the fact that such day is a Disrupted Day.

(i) If any Valuation Date is a Disrupted Day, then:

(A) in the case of a Warrant which relates to a single Security or Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, **provided that** the Valuation Date shall not fall after the Limit Valuation Date. In that case:

- (1) in respect of an Index-Linked Warrant, the Limit Valuation Date shall be deemed to be the Valuation Date and the Calculation Agent shall determine the level of the Index as of the Valuation Time on that Limit Valuation Date determined in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that Limit Valuation Date of each security or other property comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security or other property on that Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on that Limit Valuation Date); and
- (2) in respect of a Equity-Linked Warrant, that Limit Valuation Date shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and the Calculation Agent shall determine its good faith estimate of the value for the

relevant Security as of the Valuation Time on that Limit Valuation Date;

- (B) in the case of a Warrant which relates to a Basket, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index, unless each of the succeeding Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Index notwithstanding the fact that such day is a Disrupted Day relating to that Index and the Calculation Agent shall determine the level of that Index, as of the Valuation Time on the Limit Valuation Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that Limit Valuation Date of each security or other property comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect to the relevant security or other property on that Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on that Limit Valuation Date); and
  - (C) in the case of a Warrant which relates to a Basket, the Valuation Date for each Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Security affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Security, unless each of the Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Security. In that case, (1) that Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Security, notwithstanding the fact that such day is a Disrupted Day, and (2) the Calculation Agent shall determine its good faith estimate of the value for that Security as of the Valuation Time on that Limit Valuation Date.
- (ii) If Averaging Dates are specified in the relevant Pricing Supplement, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index or Security:
- (A) The Final Price or the Final Index Level will be, in relation to any Valuation Date:
    - (1) in respect of a Warrant which relates to a single Security or Index (as the case may be), the arithmetic mean of the Reference Price of the Security or (as the case may be) of the Reference Level of the Index on each Averaging Date;
    - (2) in respect of an Index Basket Warrant, the arithmetic mean of the amounts for the Basket determined by the Calculation Agent as provided in the relevant Pricing Supplement as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Index Level is so provided, the arithmetic mean of the amounts for such basket calculated on each Averaging Date as the sum of the Reference Levels of each Index comprised in the Basket (weighted or adjusted in relation to each Index as provided in the relevant Pricing Supplement); and

- (3) in respect of a Security Basket Warrant, the arithmetic mean of the prices for the Basket determined by the Calculation Agent as provided in the relevant Pricing Supplement as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Price is so provided, the arithmetic mean of the prices for the Basket calculated on each Averaging Date as the sum of the values calculated for the Securities of each Underlying Company as the product of (aa) the Reference Price of such Security and (bb) the number of such Securities comprised in such basket (weighted or adjusted in relation to each Security as provided in the relevant Pricing Supplement).
- (B) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Pricing Supplement in relation to "**Averaging Date Market Disruption**" is:
  - (1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Price or Final Index Level, as applicable, **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Condition 19(b)(i) will apply for purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Cash Settlement Date or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date;
  - (2) "**Postponement**", then Condition 19(b)(i) will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Warrant. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Cash Settlement Date or the relevant or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or
  - (3) "**Modified Postponement**", then:
    - (aa) in the case of a Warrant which relates to a single Index or Security, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Limit Valuation Date (as defined below) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date (the "**Scheduled Final Averaging Date**") in relation to the relevant Scheduled Valuation Date, then the Limit Valuation Date shall be deemed to be the Averaging Date, notwithstanding the fact that such day is a Disrupted

Day (irrespective of whether that Limit Valuation Date is already an Averaging Date), and:

- (i) in respect of an Index-Linked Warrant, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 19(b)(i)(A)(1); and
  - (ii) in respect of a Equity-Linked Warrant, the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with Condition 19(b)(i)(A)(2); and
- (bb) in the case of a Warrant which relates to a Basket, the Averaging Date for each Index or Security not affected by the occurrence of a Disrupted Day shall be the day specified in the relevant Pricing Supplement as an Averaging Date in relation to the relevant Valuation Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Index or Security affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index or Security. If the first succeeding Valid Date in relation to such Index or Security has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging Date, then the Limit Valuation Date shall be deemed to be the Averaging Date (irrespective of whether that Limit Valuation Date is already an Averaging Date) and:
- (i) in respect of an Index, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 19(b)(i)(B); and
  - (ii) in respect of a Security, the Calculation Agent shall determine the relevant amount for that Averaging Date in accordance with Condition 19(b)(i)(C).

If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Cash Settlement Date or (ii) the occurrence of an Extraordinary Event or Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.

For the purposes of this Condition 19(b)(ii)(B)(3) "**Limit Valuation Date**" shall mean, if any Averaging Date in respect of a Warrant is a Disrupted Day, the specified Maximum Number of Disrupted Days following such Averaging Date, notwithstanding the fact that such day is a Disrupted Day.

If a Valuation Date is postponed (x) pursuant to this Condition 19(b) (*Consequences of Disrupted Days*) and/or (y) as a result of it not being a Scheduled Trading Day, the Scheduled FX Fixing Date falling on or immediately following the Scheduled Valuation Date may, in the Calculation Agent's discretion (i) be postponed such that the Scheduled FX Fixing Date will be deemed to occur the number of days following such postponed Valuation Date as the Scheduled FX Fixing Date would have occurred following the

Scheduled Valuation Date had it not been for the postponement pursuant to this Condition 19(b) (*Consequences of Disrupted Days*) or as a result of a non-Scheduled Trading Day or (ii) if the Scheduled Valuation Date and Scheduled FX Fixing Date are the same date, be postponed to such postponed Valuation Date, provided, in each case, that if the postponed Scheduled FX Fixing Date would, as a result of this paragraph, occur on a day which is not a Relevant Currency Business Day, it will be postponed to the immediately following Relevant Currency Business Day. In respect of a Warrant which relates to a Basket, the postponed Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date occurring in respect of such Scheduled Valuation Date.

If the Warrants are specified in the relevant Pricing Supplement as being "American Style" Warrants and if a Valuation Date is postponed (x) in accordance with this Condition 19(b) (*Consequences of Disrupted Days*) and/or (y) as a result of it not being a Scheduled Trading Day, any Disrupted Day Related Payment Date will also be postponed, if needed, such that the Disrupted Day Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the Pricing Supplement) following the later of (i) the postponed Valuation Date or, if later, the Limit Valuation Date, as applicable and (ii) the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable. In respect of a Warrant which relates to a Basket, the postponed Valuation Date or Limit Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date or Limit Valuation Date, as applicable, occurring in respect of such Scheduled Valuation Date.

(c) *Adjustments to Indices*

This Condition 19(c) is applicable only in relation to Index-Linked Warrants.

(i) *Successor Index*

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Sponsor acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that Index (the "**Successor Index**") will be deemed to be the Index.

(ii) *Index Modification*

If on or prior to any Valuation Date or Averaging Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or other routine events) (an "**Index Modification**"), then the Calculation Agent shall determine whether such Index Modification has a material effect on the Warrants, and if so, shall make such adjustment(s) (if any) as it determines appropriate to account for the economic effect of the Index Modification and determine the effective date of any such modification or adjustment.

(iii) *Index Cancellation*

If on or prior to a Valuation Date or Averaging Date (A) the Index Sponsor fails to calculate and announce a relevant Index, (B) the Index Sponsor announces that it suspends the calculation and publication of the level of a relevant Index or (C) the Index Sponsor permanently cancels the Index and no Successor Index exists (each an "**Index Cancellation**"), then:

- (1) the Issuer shall as soon as is reasonably practicable after determining the same give notice (an "**Index Cancellation Notice**") of such Index Cancellation to the Warrantholders (with a copy to the Calculation Agent) in accordance with Condition 11 (*Notices*);
- (2) if Index Substitution is specified as being applicable in the relevant Pricing Supplement, the Issuer shall (acting in good faith and a commercially reasonable manner), determine whether or not and the date as of which the Index is to be substituted with a Substitute Index and, if it so determines, it shall give an Index Substitution Notice to the Warrantholders (with a copy to the Calculation Agent) in accordance with Condition 11 (*Notices*) and, with effect from the date so determined, the Substitute Index shall be deemed to be the Index; and
- (3) if no Substitute Index has been identified within ten Business Days of the giving of such Index Cancellation Notice or if Index Substitution has not been specified as being applicable in the relevant Pricing Supplement, the Issuer shall (acting in good faith and a commercially reasonable manner), determine whether or not the relevant Warrants shall continue and:
  - (A) if it determines that the Warrants shall continue, then the Calculation Agent shall determine the Final Index Level for such Valuation Date or the Reference Level for such Averaging Date, as the case may be using, in lieu of a published level of that Index, the level for that Index as at that Valuation Date or Averaging Date (as applicable) as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the Index Cancellation, but using only those components that comprised that Index immediately prior to that Index Cancellation; and
  - (B) if it determines that the Warrants shall not continue, the Issuer shall terminate the relevant Warrants as of the date selected by the Issuer and give notice thereof to the Warrantholders (with a copy to the Calculation Agent) in accordance with Condition 11 (*Notices*), specifying the early termination amount and early termination date, and the entitlements of the relevant Warrantholders to receive the Cash Settlement Amount (or any other payment to be made by the Issuer, as the case may be) shall cease and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of such amount as is determined by the Calculation Agent to be the Fair Market Value of the Warrants.

For these purposes:

**"Index Substitution Notice"** means a notice specifying a Substitute Index to be substituted for the Index and the date as of which such substitution is to take effect; and

**"Substitute Index"** means a successor index identified by the Calculation Agent using commercially reasonable efforts, with characteristics, objectives and rules similar to the Index in effect immediately prior to the occurrence of the Index Cancellation.

(iv) *Correction of Index Levels*

If, in respect of an Index-Linked Warrant, the level of an Index published by the Index Sponsor at any time and used or to be used by the Calculation Agent for any calculation or determination under the Warrants is subsequently corrected

and the correction is published by the Index Sponsor after the original publication, the Calculation Agent will make such adjustment as it determines to be appropriate, if any, to the settlement or payment terms of the Warrants to account for such correction **provided that** if any amount has been paid or delivered in an amount or value which exceeds the amount that would have been payable or deliverable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable or deliverable in respect of the Warrants and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Issuer shall be entitled to reimbursement (or, in the case of a delivery, payment of the value) of, the relevant excess payment or delivery (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Warrantheader, together with interest on that amount for the period from and including the day on which payment or delivery was originally made to (but excluding) the day of payment of reimbursement (or value) by the Warrantheader (all as calculated by the Calculation Agent). Any such reimbursement shall be effected in such manner as the Issuer shall determine.

(d) ***Adjustments and Events affecting Securities***

This Condition 19(d) is applicable only in relation to Equity-Linked Warrants.

(i) *Potential Adjustment Events*

The Calculation Agent shall determine whether or not at any time a Potential Adjustment Event has occurred and where it determines such an event has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Securities and, if so, will make such adjustment as it determines to be appropriate, if any, to the Strike Price, the number of Securities to which each Warrant relates and to any other exercise, payment or other term of the relevant Warrants, including without limitation the amount of cash, which may be transferred under such Warrants and determine the effective date(s) of such adjustment(s). In addition, in relation to China Connect Underlying only, in making such determinations, the Calculation Agent may (but need not) take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such Potential Adjustment Event in respect of Securities held through the China Connect Service.

(ii) *Extraordinary Events*

Without prejudice to Condition 19(d)(v) (*Security Substitution*) below, following the occurrence of any Extraordinary Event (other than a Delisting in respect of any Depository Receipts), the Issuer will determine whether or not the Warrants shall continue and, if so, determine any adjustments to be made. If the Calculation Agent determines that the relevant Warrants shall continue, it may make such adjustment as it determines to be appropriate, if any, to the formula for the Cash Settlement Amount set out in the relevant Pricing Supplement and, any other variable relevant to the payment terms of the relevant Warrants and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent. If the Issuer determines that the relevant Warrants shall be terminated, then the Warrants shall cease to be exercisable (or, in the case of Warrants which have been exercised, the entitlements of the respective exercising Warrantheaders to receive the Cash Settlement Amount, pursuant to such exercise shall cease) and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of the Fair Market Value of the Warrants. In relation to China Connect Underlying only, in making such determinations, the Issuer and/or the Calculation Agent may (but need not) take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange,



SEHK, CSDCC and HKSCC in relation to such Merger Event or Tender Offer in respect of Securities held through the China Connect Service.

(iii) *Conversion*

In respect of an Equity-Linked Warrant which relates to debt securities, following the occurrence of any Conversion, the Issuer will determine whether or not the Warrants will continue and, if so, determine any adjustments to be made. If the Issuer determines that the Warrants shall continue, the Calculation Agent may make such adjustment as it determines to be appropriate to the formula for the Cash Settlement Amount set out in the relevant Pricing Supplement and any other variable relevant to the payment terms of the relevant Warrants and/or any other adjustment and determine the effective date(s) of such adjustment. If the Issuer determines that the Warrants shall be terminated, then the Warrants shall cease to be exercisable (or, in the case of any Warrants which have been exercised, the entitlements of the respective exercising Warrantholders to receive the Cash Settlement Amount pursuant to such exercise shall cease) as of the date selected by the Calculation Agent and the Issuer's obligations under the Warrants shall be satisfied in full upon payment of the Fair Market Value of the Warrants.

(iv) *Correction of Prices*

In the event that any price published or announced on a given day and utilised or to be utilised for the purpose of any calculation or determination under the Warrants is subsequently corrected and the correction is published or announced by the Exchange within one Settlement Cycle after the original publication, the Calculation Agent will make such adjustment(s) as it determines to be appropriate, if any, to the payment terms of the Warrants to account for such correction and the Calculation Agent shall determine the effective date(s) of such adjustment(s) **provided that** if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable in respect of the Warrants and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Issuer shall be entitled to reimbursement of, the relevant excess payment (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Warrantholder, together with interest on that amount for the period from and including the day on which payment or delivery was originally made to (but excluding) the day of payment or reimbursement by the Warrantholder (all as calculated by the Calculation Agent). Any such reimbursement shall be effected in such manner as the Issuer shall determine.

(v) *Security Substitution*

- (A) If the relevant Pricing Supplement specifies Substitution of Securities to be applicable, if any Security (the "**Affected Security**") to which the relevant Warrant relates is affected by an Extraordinary Event (other than a Delisting in respect of any Depository Receipts) or an Additional Disruption Event occurs, then, without prejudice to any other rights that the Issuer may have under the Warrants, the Issuer shall have the option to replace the Affected Security with a substitute security (the "Substitute Security") selected by the Calculation Agent with effect from a date selected by the Calculation Agent (the "**Substitution Reference Date**").
- (B) The Substitute Security shall satisfy such criteria as the Calculation Agent determines (which may, but need not, include, without limitation, the Substitute Security belonging to a similar economic sector as the Affected Security and the Underlying Company of the Substitute Security having a similar creditworthiness to the Underlying Company of the Affected Security).

- (C) The Initial Price of the Substitute Security shall be determined in accordance with the following:

Initial Price = Substitute Price × (Affected Security Price(k)/Affected Security Price(j))

where:

"Affected Security Price(j)" means either (i) the last closing price per share of the Affected Security on or prior to the Substitution Reference Date or (ii) an exchange traded price per share of the Affected Security on or recently prior to the Substitution Reference Date, in each case as determined by the Calculation Agent;

"Affected Security Price(k)" means the Initial Price per share of the relevant Affected Security as specified in the relevant Pricing Supplement; and

"Substitute Price" mean the official closing price per share of the relevant Substitute Security as of the Valuation Time on the date on which the Affected Security Price(j) is determined or, if such date is not a Scheduled Trading Day in respect of the Substitute Security, the next following Scheduled Trading Day in respect of the Substitute Security.

- (D) If the currency of the Substitute Security is different from the currency of the Affected Security, the Calculation Agent may make such adjustments to the terms and conditions of the Warrants as it determines to be appropriate to account for such difference.
- (E) The Calculation Agent shall notify the Warrantholders in accordance with Condition 11 (*Notices*) of the Substitute Security and of any changes to the terms and conditions of the Warrants made pursuant to paragraph (D) above as soon as practicable after determining the same.
- (F) In the event that (i) the Issuer determines not to substitute the Security in accordance with the provisions of this Condition 19(d)(v), or (ii) the Calculation Agent determines that it cannot substitute the Affected Security in accordance with the provisions of this Condition 19(d)(v), the Issuer may make appropriate adjustments or terminate the Warrants of the relevant Series in accordance with Condition 19(d)(ii) (*Extraordinary Events*) or Condition 19(e) (*Additional Disruption Events*), as applicable.

(e) ***Additional Disruption Events***

Without prejudice to Condition 19(d)(v) (*Security Substitution*), following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the Warrants shall continue and, if so, the Calculation Agent shall determine any adjustments to be made. If the Issuer determines that the relevant Warrants shall continue, the Calculation Agent may make such adjustment as it determines to be appropriate, if any, to the formula for the Cash Settlement Amount set out in the relevant Pricing Supplement and any other variable relevant to the payment terms of the relevant Warrants, and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent. If the Issuer determines that the relevant Warrants shall be terminated, then the Warrants shall cease to be exercisable (or, in the case of Warrants which have been exercised, the entitlements of the respective exercising Warrantholders to receive the Cash Settlement Amount, pursuant to such exercise shall cease) and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of the Fair Market Value of the Warrants.

For the purposes of each Series of Warrants, "Additional Disruption Event" means any event specified as such in the relevant Pricing Supplement, and for such purpose the

following terms if so specified shall be deemed to have the following meanings unless otherwise provided in the relevant Pricing Supplement:

- (i) **"Change in Law"** means, in relation to any Warrants, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it will, or there is a substantial likelihood that it will, with the passing of time, or has become illegal for the Issuer or any of its designated affiliates to hold, acquire or dispose of or realise, recover or remit the proceeds of the sale of disposal of, Securities, Component Securities or other components comprised in the Index relating to such Warrants or any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including, without limitation, any currency risk, of the Issuer issuing and performing its obligations with respect to the Warrants (y) it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Warrants, or in relation to the Issuer's hedging activities in connection with the Warrants or in relation to the hedging activities of the Issuer or any of its designated affiliates in connection with the Warrants, (ii) stock loan transactions in relation to such Warrants or (iii) other instruments or arrangements (howsoever described) held by the Issuer or any of its designated affiliates in order to hedge, individually or on a portfolio basis, such Warrants or (z) the Issuer or any of its designated affiliates will incur a materially increased cost in performing its obligations under the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);
- (ii) **"China Connect Service Termination"** means, on or after the Trade Date, the announcement by one or more of the China Connect Market, SEHK, the CSDCC, HKSCC or any regulatory authority with competent jurisdiction of a suspension or termination of the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the Securities through the China Connect Service and the Calculation Agent determines that there is a reasonable likelihood that such suspension or termination is not, or will not be, temporary;
- (iii) **"China Connect Share Disqualification"** means, on or after the Trade Date, the Securities cease to be accepted as "China Connect Securities" (as defined in the rules of SEHK) for the purpose of the China Connect Service;
- (iv) **"Failure to Deliver"** means the failure of a party to deliver, when due, the relevant Securities in respect of the Warrants, where such failure is due to illiquidity in the market for such Securities;
- (v) **"Insolvency Filing"** means that the issuer of the Securities institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by creditors and not consented to by the issuer of the Securities shall not be deemed an Insolvency Filing;
- (vi) **"Hedging Disruption"** means that the Issuer or any of its designated affiliates is unable or it is or has become not reasonably practicable, or it has otherwise

become undesirable, for any reason, for the Issuer wholly or any of its designated affiliates or partially after using commercially reasonable efforts and acting in good faith, to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the equity or any other price risk (including but not limited to, any currency risk) of entering into and performing the Issuer's obligations in respect of the Warrants or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s) or (C) without prejudice to (B) above, transfer amounts denominated in the Settlement Currency (1) from accounts inside the Settlement Currency Jurisdiction to accounts outside the Settlement Currency Jurisdiction (2) between accounts inside the Settlement Currency Jurisdiction or (3) to a party that is a non-resident of the Settlement Currency Jurisdiction or (D) without prejudice to (B) and (C) above, convert the Settlement Currency into an Alternative Payment Currency) and, for the avoidance of doubt "using commercially reasonable efforts and acting in good faith" to hedge the risks of the Issuer referred to herein does not include the value of any quota granted to the Issuer or any of its designated Affiliates under the Qualified Foreign Institutional Investor ("QFII") or Renminbi Qualified Foreign Institutional Investor ("RQFII") Schemes;; and

- (vii) **"Increased Cost of Hedging"** means that the Issuer or any of its designated affiliates would incur materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge equity or any other price risk (including but not limited to, any currency risk) of entering into and performing the Issuer's obligations in respect of the Warrants or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or its designated affiliates, as applicable, shall not be deemed an Increased Cost of Hedging.

(f) ***Adjustments where the Securities are Units in an ETF***

Where the Securities are specified in the relevant Pricing Supplement as being Units in an ETF, in the case of the occurrence at any time on or prior to the Valuation Date of any Extraordinary Event affecting the ETF or the value of the Units, the Calculation Agent may make any adjustment as provided in the preceding provisions of this Condition 19 or:

- (i) if the Calculation Agent determines that no adjustment that it could make under the preceding provision of this Condition 19 would produce a commercially reasonable result:
- (a) the Calculation Agent will use commercially reasonable efforts to identify a new underlying asset with characteristics, investment objectives and policies similar to those in effect for the Affected Units immediately prior to the occurrence of the relevant Extraordinary Event and any substitution of the new underlying asset for the Affected Units shall be effected at such time and in such manner as determined by the Calculation Agent; and
  - (b) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to, adjustments to account for changes in volatility, investment strategy or liquidity relevant to the Units or the Warrants; or
- (ii) if the Calculation Agent determines that the relevant Warrants shall be terminated, then the Warrants shall be terminated as of the date selected by the Calculation

Agent and the entitlements of the relevant Warrantholders to receive the relevant Cash Settlement Amount shall cease and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of the Fair Market Value of the Warrants.

In this Condition 19(i) "**Affected Unit(s)**" means each Unit subject to an applicable Extraordinary Event.

(g) ***Adjustments to Indices for Inflation Rate-Linked Warrants***

This Condition 19(g) is applicable only in relation to Inflation Rate-Linked Warrants:

(A) ***Definitions***

In this Condition:

**"Base Level"** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

**"Fallback Bond"** means a bond selected by the Calculation Agent and issued by the government or one of the governments (but not any government agency) of the country (or countries) to whose level of inflation the relevant Inflation Index relates and which pays a coupon and/or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on the same day as the Cash Settlement Date or such other date as the Calculation Agent shall select if there is no such bond maturing on the Cash Settlement Date. If any bond so selected is redeemed, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond is redeemed (including any bond for which the redeemed bond is exchanged);

**"Inflation Index Level"** means the level of the Inflation Index first published or announced for the relevant Reference Month on the Relevant Screen Page, as determined by the Calculation Agent, subject to this Condition 19(g) (*Adjustments to Indices for Inflation Rate-Linked Warrants*);

**"Inflation Index Sponsor"** means, the inflation index sponsor specified as such in the Pricing Supplement (being the entity that publishes or announces (directly or through an agent) the level of the Inflation Index) and any successor sponsor of such Inflation Index as determined by the Calculation Agent;

**"Latest Level"** means the latest level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated;

**"Reference Level"** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

**"Reference Month"** means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or amended. If the period for which the level of the Inflation Index was reported is a period other than a month, the Reference Month is the period for which the level of the Inflation Index was reported;

**"Related Bond"** means the bond specified as such in the relevant Pricing Supplement or, if specified as applicable in the relevant Pricing Supplement and no bond is specified as the Related Bond, the Related Bond shall be the Fallback Bond. If the bond specified to be the Related Bond redeems or matures during the

term of the Inflation Rate-Linked Warrants, following such redemption or maturity the Related Bond shall be the Fallback Bond; and

**"Relevant Screen Page"** means the page, section or other part of a particular information service specified as such in the relevant Pricing Supplement or such other page, section or other part as may replace it on that information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the level of the Inflation Index; and

**"Substitute Index Level"** means the level of the Inflation Index, determined by the Calculation Agent pursuant to (B) below.

(B) *Delay of Publication*

If the Inflation Index Level for a Reference Month which is relevant to the calculation of an amount payable in respect of Inflation Rate-Linked Warrants (a **"Relevant Level"**) has not been published or announced on the Relevant Screen Page by the day that is five Business Days prior to the relevant Cash Settlement Date (the **"Affected Payment Date"**), the Calculation Agent shall determine a **"Substitute Index Level"** (in place of such Relevant Level) by using the following methodology:

- (i) If Related Bond is specified as applicable in the relevant Pricing Supplement, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Payment Date as that taken by the calculation agent pursuant to the terms and conditions of the Related Bond;
- (ii) If (A) Related Bond is specified as not applicable in the relevant Pricing Supplement; or (B) the Calculation Agent is unable to determine the Substitute Index Level under (i) above for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level})$$

If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the relevant Cash Settlement Date, such Relevant Level will not be used in any calculations and instead the Substitute Inflation Index Level so determined pursuant to this Condition 19(g) (*Adjustments to Indices for Inflation Rate-Linked Warrants*) will be the definitive level for the relevant Reference Month.

(C) *Cessation of Publication*

If a level of the Inflation Index has not been published or announced on the Relevant Screen Page for two consecutive months and/or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index, then the Calculation Agent shall determine a Successor Index (in lieu of any previously applicable Inflation Index) for the purposes of the Warrants by using the following methodology:

- (i) if at any time (other than after the designation by the Calculation Agent of a date for the early termination of the Warrants pursuant to paragraph (iv) below) a successor index has been designated by the calculation agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a **"Successor Index"** for the purposes of the determination of the Cash Settlement Amount or any other adjustment in respect of the Warrants, notwithstanding that any other Successor Index may previously have been determined under the other subsections of this Condition 19(i);

- (ii) if: (1) a Successor Index has not been determined under paragraph (i) above; (2) there has been no designation of a date for the early termination of the Warrants by the Calculation Agent pursuant to paragraph (iv) below; (3) a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement index specified by the Inflation Index Sponsor; and (4) and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, then such replacement index shall be deemed to be the "**Successor Index**" for the purposes of the Warrants from the date that such replacement Inflation Index comes into effect;
- (iii) If a Successor Index has not been determined by the Calculation Agent under paragraphs (i) or (ii) above (and there has been no designation by the Calculation Agent of a date for the early termination of the Warrants pursuant to paragraph (iv) below), the Calculation Agent will determine an appropriate alternative index for such relevant Valuation Date, and such index will be deemed a "**Successor Index**";
- (iv) If the Calculation Agent determines that there is no appropriate alternative index, then the Issuer may terminate all but not some only of the Warrants as of the date selected by the Calculation Agent at the Fair Market Value of such Warrants.

The Issuer shall notify the Warrantholders of any Successor Index determined pursuant to this Condition 19(g)(C) (*Adjustments to Indices for Inflation Rate-Linked Warrants - Cessation of Publication*).

(D) *Rebasing of the Index*

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of an Inflation Index from the date of such rebasing; **provided, however, that** the Calculation Agent shall make such adjustments as are made by the calculation agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Warrants.

(E) *Material Modification*

If, on or prior to the day that is five Business Days before the next date which is a Cash Settlement Date (as the case may be), an Inflation Index Sponsor announces that it will make a material change to an Inflation Index, then the Calculation Agent shall make any such adjustments to the Inflation Index and/or the terms of the Warrants consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Inflation Index to continue as the Inflation Index.

(F) *Manifest Error in Publication*

If, within thirty days of publication and prior to the day that falls five Business Days prior to the Cash Settlement Date, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent will take such action as it may deem necessary and practicable to give effect to such correction.

(h) ***Events relating to DR-Linked Warrants***

In relation to DR-Linked Warrants only, if a Delisting of the Securities occurs or the Depository announces that the Deposit Agreement is (or will be) (or is at any time, whether or not announced by the Depository) terminated, then the Issuer will determine whether or not the Warrants shall continue. If the Issuer determines that:

- (i) the Warrants shall continue, it shall elect whether the Security shall thereafter be (x) the Replacement DRs or (y) the Underlying Security and the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the terms of the Warrants (including, without limitation, any change to the notional number of Securities or/or the formula for the Cash Settlement Amount), and which change or adjustment(s) shall be effective on such date selected by the Calculation Agent; or
- (ii) the Warrants shall not continue, then the Warrants shall cease to be exercisable (or, in the case of Warrants which have been exercised, the entitlements of the respective exercising Warrantholders to receive the Cash Settlement Amount, as the case may be, pursuant to such exercise shall cease) and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of the Fair Market Value of the Warrants.

(i) ***Warrants Linked to Units in an ETF – General***

If the relevant Pricing Supplement specifies that the Securities in relation to a Series of Warrants are Units in an ETF, then this Condition 19 shall apply to the Warrants as if references therein to "**Underlying Company**" were references to the "**ETF**" and as if references therein to "**Security**" were references to "**Unit**".



**PART D3 –  
PRO FORMA PRICING SUPPLEMENT FOR EQUITY-LINKED WARRANTS, INDEX-LINKED  
WARRANTS AND INFLATION RATE-LINKED WARRANTS**

*[When completing any pricing supplement, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated [•]

[HSBC Bank plc

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*

/ HSBC Bank Middle East Limited]

**Programme for the Issuance of Notes and Warrants**

[Further] Issue of

[Number of Warrants]

[Title of Warrants]

**[(to be consolidated and form a single series with the existing *[Insert details of existing Tranche(s)]* issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A – CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Warrants described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants, including the Additional Terms and Conditions of Equity-Linked Warrants, Index-Linked Warrants and Inflation Rate-Linked Warrants (the "**Conditions**") set forth in the Offering Memorandum.]

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Warrants are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Warrants which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Warrants. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement, the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

[For Warrants offered and sold in the United States of America include:

### IMPORTANT NOTICES

THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE WARRANTS ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF WARRANTS PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Warrants, the Issuer will promptly furnish, upon request of a holder of a Warrant, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Warrants understand the risks of transactions involving the Warrants and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Warrants in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Warrants will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.]

2. [Tranche number: [ ]

*(If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible).]*

3. Settlement Currency: [ ]

4. Aggregate Number of Warrants in the:
- [(i) Series:] [ ]
- [(ii) Tranche:] [ ]
5. Face Value: [ ]
6. (i) Issue Date: [ ]
- (ii) Trade Date: [ ]
7. Issue Price: [currency] [amount] per Warrant
8. Strike Price: [currency] [amount] [Not applicable]
9. Type of Warrants: [Security Warrant / Security Basket Warrant / Index Warrant / Index Basket Warrant/Mixed Basket Warrant]
10. Series represented by: [Global Registered Warrant]/[Not applicable]. Warrants in definitive form [will/will not] be issued. [other (specify)]
11. Form of Warrant: [Uncertificated Registered Warrants]
- [Initially represented by [Rule 144A Global Registered Warrant] [Regulation S Global Registered Warrant] [Unrestricted Global Registered Warrant and Restricted Global Registered Warrant] [Combined Global Registered Warrant] [Definitive Registered Warrant] [Combined Definitive Registered Warrant]]
12. Style of Warrants: The Warrants are [American/European/Bermudan/ other (specify)] Style [Call/Put] Warrants. Condition [4(a)/4(b)/4(c)] is applicable.
13. (i) Expiry Date: [ ] [or if such day is not a Business Day [and an Underlying Currency Pair Fixing Date] [and a Scheduled Trading Day] the immediately following day that is a Business Day [and an Underlying Currency Pair Fixing Date] [and a Scheduled Trading Day] [, subject to adjustment in accordance with the Conditions]
- (ii) Automatic Exercise: [Applicable] [Not applicable]
- (iii) Exercise Period: [American Style Warrants only]. [The period beginning from (and including) [ ] and ending on (and including) the Expiry Date].
- (iv) Potential Exercise Date(s): [Bermudan Style Warrants only] [insert date] or if such day is not a Business Day [and an Underlying Currency Pair Fixing Date] the immediately following day that is a Business Day [and an Underlying Currency Pair Fixing Date][, subject to adjustment in accordance with the conditions]

- (v) Knock-in Event: [Applicable] [*Specify event or occurrence*] [If the [Final Price] [Reference Price] [Final Index Level] [Reference Level] [ ] as observed by the Calculation Agent [as of the Valuation Time] [continuously] [ ] [on a Knock-In Determination Day] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant Knock-in [Price] [Level]] [Not applicable]
- Knock-in Determination Day: [ ] [Condition 18 applies]
  - Knock-in Determination Period: [Applicable] [Not applicable]
  - Knock-in Period Beginning Date: [ ] [Not applicable]
  - Knock-in Period Ending Date: [ ] [Not applicable]
  - Knock-in Price/ Knock-in Level: [ ]
  - Knock-in Amount: [ ]
  - Knock-in Amount Payment Date: [ ] [Maturity Date]
- (vi) Knock-out Event: [Applicable] [*(specify event or occurrence)*] [If the [Final Price] [Reference Price] [Final Index Level] [Reference Level] as observed by the Calculation Agent [as of the Valuation Time] [continuously] [ ] [on a Knock-out Determination Day] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant knock-out [Price] [Level]] [Not applicable]
- Knock-out Determination Day: [ ] [Condition 18 applies]
  - Knock-out Determination Period: [Applicable] [Not applicable]
  - Knock-out Period Beginning Date: [ ] [Not applicable]
  - Knock-out Period Ending Date: [ ] [Not applicable]
  - Knock-out Price/ Knock-out Level: [ ]
  - Knock-out Amount: [ ]
  - Knock-out Amount Payment Date: [ ] [Maturity Date]

Part D3 - *Pro Forma* Pricing Supplement for Equity Linked Warrants, Index Linked Warrants and Inflation Rate-Linked Warrants

14. (i) Minimum Exercise/Minimum Trading Size:  Warrants
- (ii) Permitted Multiple:  Warrants
15. Cash Settlement:
- (i) Cash Settlement Amount:
- (ii) Cash Settlement Date:  [or, if later, the *[fifth/specify Business Day following the Exercise Date]*]
- (iii) Specified Maximum Number of Disrupted Days:  [Not applicable] [The definition in Condition 18 applies]
- (iv) Disrupted Day Related Payment Dates pursuant to Condition 19(b): [3]
16. Index-Linked Warrant:  [Applicable]  [Not applicable]
- (i) Index/Indices:  [The Exchanges/ ]  [is / are] Multiple Exchange Ind(ex)(ices)]
- (ii) Basket: *[(specify each Index in the Basket and indicate the relative proportions)]*  [Not applicable]
- (iii) Index Sponsor(s):  [The definition in Condition 18 applies]
- (iv) Index Rules:  [Not applicable]
- (v) Exchange(s):
- (vi) Related Exchange(s):  [All Exchanges]
- (vii) Valuation Time:
- (viii) Valuation Date:  *[[specify] Business Day prior to the Expiry Date or relevant Potential Exercise Date]*
- (ix) Averaging Dates:  [Applicable]  [Not applicable] *[If applicable, specify dates]*
- (x) Reference Level:  [The definition in Condition 18 applies]  [Not applicable]
- (xi) China Connect Underlying  [Yes]  [No]
- (xii) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law, Hedging Disruption, Increased Cost of Hedging] *[other (specify)]*]  [Not applicable]
- (xiii) Initial Index Level:  [The definition in Condition 18 applies]
- (xiv) Final Index Level:  [Not applicable] [The definition in Condition 18 applies]
- (xv) Adjustments to Indices:  [Condition 19(c)] /  [[Condition 19(i)] applies/does not apply]
- (xvi) Strike Date:

- (xvi) Index Substitution: [Applicable] [Not applicable]
- (xvii) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
17. Equity-Linked Warrant: [Applicable] [Not applicable]
- (i) Security(ies): [The Securities are [[ ] (ISIN:[ ])] [Depository Receipts] [China Connect Underlying] [Units in the ETF, where "ETF" means [ ], "Unit" means a share or notional unit of the ETF (as defined in the ETF Documents), the price of which is denominated in [ ]. [The Units represent undivided ownership interests in the portfolio of investments held by the ETF,] [*delete if not applicable*], Condition 19 shall apply to the Warrants as if references therein to "Underlying Company" were references to the "ETF" and as if references therein to "Security" were references to "Unit".]
- (ii) Basket: [*specify each Security in the Basket and indicate the relative proportions*] [Not applicable]
- (iii) Underlying Company: [ ] [and with respect to the Underlying Securities [ ]] [The ETF]
- (iv) Exchange(s): [*specify exchange on which the Securities are listed*]
- (v) Related Exchange: [*specify*] [Not applicable]
- (vi) Valuation Time: [ ]
- (vii) Valuation Date: [ ] [*specify*] Business Day prior to the Expiry Date or relevant Potential Exercise Date]
- (viii) Averaging Dates: [Applicable] [Not applicable] [*If applicable, specify dates*]
- (ix) Initial Price: [ ] [The definition in Condition 18 applies]
- (x) Strike Date: [ ]
- (xi) Final Price: [ ] [The definition in Condition 18 applies] [The definition of Realisable Sale Price in Condition 18 applies]
- (xii) Reference Price: [ ] [The definition in Condition 18 applies]
- (xii) Potential Adjustment Event: Condition 19(f)(i) [applies/does not apply]
- Extraordinary Dividend (if other than as specified in the definition in Condition 18) [ ]
  - additional Potential Adjustment Event (for [ ]

- purposes of paragraph (viii)  
of the definition thereof)
- (xiv) Extraordinary Event: Condition 19(f)(ii) [applies/does not apply]
- (xv) Conversion:  
(for Warrants relating to  
Government Bonds and debt  
securities only) Condition 19(f)(iii) [applies/does not apply]
- (xvi) Correction of Prices: Condition 19(f)(iv) [applies/does not apply]
- (xvii) Additional Disruption Event: [The following Additional Disruption Events  
apply: [Change in Law, Failure to Deliver,  
Insolvency Filing, Hedging Disruption,  
Increased Cost of Hedging] [China Connect  
Share Disqualification] [China Connect  
Service Termination] *other - give details*]  
[Not applicable]
- (xviii) China Connect Underlying: [Yes] [No]
- (xix) Substitution of Securities: [Applicable] [Not applicable]
18. Averaging Date Market Disruption: [Omission / Postponement / Modified  
Postponement / Not applicable / *other*  
(*specify*)]
19. Business Day: [As in the Conditions / *other (specify)*]
20. (i) Payment of Alternative Payment  
Currency Equivalent: [Applicable] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Settlement Currency Jurisdiction: [ ]
  - Alternative Payment Currency: [ ]
  - Alternative Payment Currency Jurisdiction: [ ]
  - Alternative Payment Currency Fixing Page: [ ]
  - Alternative Payment Currency Fixing Time: [ ]
  - Alternative Payment Currency Fixing Date: [ ] [Condition 18 applies] [The relevant  
[jurisdictions/places] for the purposes of the  
Alternative Payment Currency Fixing Date are  
[ ]]



- Alternative Payment Currency Exchange Rate Fall-Back Provisions: [ ] [Not applicable]
  - Additional Alternative Payment Currency Event: [ ]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (ii) Underlying Currency Pair provisions: [Applicable] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdictions [ ]
  - Reference Currenc(y)(ies): [ ]
  - Reference Currency Jurisdiction(s): [ ]
  - Specified Currenc(y)(ies): [ ]
  - Specified Currency Jurisdiction(s): [ ]
  - Underlying Currency Pair Business Days: [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Date: [ ] [*specify*] Business Day prior to the Expiry Date or relevant Potential Exercise Date [or, if such day is not an Underlying Currency Pair Business Day, the immediately preceding Underlying Currency Pair Business Day]
  - Underlying Currency Pair Fixing Page: [ ] [Condition 18 applies]
  - Underlying Currency Pair Fixing Time: [ ]
  - Underlying Currency Pair Exchange Rate Fall-Back provisions: [ ] [Condition 18 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]

- (iii) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 18 applies]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 5(g): [3] [ ]
  - Dealer Poll: [Applicable] [Not applicable]
  - Unscheduled Holiday and Deferral Period: [The number of the Relevant Currency Business Days for the purposes of the definition of Unscheduled Holiday in Condition 18 is [ ] [and the number of calendar days for the purposes of the Deferral Period [ ] [as per Condition 1]
- (iv) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details for Equity/Index-Linked Warrants*] [Not applicable]
21. Business Centre: [ ]
22. Selling Restrictions:
- United States of America [Warrants may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
- [Warrants may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "*Transfer Restrictions.*"]
- [*Specify if applicable:* Warrants are able to be offered or sold to, or for the account or benefit of U.S. persons (as defined in the Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed. Reg. 45292, 26 July 2013, as amended or supplemented by the U.S. Commodity Futures Trading Commission)]
- 40-day Distribution Compliance Period: [Applicable] [Not applicable]
- In addition to selling restrictions listed in "*Part C2 - Purchase and Sale of the Warrants*" contained in the Offering Memorandum:
- (*Specify any selling restrictions applicable to the Warrants which are additional to, or in*

*substitution for, those contained in the Offering Memorandum*)<sup>35</sup>

23. Other Terms: [ ]

**[PROVISIONS APPLICABLE TO INFLATION RATE-LINKED WARRANTS ONLY]**

24. (i) Inflation Index: [ ]  
 (ii) Related Bond: [Applicable [- Related Bond is [ ]]/Not applicable] (*if applicable and nothing further is specified, then it will be the Fallback Bond*)  
 (iii) Inflation Index Sponsor: [ ]  
 (iv) Relevant Screen Page: [ ]

**DISTRIBUTION**

25. (i) If syndicated, names of Relevant Manager(s): [Not applicable] [HSBC Bank plc] [*other - give name*]  
 (ii) If syndicated, names [, addresses and underwriting commitments] of other Managers (if any): [Not applicable] [*other - give name*] [*Give addresses and underwriting commitments*]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*

26. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]

27. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]

28. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"):  
 [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/[The offer is addressed to investors who will acquire Warrants for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]

29. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"):  
 [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as

<sup>35</sup> *If new term constitutes a "significant new change" or "significant new matter", consider whether a supplementary listing particulars is required.*

defined in the UK Prospectus Regulation).]]/  
[The offer is addressed to investors who will acquire Warrants for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]

30. Additional U.S. federal income tax considerations:

[Not applicable/give details] [The Warrants are [not] Section 871(m) Warrants for the purpose of Section 871(m).] [The [Dividend Withholding] approach shall apply to the Warrants. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Warrants, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Warrants: [ ]]. Additional information regarding the application of Section 871(m) to the Warrants will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] [*The Warrants will not be Section 871(m) Warrants if they do not reference any U.S. equity or any index that contains any U.S. equity. Warrants that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Warrants.*]

## TRANSFER RESTRICTIONS

*[In offer of Warrants pursuant to Rule 144A insert:]*<sup>36</sup>

Because of the following restrictions, purchasers of Warrants offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Warrants.

Each prospective purchaser of Warrants offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Warrants as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Warrants other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Warrants sold in reliance on Rule 144A ("**Restricted Warrants**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Warrants (such as the investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Warrants for its own account or for the account of a qualified institutional buyer, and (C) such person is aware that the sale of the Warrants to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Warrants are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Warrants offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Warrants (such as an investment manager), understands that certificates representing Restricted Warrants will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

THIS WARRANT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS WARRANT IS HEREBY NOTIFIED THAT THE SELLER OF THIS WARRANT MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS WARRANT, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS WARRANT MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE

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<sup>36</sup> *Transfer Restrictions are only included for Warrants offered in the United States in reliance on Rule 144A.*

"QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS WARRANT FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*<sup>37</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.]

*OR*<sup>38</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION

<sup>37</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

<sup>38</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS WARRANT OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS WARRANT OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Warrants acknowledges that the Issuer, the Registrar, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Warrants for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and

including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Warrant for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Warrant or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.

- (6) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, either that (a) such purchaser or transferee is not (and for so long as it holds such Warrant or an interest therein will not be), and is not (and for so long as it holds such Warrant or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Warrant or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Warrant or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Warrant or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (7) Before any interest in a Warrant represented by a Restricted Global Registered Warrant may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Warrant, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 - Summary of Provisions relating to the Warrants While in Global Form*" in the Offering Memorandum.]

#### **[PEOPLE'S REPUBLIC OF CHINA**

*[In respect of Warrants linked to mainland China underlyings (including those underlying an underlying index) and baskets which contain both mainland China and China Connect underlyings but excluding those linked to China Connect Underlyings only:]*

ANY PLEDGE, SALE OR OTHER TRANSFER OF WARRANTS TO A PERSON THAT IS A "DOMESTIC INVESTOR", OR TO ANY PERSON USING FUNDS TO PURCHASE WARRANTS SOURCED FROM A "DOMESTIC INVESTOR", AS THE TERM IS DEFINED IN THE OFFERING MEMORANDUM, SHALL GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO TERMINATE ANY WARRANTS HELD BY SUCH TRANSFEREE.



*[In respect of Warrants linked to China Connect Underlyings:]*

ANY PLEDGE, SALE OR OTHER TRANSFER OF WARRANTS TO A PERSON THAT IS A "DOMESTIC INVESTOR", AS THE TERM IS DEFINED IN THE OFFERING MEMORANDUM, SHALL GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO TERMINATE ANY WARRANTS HELD BY SUCH TRANSFEREE.]

**CONFIRMED**

[HSBC BANK PLC

By: .....  
*Authorised Signatory*

Date: ..... ]

[HSBC BANK MIDDLE EAST LIMITED

By: .....  
*Authorised Signatory*

Date: .....

By: .....  
*Authorised Signatory*

Date: ..... ]

## PART B - OTHER INFORMATION

### 1. LISTING

- (i) Listing: [Application [will be/has been] made to admit the Warrants to listing on the Official List of Euronext Dublin. No assurance can be given as to whether or not, or when, such application will be granted] [Not applicable]
- (ii) Admission to trading: [Application has been made for the Warrants to be admitted to trading on the Global Exchange Market with effect from [the Issue Date][ ]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]
- (Where documenting a fungible issue need to indicate that original warrants are already admitted to trading.)*
- (iii) Estimated total expenses of admission to trading: [(Specify amount)] [Not applicable]

### 2. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save for any fees payable to the [[fees payable]/[and]/[discount to the Issue Price offered] to the [Manager(s)]distributors in respect of the Warrants [as of (or around) the Issue Date] (the "**Distributors**")/[specify other]], so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the issue. The [Manager(s)]Distributor(s)/[specify other] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>39</sup>

### 3. [Index-Linked, Equity-Linked or other variable-linked Interest Warrants only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>40</sup>

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained (and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident)<sup>41</sup>. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Also include appropriate index disclaimers. Where the underlying is not an index, need to include equivalent information.)*

## OPERATIONAL INFORMATION

4. ISIN Code: [ ] [Not applicable]
5. Common Code: [ ] [Not applicable]
6. CUSIP: [ ] [Not applicable]
7. Valoren Number: [ ] [Not applicable]

<sup>39</sup> For unlisted Notes delete this paragraph.

<sup>40</sup> For unlisted Notes delete this paragraph.

<sup>41</sup> Not required for non-derivative securities

**Part D3 - Pro Forma Pricing Supplement for Equity Linked Warrants, Index Linked Warrants and Inflation Rate-Linked Warrants**

8. SEDOL: [ ] [Not applicable]
9. WKN: [ ] [Not applicable]
10. Other identifier / code: [ ] [Not applicable]
11. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST] [None] [*specify*]
12. Delivery: Delivery [against/free of] payment
13. Additional Warrant Agent(s) (if any): [None/*specify*]
14. Common Depositary: [HSBC Bank plc] [Not applicable]
15. Calculation Agent: [HSBC Bank plc] [ HSBC Continental Europe] [*specify*]
16. ERISA Considerations: [ERISA prohibited] [ERISA terms apply]

**PART D4 –  
INDEX AND ETF DISCLAIMERS**

*This section sets out disclaimers which may be applicable in respect of an issue of Notes or Warrants which are linked to a reference index or an exchange traded fund.*

**Where a Series of Notes relates to any Index and no specific statement is included in the Pricing Supplement, the following statement will apply to such Series of Notes.**

"Notes issued by the Issuer are not sponsored, endorsed, sold or promoted by any index sponsor or the affiliates of any such index sponsor (collectively, the "**Publisher**"). The Publisher shall not be liable (whether as a result of negligence or otherwise) to any person for any error in the relevant index and the Publisher is under no obligation to advise any person of any error therein. The Publisher does not make any representation or warranty, express or implied, to the prospective investors or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly.

The Issuer shall have no liability to the Holders of the Notes for any act or failure to act by any index sponsor in connection with the calculation, adjustment or maintenance of any index relating to the Notes. The Issuer has no affiliation with or control over any index or any index sponsor or any control over the computation, composition or dissemination of any index. The only relationship the Publisher has with the Issuer is as licensee (the "**Licensee**") regarding the licensing of certain trademarks and trade names of the Publisher and of the relevant index which is determined, composed and calculated without regard to the Licensee or the Notes. The Publisher is not responsible for and neither has participated in the determination of the timing of, prices at, or quantities of the Notes to be offered or issued or in the determination or calculation of the equation by which the Notes to be offered or issued are to be converted into cash or otherwise disposed of. The Publisher does not have any obligation or liability in connection with the administration, marketing or trading of the Notes to be offered or issued.

Although the Issuer will obtain information concerning various indices from publicly available sources it believes reliable, it will not independently verify this information.

The provisions of this section are without prejudice to the responsibilities assumed by the Issuer in the Offering Memorandum."

**Where a Series of Notes relates to any exchange traded funds ("ETFs") and no specific statement is included in the Pricing Supplement, the following statement will apply to such Series of Notes.**

"Notes issued by the Issuer are not sponsored, endorsed, sold or promoted by any ETF, any ETF manager or the affiliates of any such ETF or ETF manager (collectively, the "**Publisher**"). The Publisher shall not be liable (whether as a result of negligence or otherwise) to any person for any error in any information relating to such ETF and the Publisher is under no obligation to advise any person of any error therein. The Publisher does not make any representation or warranty, express or implied, to the prospective investors or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly.

The Issuer shall have no liability to the Holders of the Notes for any act or failure to act by any ETF or ETF manager in connection with the management of such ETF or the computation, composition or dissemination of any data produced by any ETF or ETF manager relevant to the Notes. The Issuer has no affiliation with or control over any ETF or ETF manager or any control over the computation, composition or dissemination of any data produced by any ETF or ETF manager or the management processes of any ETF. The only relationship the Publisher has with the Issuer is as licensee (the "**Licensee**") regarding the licensing of certain trademarks and trade names of the Publisher. The Publisher is not responsible for and neither has participated in the determination of the timing of, prices at, or quantities of the Notes to be offered or issued or in the determination or calculation of the equation by which the Notes to be offered or issued are to be converted into cash or otherwise disposed of. The Publisher does not have any obligation or liability in connection with the administration, marketing or trading of the Notes to be offered or issued.

Although the Issuer will obtain information concerning various ETFs or ETF managers from publicly available sources it believes reliable, it will not independently verify this information.

The provisions of this section are without prejudice to the responsibilities assumed by the Issuer in this Offering Memorandum."

**Where a Series of Warrants relates to any Index and no specific statement is included in the Pricing Supplement, the following statement will apply to such Series of Warrants.**

"Warrants issued by the Issuer are not sponsored, endorsed, sold or promoted by any index sponsor or the affiliates of any such index sponsor (collectively, the "**Publisher**"). The Publisher shall not be liable (whether as a result of negligence or otherwise) to any person for any error in the relevant index and the Publisher is under no obligation to advise any person of any error therein. The Publisher does not make any representation or warranty, express or implied, to the prospective investors or any member of the public regarding the advisability of investing in securities generally or in the Warrants particularly.

The Issuer shall have no liability to the Holders of the Warrants for any act or failure to act by any index sponsor in connection with the calculation, adjustment or maintenance of any index relating to the Warrants. The Issuer has no affiliation with or control over any index or any index sponsor or any control over the computation, composition or dissemination of any index. The only relationship the Publisher has with the Issuer is as licensee (the "**Licensee**") regarding the licensing of certain trademarks and trade names of the Publisher and of the relevant index which is determined, composed and calculated without regard to the Licensee or the Warrants. The Publisher is not responsible for and neither has participated in the determination of the timing of, prices at, or quantities of the Warrants to be offered or issued or in the determination or calculation of the equation by which the Warrants to be offered or issued are to be converted into cash or otherwise disposed of. The Publisher does not have any obligation or liability in connection with the administration, marketing or trading of the Warrants to be offered or issued.

Although the Issuer will obtain information concerning various indices from publicly available sources it believes reliable, it will not independently verify this information.

The provisions of this section are without prejudice to the responsibilities assumed by the Issuer in the Offering Memorandum."

**Where a Series of Warrants relates to any ETF and no specific statement is included in the Pricing Supplement, the following statement will apply to such Series of Warrants.**

"Warrants issued by the Issuer are not sponsored, endorsed, sold or promoted by any ETF, any ETF manager or the affiliates of any such ETF or ETF manager (collectively, the "**Publisher**"). The Publisher shall not be liable (whether as a result of negligence or otherwise) to any person for any error in any information relating to such ETF and the Publisher is under no obligation to advise any person of any error therein. The Publisher does not make any representation or warranty, express or implied, to the prospective investors or any member of the public regarding the advisability of investing in securities generally or in the Warrants particularly.

The Issuer shall have no liability to the Holders of the Warrants for any act or failure to act by any ETF or ETF manager in connection with the management of such ETF or the computation, composition or dissemination of any data produced by any ETF or ETF manager relevant to the Warrants. The Issuer has no affiliation with or control over any ETF or ETF manager or any control over the computation, composition or dissemination of any data produced by any ETF or ETF manager or the management processes of any ETF. The only relationship the Publisher has with the Issuer is as licensee (the "**Licensee**") regarding the licensing of certain trademarks and trade names of the Publisher. The Publisher is not responsible for and neither has participated in the determination of the timing of, prices at, or quantities of the Warrants to be offered or issued or in the determination or calculation of the equation by which the Warrants to be offered or issued are to be converted into cash or otherwise disposed of. The Publisher does not have any obligation or liability in connection with the administration, marketing or trading of the Warrants to be offered or issued.

Although the Issuer will obtain information concerning various ETFs or ETF managers from publicly available sources it believes reliable, it will not independently verify this information.

The provisions of this section are without prejudice to the responsibilities assumed by the Issuer in this Offering Memorandum."

**Where a Series of Notes relates to any HSBC proprietary Reference Index in respect of which the index administrator is IHS Markit Benchmark Administration Ltd., the following statement will apply to such Series of Notes.**

"The reference index (the "**Index**") referenced herein is the property of HSBC Bank plc ("**Index Owner**") and the Index is administered by IHS Markit Benchmark Administration Ltd. ("**Index Administrator**") and has been licensed for use in connection with the Notes. Holders of the Notes acknowledge and agree that the Index is not supported, endorsed or promoted by the Index Administrator. The Index Administrator makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Administrator shall not be liable (whether in negligence or otherwise) to the Holders of the Notes or any other person for any error in the Index, and the Index Administrator is under no obligation to advise the Holders of the Notes or any person of any error therein.

The Index Administrator makes no representation whatsoever, whether express or implied, as to the advisability of, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Administrator has no obligation to take the needs of any Holders of the Notes into consideration in determining, composing or calculating the Index. Neither the Index Owner nor the Index Administrator shall have any liability to any Holders of the Notes for any act or failure to act by the Index Administrator in connection with the determination, adjustment, calculation or maintenance of the Index."

**Where a Series of Notes relates to any HSBC proprietary Reference Index in respect of which the index administrator is S&P Opco, LLC, the following statements will apply to such Series of Notes.**

"The reference index (the "**Index**") is the exclusive property of HSBC Bank plc, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to administer, maintain and calculate the Index. The Index is not endorsed by S&P or its affiliates or its third party licensors, including Standard & Poor's Financial Services LLC and Dow Jones Trademark Holdings LLC (collectively "**S&P Dow Jones Indices**"). "**Calculated by S&P Custom Indices**" and its related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by HSBC Bank plc. S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. S&P Dow Jones Indices shall have no liability for any errors or omissions in calculating the Index.

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**PART D5 –  
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**HSBC Bank plc**

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**HSBC Bank Middle East Limited**

*(a company limited by shares incorporated in the Dubai International Financial Centre)  
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**PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS  
COMMODITY/COMMODITY INDEX-LINKED NOTES AND WARRANTS**

This product supplement in relation to Commodity/Commodity Index-Linked Notes and Warrants constitutes Part E ("**Part E**") of the offering memorandum dated 1 June 2023 (the "**Offering Memorandum**") prepared by HSBC Bank plc (the "**Issuer**") in relation to the Programme for the Issuance of Notes and Warrants (the "**Programme**") described therein in connection with the application made for Notes to be admitted to listing on the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), and to trading on its Global Exchange Market.

**This Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of the Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes and Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

To the extent that there is any inconsistency between any statement in this Part E and any other statement in, or incorporated by reference in, other parts of this Offering Memorandum, the statements in this Part E will prevail for the purposes of Part E.

Notes and Warrants issued pursuant to the Programme may include: "**Commodity/Commodity Index-Linked Notes**" and "**Commodity/Commodity Index-Linked Warrants**", being Notes and Warrants in relation to which the interest rate and/or redemption amount or exercise amount (as applicable) payable at maturity or expiry or exercise (as applicable) is linked to a commodity, basket of commodities or one or more commodity indices. The purpose of this Part E is to provide information in relation to Commodity/Commodity Index-Linked Notes and Warrants. This Supplement should be read together with Parts A and B of this Offering Memorandum (in relation to Commodity/Commodity Index-Linked Notes) and Parts A and C of this Offering Memorandum (in relation to Commodity/Commodity Index-Linked Warrants).

**An investment in Commodity/Commodity Index-Linked Notes and Commodity/Commodity Index-Linked Warrants involves risks. See Part A of this Offering Memorandum under the heading "**Part A - Risk Factors**" (beginning on page A-1).**

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Part E or any other information supplied in connection with the Commodity/Commodity Index-Linked Notes and Warrants and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Part E nor any further information supplied in connection with the Commodity/Commodity Index-Linked Notes and Warrants (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or as constituting an invitation or offer by the Issuer that any recipient of this Part E or any other information supplied in connection with the Commodity/Commodity Index-Linked Notes and Warrants should subscribe for or purchase the Commodity/Commodity Index-Linked Notes and Warrants. Each investor contemplating subscribing for or purchasing the Commodity/Commodity Index-Linked Notes and Warrants should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Part E nor any other information supplied in connection with the Commodity/Commodity Index-Linked Notes and Warrants constitutes an offer by or on behalf of the Issuer to subscribe for or purchase the Commodity/Commodity Index-Linked Notes and Warrants.

**EU PRIIPs REGULATION - IMPORTANT - EEA RETAIL INVESTORS** - If the Pricing Supplement in respect of any Notes or Warrants includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs REGULATION - IMPORTANT - UK RETAIL INVESTORS** - If the Pricing Supplement in respect of any Notes or Warrants includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The distribution of this Part E and the offer, distribution or sale of Commodity/Commodity Index-Linked Notes and Warrants may be restricted by law in certain jurisdictions. The Issuer does not represent that this document may be lawfully distributed, or that the Commodity/Commodity Index-Linked Notes and Warrants may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, action may be required to be taken to permit a public offering of the Commodity/Commodity Index-Linked Notes and Warrants or a distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Commodity/Commodity Index-Linked Notes and Warrants may be offered or sold, directly or indirectly, and neither this Part E nor any advertisement or other offering material may be distributed or published in any jurisdiction,

**Part E1 - Additional Provisions Relating to Commodity/Commodity Index-Linked Notes**

except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Part E or the Commodity/Commodity Index-Linked Notes and Warrants come must inform themselves about, and observe, any such restrictions.

Commodity/Commodity Index-Linked Notes and Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), the state securities laws of any state of the United States or the securities laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In addition, unless the relevant Pricing Supplement specifies otherwise, Warrants may not be offered or sold to, or for the account or benefit of U.S. persons (as defined in the Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed. Reg. 45292, 26 July 2013, as amended or supplemented by the U.S. Commodity Futures Trading Commission) at any time.

Programme Arranger  
**HSBC Bank plc**

Dealers and Managers  
**HSBC Bank plc**

**HSBC Continental Europe**

**The Hongkong and Shanghai Banking Corporation Limited**

1 June 2023

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**PART E1 –  
ADDITIONAL PROVISIONS RELATING TO COMMODITY/COMMODITY  
INDEX-LINKED NOTES**

The following additional conditions shall be deemed to be added as Condition 22 to the terms and conditions set out in the section headed "*Part B1 - Terms and Conditions of the Notes*" of this Offering Memorandum in respect of any issue of Commodity/Commodity Index-Linked Notes.

The terms and conditions of the Commodity/Commodity Index-Linked Notes (the "**Terms and Conditions of the Commodity/Commodity Index-Linked Notes**") shall consist of Condition 22, and the terms and conditions set out in the section headed "*Part B1 - Terms and Conditions of the Notes*" of this Offering Memorandum, as amended or supplemented by the terms of each Tranche of Notes set out in the Pricing Supplement, examples of which are set out below.

22. Provisions relating to Commodity/Commodity Index-Linked Notes

(a) **Definitions**

As used in this Condition 22, and unless otherwise provided in the relevant Pricing Supplement, the following expressions shall have the following meanings:

**"Additional Disruption Event"** means the occurrence of either (i) Hedging Disruption or (ii) Increased Cost of Hedging;

**"Associated Hedging Costs"** means any loss, or mark to market adjustment, which would be incurred by the Issuer and/or its affiliates as a result of terminating, liquidating, transferring, obtaining or re-establishing any swap agreement, financing arrangement or other hedging transaction entered into by or on behalf of the Issuer and/or its affiliates in relation to, as a result of or in connection with the issuance of the Notes (if any), subject to a minimum of zero;

**"Barrier Price"** shall have the meaning specified in the relevant Pricing Supplement;

**"Basket of Commodities"** means a basket comprising two or more Commodities or Commodity Indices;

**"Calculation Agent Determination"** means that the Calculation Agent will determine the Relevant Price (or a method for determining a Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information it deems relevant;

**"Cancellation"** means that all but not some only of the Notes shall be redeemed, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less any Associated Hedging Costs, all as determined by the Calculation Agent;

**"Commodity"** means, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the relevant Pricing Supplement, and related expressions shall be construed accordingly;

**"Commodity Business Day"** means:

- (i) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its Scheduled Closing Time; or
- (ii) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price;

**"Commodity Fallback Value"** means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, **provided that** if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining

after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent;

**"Commodity Index"** means each index specified as such in the relevant Pricing Supplement or an index comprising one or more commodities or contracts for the future delivery of a commodity (each a **"Component"**);

**"Commodity Price"** means, in respect of a Commodity or a Component as applicable, the price or other unit of quotation for such Commodity or Component specified in the relevant Pricing Supplement;

**"Commodity Reference Price"** means, (i) in respect of any Commodity, the Commodity Reference Price specified in the relevant Pricing Supplement and (ii) in respect of any Commodity Index, the Commodity Reference Price specified in the relevant Pricing Supplement or, if not so specified, the official closing price of such Commodity Index;

**"Delayed Publication and Announcement"** means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for consecutive Commodity Business Days equal in number to the Specified Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the relevant Pricing Supplement will apply;

**"Delivery Date"** means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (i) if a date is, or a month and year are, specified in the relevant Pricing Supplement, that date or that month and year;
- (ii) if a Nearby Month is specified in the relevant Pricing Supplement, the month of expiration of the relevant Futures Contract; and
- (iii) if a method is specified in the relevant Pricing Supplement for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

**"Disappearance of Commodity Reference Price"** means (i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (ii) the disappearance of, or of trading in, the relevant Commodity or Component or (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Component;

**"Disrupted Day"** means any Commodity Business Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

**"Disruption Fallback"** means each of Calculation Agent Determination, Cancellation, Delayed Publication and Announcement, Commodity Fallback Value, Fallback Commodity Price, and Postponement, which are specified as applicable in the relevant Pricing Supplement;

**"Exchange"** means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified in the relevant Pricing Supplement or in the Commodity Reference Price and in the case of a Commodity Index, the exchange or principal trading market for each Component comprising such Commodity Index;

**"Fallback Commodity Price"** means that the Calculation Agent shall determine the Relevant Price of the relevant Commodity using the Commodity Price specified in the relevant Pricing Supplement as an alternative Commodity Price;

**"Futures Contract"** means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity or Commodity Index referred to in that Commodity Reference Price;

**"Hedging Disruption"** means that the Issuer and/or its affiliates are unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or its affiliates deem necessary to hedge the risk of issuing and performing any obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased cost (as compared with circumstances existing on the Issue Date), amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or its affiliates deem necessary to hedge the risk of entering into and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

**"Index Component Disruption Event"** means:

- (i) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (ii) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

**"Material Change in Content"** means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Component;

**"Material Change in Formula"** means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price;

**"Nearby Month"**, when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example: (A) **"First Nearby Month"** means the month of expiration of the first Futures Contract to expire following that Pricing Date; (B) **"Second Nearby Month"** means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (C) **"Sixth Nearby Month"** means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

**"Postponement"** means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback only, to be the first succeeding Commodity Business Day or on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) for consecutive Commodity Business Days equal in number to the Specified Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the relevant Pricing Supplement will apply;

**"Price Fixation Event"** means the enactment, promulgation, execution or notification of, or any change in or amendment to, any law (or the application or interpretation of any law, as determined by a court or regulatory authority of competent jurisdiction or as determined by the opinion of independent legal counsel nominated by the Issuer) that occurs after the Issue Date which would result in the fixing of the prices at which any relevant Commodity may be bought and sold which does not reflect normal market response to supply and demand *vis a vis* that which would exist if prices were not so fixed;

**"Price Source"** means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

**"Price Source Disruption"** means (i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (ii) the temporary or permanent discontinuance or unavailability of the Price Source;

**"Pricing Date"** means each date specified in the relevant Pricing Supplement or if that is not a Commodity Business Day the immediately succeeding Commodity Business Day;

**"Reference Dealers"** means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

**"Relevant Price"** means, for any Pricing Date, the price, expressed as a price per unit of the Commodity or the price of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price calculated as provided in this Condition 22 and the relevant Pricing Supplement;

**"Scheduled Closing Time"** means, in respect of an Exchange, the scheduled weekday closing time of such Exchange on such Commodity Business Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Specified Maximum Days of Disruption"** means two (2) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the relevant Pricing Supplement;

**"Specified Price"** means, in respect of a Commodity Reference Price any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the relevant Pricing Supplement (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the relevant Pricing Supplement on the Pricing Date;

**"Strike Price"** shall have the meaning specified in the relevant Pricing Supplement;

**"Tax Disruption"** means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index, Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

**"Trade Date"** means the date specified as such in the relevant Pricing Supplement;

**"Trading Disruption"** means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Component on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the relevant Pricing Supplement. For these purposes:

- (i) a suspension of the trading in the Futures Contract, Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
  - (A) all trading in the Futures Contract, Commodity or Component, as the case may be, is suspended for the entire Pricing Date; or
  - (B) all trading in the Futures Contract, Commodity or Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (ii) a limitation of trading in the relevant Futures Contract, Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Component, as the case may be, on such day is at the upper or lower limit of that range;

**"Valuation Time"** means, in relation to each Commodity or Commodity Index to be valued on any date, the time on such date specified as such in the relevant Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on such date in relation to such Commodity or Commodity Index, as applicable. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; and

**"Weighting"** has the meaning specified in the relevant Pricing Supplement.

(b) ***Market Disruption***

**"Market Disruption Event"** means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (i) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price and/or a Price Fixation Event and in addition;
- (ii) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and
- (iii) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 13 of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

(c) ***Consequences of a Market Disruption Event and Disruption Fallbacks***

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices/or that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent shall apply the applicable Disruption Fallback in respect of the relevant Market Disruption Event in determining the consequence of the Market Disruption Event, or, if the Calculation Agent determines that it is not possible to apply the specified Disruption Fallback, the Calculation Agent shall apply the next applicable Disruption Fallback as specified in the relevant Pricing Supplement. A Disruption Fallback is applicable if it is specified in the relevant Pricing Supplement and shall apply in the order so specified. If no Disruption Fallback is specified, the Calculation Agent shall take the relevant actions specified below:

(i) *Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content*

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content, then:

- (A) the Calculation Agent shall determine if such event has a material effect on the Notes and, if so, shall calculate the relevant Interest Amount and/or make another relevant calculation using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Component, as the case may be, and any other information that in good faith it deems relevant; or
- (B) unless Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the relevant Pricing Supplement, on giving notice to Noteholders in accordance with Condition 14, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less any Associated Hedging Costs, all as determined by the Calculation Agent. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 14; or
- (C) if Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the relevant Pricing Supplement, the Calculation Agent shall calculate the fair market value of each Note, taking into account the Market Disruption Event, less any Associated Hedging Costs (the "**Calculated Market Disruption Amount**") as soon as practicable following the occurrence of the Market Disruption Event (the "**Calculated Market Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to the Calculated Market Disruption Amount plus interest accrued from and including the Calculated Market Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to the Issuer's funding cost at such time.

(ii) *Consequences of a Tax Disruption*

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax Disruption has a material effect on the Notes and if so (i) shall effect any adjustments that it deems in good faith necessary to the terms and conditions of the Notes or, (ii) if it determines that such adjustments cannot be made on giving notice to Noteholders in accordance with Condition 14, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note, less any Associated Hedging Costs, all as determined by the Calculation Agent.

(iii) *Consequences of a Price Source Disruption, Trading Disruption and Price Fixation Event*

If, with respect to the relevant Pricing Date, a Price Source Disruption, Trading Disruption or a Price Fixation Event has been in existence in excess of the Specified Maximum Days of Disruption, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Relevant Price for that Pricing Date and each subsequent Pricing Date (if any).

(iv) *Consequences of an Index Component Disruption*

If the Calculation Agent determines that, on a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source) an Index Component Disruption Event has occurred or

exists then the Calculation Agent shall determine the Relevant Price (or a method for determining the Relevant Price) for that Pricing Date and each subsequent Pricing Date (if any).

(d) ***Consequences of an Additional Disruption Event***

Following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the relevant Notes shall continue and, if so, the Calculation Agent shall determine any adjustments to be made. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount set out in the relevant Pricing Supplement and any other variable relevant to the payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent. If the Issuer determines that the relevant Notes shall be redeemed, then the Notes shall be redeemed as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of such amount, less any Associated Hedging Costs, as in the opinion of the Calculation Agent is fair in the circumstances by way of compensation for the redemption of the Notes.

(e) ***Correction of Commodity Reference Price***

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Notes, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

(f) ***Knock-in Event and Knock-out Event***

- (i) If "Knock-in Event" is specified as applicable in the Pricing Supplement, then, unless otherwise specified in such Pricing Supplement, any payment under the relevant Notes which is expressed in the relevant Pricing Supplement to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (ii) If "Knock-out Event" is specified as applicable in the Pricing Supplement, then, unless otherwise specified in such Pricing Supplement, any payment under the relevant Notes which is expressed in the relevant Pricing Supplement to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (iii) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Pricing Supplement is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the relevant Pricing Supplement, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.
- (iv) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Pricing Supplement is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Pricing Supplement, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

(g) **Definitions relating to Knock-in Event/Knock-out Event**

Unless otherwise specified in the relevant Pricing Supplement:

**"Knock-in Determination Day"** means the date(s) specified as such in the relevant Pricing Supplement;

**"Knock-in Determination Period"** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**"Knock-in Event"** means (i) in the case of a single Commodity, that the Commodity Reference Price determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Commodity as the product of (x) the Relevant Price as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is (A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Price, as specified in the relevant Pricing Supplement;

**"Knock-in Price"** means (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the relevant Pricing Supplement, subject to adjustment from time to time in accordance with the provisions set forth in Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

**"Knock-in Period Beginning Date"** means the date specified as such in the relevant Pricing Supplement or, if the Knock-in Period Beginning Date Commodity Business Day Convention is specified as applicable in the relevant Pricing Supplement and such date is not a Commodity Business Day, the next following Commodity Business Day;

**"Knock-in Period Ending Date"** means the date specified as such in the relevant Pricing Supplement or, if the Knock-in Period Ending Date Commodity Business Day Convention is specified as applicable in the relevant Pricing Supplement and such date is not a Commodity Business Day, the next following Commodity Business Day;

**"Knock-in Valuation Time"** means the time or period of time on any Knock-in Determination Day specified as such in the relevant Pricing Supplement or in the event that the relevant Pricing Supplement does not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

**"Knock-out Determination Day"** means the date(s) specified as such in the relevant Pricing Supplement;

**"Knock-out Determination Period"** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**"Knock-out Event"** means (i) in the case of a single Commodity, that the Relevant Price determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (x) the Commodity Reference Price as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the relevant Pricing Supplement;

**"Knock-out Price"** means (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the relevant Pricing Supplement, subject to adjustment from time to time in accordance with the provisions set forth in Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*);



**"Knock-out Period Beginning Date"** means the date specified as such in the relevant Pricing Supplement or, if the Knock-out Period Beginning Date Commodity Business Day Convention is specified as applicable in the relevant Pricing Supplement and such date is not a Commodity Business Day, the next following Commodity Business Day;

**"Knock-out Period Ending Date"** means the date specified as such in the relevant Pricing Supplement or, if the Knock-out Period Ending Date Commodity Business Day Convention is specified as applicable in the relevant Pricing Supplement and such date is not a Commodity Business Day, the next following Commodity Business Day; and

**"Knock-out Valuation Time"** means the time or period of time on any Knock-out Determination Day specified as such in the relevant Pricing Supplement or in the event that the applicable Pricing Supplement does not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

**PART E1 –  
PRO FORMA PRICING SUPPLEMENT FOR COMMODITY/  
COMMODITY INDEX-LINKED NOTES**

*[When completing any Pricing Supplement, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated: [•]

[HSBC Bank plc

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*

/ HSBC Bank Middle East Limited]

**Programme for the Issuance of Notes and Warrants**

[Further] Issue of

[Aggregate Principal Amount of Tranche] [Title of Notes]

**[(to be consolidated and form a single series with the existing [Insert details of existing Tranche(s)] issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A - CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes, including the Terms and Conditions of the Commodity/Commodity Index-Linked Notes (the "**Conditions**") set forth in the Offering Memorandum.] The Alternative Note General Conditions do not apply.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Notes which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2021 Amended/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

[For Notes offered and sold in the United States of America include:

### IMPORTANT NOTICES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, the Issuer will promptly furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.]

2. Tranche number: [ ]

*[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*

3. Currency:
- (i) Settlement Currency: [ ] [subject to Condition 9(j) (*Payments – Conversion*)]
- (ii) Denomination Currency: [*specify*/Settlement Currency]
4. Aggregate Principal Amount:
- [(i) Series:] [ ]
- [(ii) Tranche:] [ ]
5. Issue Price: [[ ] per cent. of the Aggregate Principal Amount] [plus accrued interest from [*insert date*] (*in the case of fungible interest-bearing issues only, if applicable*)] [An amount as determined by the Calculation Agent equal to [ ] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [ ].]
6. (i) Denomination(s) [ ]<sup>1</sup>  
(*Condition 2*):
- (ii) Calculation Amount<sup>2</sup>: [ ]
- (iii) Aggregate Outstanding Nominal Amount Rounding: [Applicable] [Not applicable]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [*specify*] [Issue Date] [Not applicable ]
- (iii) Trade Date: [ ]
8. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year. In case of undated Notes, specify undated.*] [adjusted in accordance with [*specify*] [*Business Day Convention and any applicable Business Centre(s)*] for the definition of "**Business Day**"]
- (*Condition 7(a)*)
9. Change of interest or redemption basis: [*Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis*]

<sup>1</sup> If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange the Permanent Global Note for definitive Notes in paragraph (c) of the Permanent Global Note should not apply - see item 22(iii) below.

<sup>2</sup> The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

10. Fixed Rate Note provisions: [Applicable] [Not applicable]  
*(Condition 4)*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Rate(s) of Interest: [ ] per cent. [per annum] [ ] [payable [annually/semi-annually/quarterly/ monthly] in arrear] [ ]
- (ii) Interest Payment Date(s): [dd/mm, dd/mm, dd/mm and dd/mm] [in each year]
- [adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)], for the definition of "**Business Day**"] [not adjusted]
- (iii) Fixed Coupon Amount(s): [[ ] per Calculation Amount] [Not applicable]
- (iv) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)] [Not applicable] [other (specify)]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not applicable / other (give details)]
- (vi) Business Centre(s): [Not applicable/give details]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not applicable/give details] *(Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)*
11. Floating Rate Note provisions: [Applicable] [Not applicable]  
*(Condition 5)*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) [Interest Period(s)] / [Specified Period]<sup>3</sup>: [specify]
- (ii) Interest Payment Dates: [Not applicable – Floating Rate Convention applies] [specify payment dates]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (iv) Business Centre(s): [Not applicable/give details]
- (v) Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, [Applicable] [Not applicable]

<sup>3</sup> Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

€STR, SORA or TONA

(Condition 5(c):

- (1) Reference Rate: [[•] month] [*specify rate*]
  - (2) Interest Determination Date(s): [ ]
  - (3) Relevant Screen Page: [ ]
  - (4) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
  - (5) Relevant Financial Centre: [ ]
  - (6) Relevant Time: [ ]
  - (7) Relevant Currency: [ ]
- (vi) ISDA Determination (Condition 5(d): [Applicable] [Not applicable]
- (1) ISDA Definitions: 2021 ISDA Definitions
  - (2) Floating Rate Option: [[•] / CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index]  
  
*(The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions.)*
  - (3) Designated Maturity: [•]  
  
*(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
  - (4) Reset Date: [[•] / as specified in the ISDA Definitions / the first day of the relevant Interest Period]
  - (5) Compounding: [Applicable] [Not applicable]
    - (i) Compounding Method: [Compounding with Lookback  
Lookback: [•] Applicable Business Days  
  
[Compounding with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business Days  
  
Observation Period Shift Additional Business Days: [•]/[Not applicable]]

- [Compounding with Lockout  
 Lockout:  Lockout Period Business Days  
 Lockout Period Business Days: /Applicable Business Days]
- (6) Averaging:  [Applicable]  [Not applicable]
- (i) Averaging Method:  [Averaging with Lookback  
 Lookback:  Applicable Business Days]  
 [Averaging with Observation Period Shift  
 Observation Period Shift:  Observation Period Shift Business Days  
 Observation Period Shift Additional Business Days: /[Not applicable]]  
 [Averaging with Lockout  
 Lockout:  Lockout Period Business Days  
 Lockout Period Business Days: /Applicable Business Days]
- (7) Index Provisions:  [Applicable]  [Not applicable]
- (i) Index Method:  [Compounding Index Method with Observation Period Shift  
 Observation Period Shift:  Observation Period Shift Business Days  
 Observation Period Shift Additional Business Days: /[Not applicable]]
- (8) Applicable Benchmark:   [Not applicable]
- (9) Fixing Day:   [Not applicable]
- (10) Fixing Time:   [Not applicable]
- (11) Any other terms relating to the ISDA Definitions:   [Not applicable]
- (12) Alternative Pre-nominated Index:   [*specify Alternative Pre-nominated Index details*]  [Not applicable]
- (vii) Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA (*Condition 5(e)*):  [Applicable]  [Not applicable]
- (1) Reference Rate:  [SONIA]  [SOFR]  [€STR]  [SORA]  [TONA]
- (2) Relevant Screen Page:   [Not applicable] - *This is only required if SONIA is the Reference Rate*



- (3) Interest Determination Date(s): [•] [[ ]][prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day]][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day]][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (Payments)) – use for Payment Delay only]
- (4) Determination Method: [Compounded Daily Rate][Weighted Average Rate]
- (5) Observation Method: [Observation Shift][Lag][Lock-Out][Payment Delay]
- (6) Y: [360 – likely to be specified for USD][365 -likely to be specified for GBP][•]
- (7) "p": [*Specify if Observation Shift (Standard Shift) or Lag are applicable*][Not applicable]
- (8) ARRC Fallbacks: [Applicable][Not applicable] – *May be applicable if SOFR is the Reference Rate only*
- (9) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days]][•] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes. – *include if Payment Delay is specified*][Not applicable]
- (10) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (viii) Linear Interpolation: [Not applicable] [Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [ ] shall be calculated using Linear Interpolation]
- (ix) Margin(s): [[+/-][ ] per cent. [per annum]] [Not applicable]
- (x) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/360/ other (specify)]
- (xi) Minimum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xii) Maximum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xiii) Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different [ ]

- from those set out in the Conditions:
12. Zero Coupon Note provisions: [Applicable] [Not applicable]  
 (Condition 6)
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [[ ] per cent [per annum]]
- (ii) Zero Coupon Note Reference Price: [ ]
- (iii) Day Count Fraction in relation to Early Redemption Amounts (if applicable) and late payments: [ ]
13. Commodity Index-Linked Interest Note Provisions: [Applicable] [Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/formula/other variable: [give or annex details if appropriate, cross refer to the definitions of Valuation Date in paragraph 27 below]
- Alternative Pre-nominated Index [ ] [*specify Alternative Pre-nominated Index details in ease of Commodity Index Linked Note*]
- (ii) Provisions for determining interest where calculated by reference to Index and/or formula and/or other variable: [ ]
- (iii) Provisions for determining interest where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ] [*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (iv) Interest or calculation period(s): [ ]
- (v) Interest Payment Dates: [ ]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (*give details*)]
- (vii) Business Centre(s): [ ]
- (viii) Minimum Interest Rate: [[ ] per cent. [per annum]]
- (ix) Maximum Interest Rate: [[ ] per cent. [per annum]]
- (x) Day Count Fraction: [ ]

**PROVISIONS RELATING TO REDEMPTION**

14. Issuer's optional redemption (Call Option): (Condition 7(c)) [Applicable] [Not applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Redemption Amount (Call Option): [[ ] per Calculation Amount (specify — if not par, also specify details of any formula)] [Fair Market Value]
  - (ii) Series redeemable in part: [[ ] per Calculation Amount (specify — otherwise redemption will only be permitted of entire Series)] [Fair Market Value]
  - (iii) Optional Redemption Date (Call Option): [ ]
  - (iv) Minimum Redemption Amount (Call Option): [[ ] per Calculation Amount (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
  - (v) Maximum Redemption Amount (Call Option): [[ ] per Calculation Amount (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
15. Noteholder's optional redemption (Put Option): (Condition 7(d)) [Applicable] [Not applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value]
  - (ii) Optional Redemption Date (Put Option): [ ]
  - (iii) Minimum Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
  - (iv) Maximum Redemption Amount (Put Option): [[ ] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
16. Final Redemption Amount of each Note: (Condition 7(a)) [[ ] per Calculation Amount (specify — if not par, also specify details of any formula)]
17. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Index-Linked or other variable-linked: [Applicable] [Not applicable]
- (i) Index/formula/other variable: [give annex details]
  - (ii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or formula and/or other variable; [ ]
  - (iii) Provisions for determining Final Redemption Amount where [Need to include a description of market disruption or settlement disruption events and

- calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: *adjustment provisions*] [See paragraph 24(v) below]
- (iv) Minimum Final Redemption Amount [ ]
- (v) Maximum Final Redemption Amount: [ ]
18. Instalment Notes: [Applicable] [Not applicable]  
(Condition 7(a)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Instalment Date(s) and corresponding Instalment: *Instalment Date* *Instalment Amount*  
[ ] [ ]
19. Early Redemption:
- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): [(100) per cent. of the Calculation Amount] [Fair Market Value] [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes] [other (specify details)]  
(Conditions 7(b) or 7(f))
- (ii) Early Redemption Amount (upon redemption following an Event of Default): [(100) per cent. of the Calculation Amount] [Fair Market Value] [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes] [other (specify details)]  
(Condition 11)
- (iii) Early Redemption Amount (upon redemption following an FX Disruption Event or a Benchmark Trigger Event): [(100) per cent. of the Calculation Amount] [Fair Market Value] [other (specify details)]  
(Condition 9(f)(Y) or 15A)
- (iv) Other redemption provisions: [*Specify*] [Not applicable] [*If the Notes are rated, specify: Early Redemption for Impracticability is not applicable*]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes: [Bearer Notes/Registered Notes/ Uncertificated Registered Notes]  
(Condition 2(a))
21. [New Global Note [(delete if Registered Note)]]/ Issued under the new safekeeping structure [(delete if Bearer Note)]: [Yes/No]
22. If issued in bearer form:
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: [Temporary] [Permanent] Global Note
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes: [Yes] [No] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only]

	(Condition 2(a))	in limited circumstances specified in the Permanent Global Note [(specify)]
	(iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation:	[Yes] [No] [ <i>If no, specify:</i> Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.]
	(iv) Coupons to be attached to Definitive Notes: <sup>4</sup>	[Yes] [No] [Not applicable] [ <i>N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems - see provisions contained in Permanent Global Note</i> ]
	(v) Talons for future Coupons to be attached to Definitive Notes: <sup>5</sup>	[Yes] [No] [Not applicable] [ <i>N.B. The above comment also applies here</i> ]
23.	Exchange Date for exchange of Temporary Global Note:	[Not earlier than 40 days after the Issue Date] [(specify)]
24.	If issued in registered form (other than Uncertificated Registered Notes):	[Applicable] [Not applicable]
25.	(i) Initially represented by:	[Regulation S Global Registered Note] [Rule 144A Global Registered Note] [Unrestricted Global Registered Note and Restricted Global Registered Note] [Combined Global Registered Note] [Definitive Registered Notes]
	[(ii) [Regulation S Global Registered Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:]	[Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Regulation S Global Registered Note] [Unrestricted Global Registered Note] for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note] [Unrestricted Global Registered Note]]
	[(ii) [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:]	[Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note] [Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note] [Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note] [Restricted Global Registered Note]]
	[(iii) [Combined Global Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a	[Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined

<sup>4</sup> Definitive Notes will typically have coupons attached to them if interest bearing.

<sup>5</sup> Talons will be needed if there are more than 27 coupons.

material disadvantage following a change of law or regulation:] Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]

26.

Payments:  
(Condition 9)

- (i) Relevant Financial Centre Day: [specify all places]
- (ii) Payment of Alternative Payment Currency Equivalent:
  - Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ] (delete if Cross Currency Exchange Rate is not applicable)
  - Cross Currency Jurisdiction: [ ] (delete if Cross Currency Exchange Rate is not applicable)
  - Settlement Currency Jurisdiction: [ ]
  - Alternative Payment Currency: [ ]
  - Alternative Payment Currency Jurisdiction: [ ]
  - Alternative Payment Currency Fixing Page: [ ]
  - Alternative Payment Currency Fixing Time: [ ]
  - Alternative Payment Currency Fixing Date: [ ] [Condition 1 applies] [The relevant jurisdictions/places for the purposes of the Alternative Payment Currency Fixing Date are [ ]]
  - Alternative Payment Currency Exchange Rate Fall-Back provisions: [ ] [Not applicable]
  - Additional Alternative Payment Currency Event: [ ]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]

- (iii) Conversion provisions: [Applicable in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other]] [the Conversion Rate is [ ]] [specify further Conversion provisions] [Not applicable]
- Conversion Rate Business Days: [in respect of [[interest payments under the Notes]] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ] [Condition 1 applies]]
  - Conversion Rate Fixing Date: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]]
  - Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Conversion Rate Fixing Page: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]] [Condition 1 applies]]
  - Conversion Rate Fixing Time: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]]
  - Denomination Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]]
  - Settlement Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]]
  - Conversion Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]

- Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
- (iv) Underlying Currency Pair provisions:
- [Applicable in respect of [[interest payments under the Notes] [Final Redemption Amount]] [The Initial Underlying Currency Pair Exchange Rate is [ ]][Not applicable]
  - Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Reference Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Reference Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Specified Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Specified Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Underlying Currency Pair Business Days: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Date: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ]]
  - Underlying Currency Pair Fixing Page: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Time: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ]]
  - Underlying Currency Pair Exchange Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
- (v) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]
  - Number of local banking days for the [3] [ ]



- purpose of postponing Related Payment Dates pursuant to Condition 9(h):
- Dealer Poll: [Applicable] [Not applicable]
  - Unscheduled Holiday and Deferral Period: [The number of Relevant Currency Business Days for the purpose of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purposes of the Deferral Period is [ ] [as per Condition 1]]
  - Interest Adjustment: [Applicable] [Not applicable]
- (vi) EM Price Source Disruption: [Applicable] [Not applicable]
- Price Materiality: [Applicable] [Not applicable]
  - Price Materiality Threshold Percentage: [ ] [3 per cent.]
  - FX Disruption Event: [Applicable] [Not applicable]
  - EM Deferral Period: The number of calendar days for the purposes of the Deferral Period is [ ] [14] [30].
  - Fallback Conversion Rate Fixing Page: [ ]
  - Fallback Conversion Rate Fixing Time: [ ]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9(h): [3] [ ]
  - Interest Adjustment: [Applicable] [Not applicable]
- (vii) LBMA Physical Settlement provisions: [Applicable [in respect of [Final Redemption Amount] [Early Redemption Amount] [ ] [and [ ]]] [Not applicable]
- LBMA Physical Settlement Commodity(ies): [ ] [and [ ]]
- (viii) Physical Settlement provisions: [Applicable] [Not applicable]
27. Redenomination: (Condition 10) [Applicable] [Not applicable]
28. Other terms: [Not applicable/specify/See Annex]  
(When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)

29. Valuation Date: [ ]

**PROVISIONS APPLICABLE TO COMMODITY/COMMODITY INDEX-LINKED NOTES**

30. (i) Commodity/ Commodities/ (specify Commodity/Commodities/Commodity  
Commodity Index/Commodity Indices: Index/ Commodity Indices)

[The Sponsor[s] of the Commodity Index/Indices is/are *[specify]*]

(ii) Pricing Date(s): *[specify]*

(iii) Trade Date: *[specify]*

(iv) Barrier Price: *[specify]*

(v) Strike Price: *[specify]*

(vi) Commodity Reference Price: *[specify]*

The Price Source is/are *[specify]*

(vii) Commodity Price: *[specify]*

(viii) Delivery Date: *[specify]*

(ix) Nearby Month: *[specify]*

(x) Specified Price: [high price] [low price] [average of the high price and the low price] [closing price] [opening price] [bid price] [asked price] [average of the bid price and the asked price] [settlement price] [official settlement price] [official price] [morning fixing] [afternoon fixing] [spot price] *[other]*

(xi) Exchange: *[specify]*

(xii) Disruption Fallback(s): [As per Condition 22] *[specify]*

(xiii) Alternative Pre-nominated Index: [ ] *[specify Alternative Pre-nominated Index details]* [Not applicable]

(xiv) Valuation Time: [Continuous monitoring *[specify other]* and the relevant time on *[insert relevant date(s)]*.] *[[specify]]*

(xv) Specified Maximum Days of Disruption: *[specify]* [Commodity Business Days]

(xvi) Knock-in Event: [Not applicable/*specify*] ["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Knock-in Price: *[specify]*

(b) Knock-in Period Beginning Date: *[specify]*

- (c) Knock-in Period Beginning Date [Applicable] [Not applicable]  
Commodity Business Day  
Convention:
- (d) Knock in Determination Period: [specify]
- (e) Knock in Determination Day(s): [specify]
- (f) Knock-in Period Ending Date: [specify]
- (g) Knock-in Period Ending Date [Applicable] [Not applicable]  
Commodity Business Day  
Convention:
- (h) Knock-in Valuation Time: [specify] [See definition in Condition 22]  
[Valuation Time.]
- (xvii) Knock-out Event: [Not applicable] [specify] ["greater  
than"/"greater than or equal to"/"less than"/"less  
than or equal to"]  
  
*(If not applicable, delete the remaining sub-  
paragraphs of this paragraph)*
- (a) Knock-out Price: [specify]
- (b) Knock-out Period Beginning [specify]  
Date:
- (c) Knock-out Period Beginning [Applicable] [Not applicable]  
Date Commodity Business Day  
Convention:
- (d) Knock out Determination [specify]  
Period:
- (e) Knock out Determination [specify]  
Day(s):
- (f) Knock-out Period Ending Date: [specify]
- (g) Knock-out Period Ending Date [Applicable] [Not applicable]  
Commodity Business Day Convention:
- (h) Knock-out Valuation Time: [specify] [See definition in Condition 22]  
[Valuation Time]
- (xviii) Delayed Redemption on the [Applicable] [Not applicable]  
occurrence of a Market Disruption Event:
- (xix) Weighting: The Weighting to be applied to each item  
comprising the Basket of Commodities is  
[specify]
- (xx) Other terms or special [Not applicable] [specify]  
conditions:

**DISTRIBUTION**

31. (i) If syndicated, names of Relevant [Not applicable / HSBC Bank plc / other - give  
Dealer(s): name]

- (ii) If syndicated, names [, addresses and underwriting commitments] of other Dealers (if any): [Not applicable / other - give name] [Give addresses and underwriting commitments]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)*
32. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
33. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
34. Selling restrictions: [For Bearer Notes: TEFRA C Rules/TEFRA D Rules/TEFRA Not applicable]
- United States of America: [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
- [Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "Transfer Restrictions."]
- 40-day Distribution Compliance Period: [Applicable] [Not applicable]
35. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"): [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
36. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"): [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/

[The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]

37. Additional U.S. federal income tax considerations: [Not applicable/give details] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [ ]]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] *[The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.]*
38. Additional selling restrictions: *[specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]*

## TRANSFER RESTRICTIONS

*[In offers of Notes pursuant to Rule 144A insert:<sup>6</sup>*

### UNITED STATES

Because of the following restrictions, purchasers of Notes offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and

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<sup>6</sup> *Transfer Restrictions are only to be included for Notes offered in the United States in reliance on Rule 144A.*

other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and

- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as the investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes, the Combined Global Registered Notes and any US Definitive Registered Notes or Combined Definitive Registered Notes (as defined in "*Part B4 - Summary of Provisions relating to the Notes while in Global Form*" in the Offering Memorandum) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY STATE SECURITIES LAWS OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*<sup>7</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL

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<sup>7</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

OR<sup>8</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER

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<sup>8</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS NOTE OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Note (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter, in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so



long as it holds such Note or an interest therein will not be), and is not (and for so long as it holds such Note or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Note or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.

- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 - Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]

**CONFIRMED**

**[HSBC BANK PLC**

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By: .....  
*Authorised Signatory*

Date: .....

By:.....  
*Authorised Signatory*

Date: .....]

**PART B - OTHER INFORMATION**

1. **LISTING**

(i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin [on or around the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted] [Not applicable]

(ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(iii) Estimated total expenses of admission to trading: [*(specify amount)*]

2. **RATINGS**

Ratings: [The Notes are not rated.] [The Notes [have been] [are expected on issue to be] rated [./:]]

*[specify rating and rating agency]*

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]**

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Dealer(s)/distributors in respect of the Notes [as of (or around) the Issue Date] (the "**Distributors**")/*[specify other]*], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Dealer(s)/Distributor(s)/*[specify other]*] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>9</sup>

4. **Fixed Rate Notes only – YIELD**

Indication of yield: [[ ] per cent. per annum] [Calculated as [*include details of method of calculation in summary form*] on the Issue Date]<sup>10</sup>

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

5. **[Index-Linked or other variable-linked Interest Notes only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>11</sup>**

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)*

6. **REASONS FOR THE OFFER**

<sup>9</sup> For unlisted Notes delete this paragraph.

<sup>10</sup> For unlisted Notes delete this paragraph.

<sup>11</sup> For unlisted Notes delete this paragraph.

[The Notes are "Green Notes" and an amount equivalent to the net proceeds from the sale of the Notes will be used as described in "Part A - Green Notes" in the Offering Memorandum. The Applicable Framework is the [HSBC Green Bond Framework][Specify other].]

#### OPERATIONAL INFORMATION

7. ISIN Code:  [Not applicable]
8. Common Code:  [Not applicable]
9. CUSIP:  [Not applicable]
10. Valoren Number:  [Not applicable]
11. SEDOL:  [Not applicable]
12. WKN:  [Not applicable]
13. Other identifier / code:  [Not applicable]
14. Intended to be held in a manner which would allow Eurosystem eligibility:  [Yes]  [No]  [Not applicable]<sup>12</sup>  
 [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [include this text if "yes" selected]

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem

<sup>12</sup> Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB collateral eligibility requirements, in order to be eligible as collateral a security must, among other things, be denominated in Euro and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg Euro MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

Part E1 - Pro Forma Pricing Supplement for Commodity/Commodity Index-Linked

- eligibility criteria have been met.] [Include this text if "no" selected]
15. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST/ None/specify other]
16. Delivery: Delivery [against/free of] payment
17. Settlement procedures: [Eurobond/Medium Term Note/ other (specify)]
18. Additional Paying Agent(s) (if any): [None/ specify]
19. Common Depositary: [HSBC Bank plc] [Not applicable] [specify]
20. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] [other (specify)]
21. ERISA Considerations: [ERISA prohibited] [ERISA terms apply]

**PART E2 –  
ADDITIONAL PROVISIONS RELATING TO COMMODITY/  
COMMODITY INDEX-LINKED WARRANTS**

The following additional condition shall be deemed to be added as Condition 18 to the terms and conditions set out in the section headed "*Part C1 - Terms and Conditions of the Warrants*" of this Offering Memorandum in respect of any issue of Commodity/Commodity Index-Linked Warrants.

The terms and conditions of the Commodity/Commodity Index-Linked Warrants (the "**Terms and Conditions of the Commodity/Commodity Index-Linked Warrants**") shall consist of Condition 18, and the terms and conditions set out in the section headed "*Part C1 - Terms and Conditions of the Warrants*" of this Offering Memorandum, as amended or supplemented by the terms of each Tranche of Warrants set out in the Pricing Supplement, examples of which are set out below.

18. **Provisions relating to Commodity/Commodity Index-Linked Warrants**

(a) **Definitions**

As used in this Condition 18, and unless otherwise provided in the relevant Pricing Supplement, the following expressions shall have the following meanings:

**"Additional Disruption Event"** means the occurrence of either (i) Hedging Disruption or (ii) Increased Cost of Hedging;

**"Associated Hedging Costs"** means any loss, or mark to market adjustment, which would be incurred by the Issuer and/or its affiliates as a result of terminating, liquidating, transferring, obtaining or re-establishing any swap agreement, financing arrangement or other hedging transaction entered into by or on behalf of the Issuer and/or its affiliates in relation to, as a result of or in connection with the issuance of the Warrants (if any), subject to a minimum of zero;

**"Barrier Price"** shall have the meaning specified in the relevant Pricing Supplement;

**"Basket of Commodities"** means a basket comprising two or more Commodities or Commodity Indices;

**"Calculation Agent Determination"** means that the Calculation Agent will determine the Relevant Price (or a method for determining a Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information it deems relevant;

**"Cancellation"** means that all but not some only of the Warrants shall be cancelled, each Warrant being cancelled by payment of an amount equal to the fair market value of such Warrant, less any Associated Hedging Costs, all as determined by the Calculation Agent;

**"Commodity"** means, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the relevant Pricing Supplement, and related expressions shall be construed accordingly;

**"Commodity Business Day"** means:

- (i) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its Scheduled Closing Time; or
- (ii) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price;

**"Commodity Fallback Value"** means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, **provided that** if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining

after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent;

**"Commodity Index"** means each index specified as such in the relevant Pricing Supplement or an index comprising one or more commodities or contracts for the future delivery of a commodity (each a **"Component"**);

**"Commodity Price"** means, in respect of a Commodity or a Component as applicable, the price or other unit of quotation for such Commodity or Component specified in the relevant Pricing Supplement;

**"Commodity Reference Price"** means, (i) in respect of any Commodity, the Commodity Reference Price specified in the relevant Pricing Supplement and (ii) in respect of any Commodity Index, the Commodity Reference Price specified in the relevant Pricing Supplement or, if not so specified, the official closing price of such Commodity Index;

**"Delayed Publication and Announcement"** means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for consecutive Commodity Business Days equal in number to the Specified Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the relevant Pricing Supplement will apply;

**"Delivery Date"** means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (i) if a date is, or a month and year are, specified in the relevant Pricing Supplement, that date or that month and year;
- (ii) if a Nearby Month is specified in the relevant Pricing Supplement, the month of expiration of the relevant Futures Contract; and
- (iii) if a method is specified in the relevant Pricing Supplement for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

**"Disappearance of Commodity Reference Price"** means (i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (ii) the disappearance of, or of trading in, the relevant Commodity or Component or (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Component;

**"Disrupted Day"** means any Commodity Business Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

**"Disruption Fallback"** means each of Calculation Agent Determination, Cancellation, Delayed Publication and Announcement, Commodity Fallback Value, Fallback Commodity Price, and Postponement, which are specified as applicable in the relevant Pricing Supplement;

**"Exchange"** means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified in the relevant Pricing Supplement or in the Commodity Reference Price and in the case of a Commodity Index, the exchange or principal trading market for each Component comprising such Commodity Index;

**"Fallback Commodity Price"** means that the Calculation Agent shall determine the Relevant Price of the relevant Commodity using the Commodity Price specified in the relevant Pricing Supplement as an alternative Commodity Price;

**"Futures Contract"** means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity or Commodity Index referred to in that Commodity Reference Price;

**"Hedging Disruption"** means that the Issuer and/or its affiliates are unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or its affiliates deem necessary to hedge the risk of issuing and performing any obligations with respect to the Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased cost (as compared with circumstances existing on the Issue Date), amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or its affiliates deem necessary to hedge the risk of entering into and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

**"Index Component Disruption Event"** means:

- (i) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (ii) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

**"Material Change in Content"** means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Component;

**"Material Change in Formula"** means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price;

**"Nearby Month"**, when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (A) **"First Nearby Month"** means the month of expiration of the first Futures Contract to expire following that Pricing Date; (B) **"Second Nearby Month"** means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (C) **"Sixth Nearby Month"** means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

**"Postponement"** means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback only, to be the first succeeding Commodity Business Day or on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) for consecutive Commodity Business Days equal in number to the Specified Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the relevant Pricing Supplement will apply;



**"Price Fixation Event"** means the enactment, promulgation, execution or notification of, or any change in or amendment to, any law (or the application or interpretation of any law, as determined by a court or regulatory authority of competent jurisdiction or as determined by the opinion of independent legal counsel nominated by the Issuer) that occurs after the Issue Date which would result in the fixing of the prices at which any relevant Commodity may be bought and sold which does not reflect normal market response to supply and demand *vis a vis* that which would exist if prices were not so fixed;

**"Price Source"** means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

**"Price Source Disruption"** means (i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (ii) the temporary or permanent discontinuance or unavailability of the Price Source;

**"Pricing Date"** means each date specified in the relevant Pricing Supplement or if that is not a Commodity Business Day the immediately succeeding Commodity Business Day;

**"Reference Dealers"** means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

**"Relevant Price"** means, for any Pricing Date, the price, expressed as a price per unit of the Commodity or the price of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price calculated as provided in this Condition 18 and the relevant Pricing Supplement;

**"Scheduled Closing Time"** means, in respect of an Exchange, the scheduled weekday closing time of such Exchange on such Commodity Business Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Specified Maximum Days of Disruption"** means two (2) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the relevant Pricing Supplement;

**"Specified Price"** means, in respect of a Commodity Reference Price any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the relevant Pricing Supplement (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the relevant Pricing Supplement on the Pricing Date;

**"Strike Price"** shall have the meaning specified in the relevant Pricing Supplement;

**"Tax Disruption"** means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index, Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

**"Trade Date"** means the date specified as such in the relevant Pricing Supplement;

**"Trading Disruption"** means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Component on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the relevant Pricing Supplement. For these purposes:

- (i) a suspension of the trading in the Futures Contract, Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
  - (A) all trading in the Futures Contract, Commodity or Component, as the case may be, is suspended for the entire Pricing Date; or
  - (B) all trading in the Futures Contract, Commodity or Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (ii) a limitation of trading in the relevant Futures Contract, Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Component, as the case may be, on such day is at the upper or lower limit of that range;

**"Valuation Time"** means, in relation to each Commodity or Commodity Index to be valued on any date, the time on such date specified as such in the relevant Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on such date in relation to such Commodity or Commodity Index, as applicable. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; and

**"Weighting"** has the meaning specified in the relevant Pricing Supplement.

(c) ***Market Disruption***

**"Market Disruption Event"** means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price and/or a Price Fixation Event and in addition

- (i) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and
- (ii) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Warrantheolders in accordance with Condition 11 of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

(d) ***Consequences of a Market Disruption Event and Disruption Fallbacks***

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices/or that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent shall apply the applicable Disruption Fallback in respect of the relevant Market Disruption Event in determining the consequence of the Market Disruption Event, or, if the Calculation Agent determines that it is not possible to apply the specified Disruption Fallback, the Calculation Agent shall apply the next applicable Disruption Fallback as specified in the relevant Pricing Supplement. A Disruption Fallback is applicable if it is specified in the relevant Pricing Supplement and shall apply in the order so specified. If no Disruption Fallback is specified, the Calculation Agent shall take the relevant actions specified below:

(i) *Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content*

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content, then:

- (A) the Calculation Agent shall determine if such event has a material effect on the Warrants and, if so, shall calculate the Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Component, as the case may be, and any other information that in good faith it deems relevant; or
- (B) unless Delayed Cancellation on the occurrence of a Market Disruption Event is specified as being applicable in the relevant Pricing Supplement, on giving notice to Warrantholders in accordance with Condition 11, the Issuer shall terminate and cancel all but not some only of the Warrants, each Warrant being terminated and cancelled by payment of an amount equal to the fair market value of such Warrant, less any Associated Hedging Costs, all as determined by the Calculation Agent. Payment shall be made in such manner as shall be notified to the Warrantholders in accordance with Condition 11; or
- (C) if Delayed Cancellation on the occurrence of a Market Disruption Event is specified as being applicable in the relevant Pricing Supplement, the Calculation Agent shall calculate the fair market value of each Warrant, taking into account the Market Disruption Event, less any Associated Hedging Costs (the "**Calculated Market Disruption Amount**") as soon as practicable following the occurrence of the Market Disruption Event (the "**Calculated Market Disruption Amount Determination Date**") and on the date selected by the Calculation Agent (the "**Termination and Cancellation Date**") shall terminate and cancel each Warrant at an amount calculated by the Calculation Agent equal to the Calculated Market Disruption Amount plus interest accrued from and including the Calculated Market Disruption Amount Determination Date to but excluding the Termination and Cancellation Date at a rate equal to the Issuer's funding cost at such time.

(ii) *Consequences of a Tax Disruption*

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax Disruption has a material effect on the Warrants and if so (i) shall effect any adjustments that it deems in good faith necessary to the terms and conditions of the Warrants or, (ii) if it determines that such adjustments cannot be made on giving notice to Warrantholders in accordance with Condition 11, the Issuer shall cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to the fair market value of a Warrant, less any Associated Hedging Costs, all as determined by the Calculation Agent.

(iii) *Consequences of a Price Source Disruption, Trading Disruption and Price Fixation Event*

If, with respect to the relevant Pricing Date, a Price Source Disruption, Trading Disruption or a Price Fixation Event has been in existence in excess of the Specified Maximum Days of Disruption, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Relevant Price for that Pricing Date and each subsequent Pricing Date (if any).

(iv) *Consequences of an Index Component Disruption Event*

If the Calculation Agent determines that, on a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source) an Index Component Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant Price (or a method for determining the Relevant Price) for that Pricing Date and each subsequent Pricing Date (if any).

(e) *Consequences of an Additional Disruption Event*

Following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the relevant Warrants shall continue and, if so, the Calculation Agent shall determine any adjustments to be made. If the Issuer determines that the relevant Warrants shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Cash Settlement Amount set out in the relevant Pricing Supplement and any other variable relevant to the payment terms of the relevant Warrants and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent. If the Issuer determines that the relevant Warrants shall be terminated, then the Warrants shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Warrantholders to receive the relevant Cash Settlement Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of such amount, less any Associated Hedging Costs, as in the opinion of the Calculation Agent is fair in the circumstances by way of compensation for the termination of the Warrants.

(f) *Correction of Commodity Reference Price*

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Warrants, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Warrants will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

(g) *Knock-in Event and Knock-out Event*

- (i) If "Knock-in Event" is specified as applicable in the Pricing Supplement, then, unless otherwise specified in such Pricing Supplement, any payment under the relevant Warrants which is expressed in the relevant Pricing Supplement to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (ii) If "Knock-out Event" is specified as applicable in the Pricing Supplement, then, unless otherwise specified in such Pricing Supplement, any payment under the relevant Warrants which is expressed in the relevant Pricing Supplement to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (iii) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Pricing Supplement is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the relevant Pricing Supplement, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.
- (iv) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Pricing Supplement is the Valuation Time and if any Knock-in Determination Day or

Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Pricing Supplement, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

(h) ***Definitions relating to Knock-in Event/Knock-out Event***

Unless otherwise specified in the relevant Pricing Supplement:

**"Knock-in Determination Day"** means the date(s) specified as such in the relevant Pricing Supplement;

**"Knock-in Determination Period"** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**"Knock-in Event"** means (i) in the case of a single Commodity, that the Commodity Reference Price determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Commodity as the product of (x) the Relevant Price as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is (A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Price, as specified in the relevant Pricing Supplement;

**"Knock-in Price"** means (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the relevant Pricing Supplement, subject to adjustment from time to time in accordance with the provisions set forth in Condition 17(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

**"Knock-in Period Beginning Date"** means the date specified as such in the relevant Pricing Supplement or, if the Knock-in Period Beginning Date Commodity Business Day Convention is specified as applicable in the relevant Pricing Supplement and such date is not a Commodity Business Day, the next following Commodity Business Day;

**"Knock-in Period Ending Date"** means the date specified as such in the relevant Pricing Supplement or, if the Knock-in Period Ending Date Commodity Business Day Convention is specified as applicable in the relevant Pricing Supplement and such date is not a Commodity Business Day, the next following Commodity Business Day;

**"Knock-in Valuation Time"** means the time or period of time on any Knock-in Determination Day specified as such in the relevant Pricing Supplement or in the event that the relevant Pricing Supplement does not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

**"Knock-out Determination Day"** means the date(s) specified as such in the relevant Pricing Supplement;

**"Knock-out Determination Period"** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**"Knock-out Event"** means (i) in the case of a single Commodity, that the Relevant Price determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (x) the Commodity Reference Price as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the relevant Pricing Supplement;

**"Knock-out Price"** means (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the relevant Pricing Supplement, subject to adjustment from time to time in accordance with the provisions set forth in Condition 17(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*);

**"Knock-out Period Beginning Date"** means the date specified as such in the relevant Pricing Supplement or, if the Knock-out Period Beginning Date Commodity Business Day Convention is specified as applicable in the relevant Pricing Supplement and such date is not a Commodity Business Day, the next following Commodity Business Day;

**"Knock-out Period Ending Date"** means the date specified as such in the relevant Pricing Supplement or, if the Knock-out Period Ending Date Commodity Business Day Convention is specified as applicable in the relevant Pricing Supplement and such date is not a Commodity Business Day, the next following Commodity Business Day; and

**"Knock-out Valuation Time"** means the time or period of time on any Knock-out Determination Day specified as such in the relevant Pricing Supplement or in the event that the applicable Pricing Supplement does not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

**PART E2 –  
PRO FORMA PRICING SUPPLEMENT FOR COMMODITY/  
COMMODITY INDEX-LINKED WARRANTS**

*[When completing any Pricing Supplement, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplementary listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated [•]

**[HSBC Bank plc**

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*

**/ HSBC Bank Middle East Limited]**

**Programme for the Issuance of Notes and Warrants**

**[Further] Issue of**

**[Number of Warrants]**

**[Title of Warrants]**

**[(to be consolidated and form a single series with the existing *[Insert details of existing Tranche(s)]* issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A – CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Warrants described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants, including the Terms and Conditions of the Commodity/Commodity Index-Linked Warrants (the "**Conditions**") set forth in the Offering Memorandum.]

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

**[EU PRIIPs REGULATION - IMPORTANT – EEA RETAIL INVESTORS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** –The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Warrants are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Warrants which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Warrants. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement, the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2005] [2006] [2007] [2008] [2009] [2010] [2011] [2012] [2013] [2014] [2015] [2016] [2017] [2018] [2019] [2020] [2021] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.



[For Warrants offered and sold in the United States of America include:

**IMPORTANT NOTICES**

THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE WARRANTS ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF WARRANTS PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

**AVAILABLE INFORMATION**

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Warrants, the Issuer will promptly furnish, upon request of a holder of a Warrant, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Warrants understand the risks of transactions involving the Warrants and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Warrants in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Warrants will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.]
  
2. Tranche number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible).*
  
3. Settlement Currency: [ ] [Not applicable]

4. Aggregate Number of Warrants in the:
- [(i) Series:] [ ]
- [(ii) Tranche:] [ ]
5. Face Value: [ ]
6. Issue Price: [currency] [amount] per Warrant
7. Issue Date: [ ]
8. Strike Price: [currency] [amount] [Not applicable]
9. Type of Warrants: [ ]
10. Series represented by: [Global Registered Warrant] [Not applicable]. Warrants in definitive form [will/will not] be issued. [other (specify)]
11. Form of Warrant: [Uncertificated Registered Warrants]
- [Initially represented by [Rule 144A Global Registered Warrant] [Regulation S Global Registered Warrant] [Unrestricted Global Registered Warrant and Restricted Global Registered Warrant] [Combined Global Registered Warrant] [Definitive Registered Warrant] [Combined Definitive Registered Warrant]]
12. Style of Warrants: The Warrants are [American/European/Bermudan/other (specify)] Style [Call/Put] Warrants. Condition [4(a)/4(b)/4(c)] is applicable.
13. (i) Expiry Date: [ ] [or if such date is not [a Business Day] [an Underlying Currency Pair Fixing Date] the immediate following day that is [a Business Day] [an Underlying Currency Pair Fixing Date]]
- (ii) Automatic Exercise: [Applicable] [Not applicable]
- (iii) Exercise Period: [American Style Warrants only] [The period beginning from (and including) [ ] and ending on (and including) the Expiry Date]
- Potential Exercise Date(s): [Bermudan Style Warrants only] [insert date] [or if such date is not [a Business Day] [an Underlying Currency Pair Fixing Date] the immediate following day that is [a Business Day] [an Underlying Currency Pair Fixing Date]]
14. (i) Minimum Exercise Number/Minimum Trading Size: [ ] Warrants
- (ii) Permitted Multiple: [ ] Warrants
15. Cash Settlement: [Applicable. The Warrants are Cash Settlement Warrants. Condition 4(d) (Cash Settlement)] [Not applicable]
- (i) Cash Settlement Amount: [ ]

- (ii) Cash Settlement Date: [ ] [or, if later, the [fifth/specify] Business Day following the [Expiry Date] [[or] relevant Potential Exercise Date]]
16. (i) Payment of Alternative [Applicable] [Not applicable]  
 Payment Currency  
 Equivalent:
- Cross Currency [Applicable] [Not applicable]  
 Exchange Rate:
  - Cross Currency: [ ]
  - Cross Currency [ ]  
 Jurisdiction:
  - Settlement [ ]  
 Currency  
 Jurisdiction:
  - Alternative [ ]  
 Payment Currency:
  - Alternative [ ]  
 Payment Currency  
 Jurisdiction:
  - Alternative [ ]  
 Payment Currency  
 Fixing Page:
  - Alternative [ ]  
 Payment Currency  
 Fixing Time:
  - Alternative [ ] [Condition 1 applies] [[the relevant  
 Payment Currency [jurisdictions/places] for the purposes of the  
 Fixing Date: Alternative Payment Currency Fixing Date are [ ]]
  - Alternative [ ] [Not applicable]  
 Payment Currency  
 Exchange Rate  
 Fall-Back  
 Provisions:
  - Additional [ ]  
 Alternative  
 Payment Currency  
 Event:
  - Offshore RMB [Hong Kong] [Taiwan] [Singapore] [ ] [Not  
 Centre: applicable]
  - Alternative Pre- [ ] [specify Alternative Pre-nominated Index details]  
 nominated Index: [Not applicable]
- (ii) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]

- Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 5(g): [3] [ ]
  - Dealer Poll: [Applicable] [Not applicable]
  - Unscheduled Holiday and Deferral Period: [The number of Relevant Currency Business Days for the purpose of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purposes of the Deferral Period is [ ] [as per Condition 1]]
- (iii) LBMA Physical Settlement Provisions: [Applicable] [Not applicable]
- LBMA Physical Settlement Commodity(ies): [[ ] and [ ]]
- (iv) Physical Settlement provisions: [Applicable] [Not applicable]
17. Business Centre: [As in the Conditions/other (specify)]
18. Determination Date: [ ]<sup>13</sup> [Not applicable]
19. Selling Restrictions:
- United States of America: [Warrants may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
- [Warrants may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "Transfer Restrictions."]
- [Specify if applicable: Warrants are able to be offered or sold to, or for the account or benefit of U.S. persons (as defined in the Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed. Reg. 45292, 26 July 2013, as amended or supplemented by the U.S. Commodity Futures Trading Commission)]
- 40-day Distribution Compliance Period: [Applicable] [Not applicable]
- In addition to selling restrictions listed in "Part C2 - Purchase and Sale of the Warrants" contained in the Offering Memorandum:

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<sup>13</sup> Only applicable if Condition 4(f) (Optional Physical Settlement) or 4(g) (Optional Cash Settlement) is applicable.

(Specify any selling restrictions applicable to the Warrants which are additional to, or in substitution for, those contained in the Offering Memorandum)

20. Other Terms: [ ]<sup>14</sup> [Not applicable]

**PROVISIONS APPLICABLE TO COMMODITY/COMMODITY INDEX-LINKED WARRANTS**

21. (i) Commodity/ Commodities/ Commodity Index/Commodity Indices: (specify Commodity/Commodities/Commodity Index/Commodity Indices) [The Sponsor[s] of the Commodity Index/Indices is/are [specify]]

• Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details in case of Commodity Index-Linked Warrant]

(ii) Pricing Date(s): [specify]

(iii) Trade Date: [specify]

(iv) Barrier Price: [specify]

(v) Strike Price: [specify]

(vi) Commodity Reference Price: [specify]

The Price Source is/are [specify]

(vii) Commodity Price: [specify]

(viii) Delivery Date: [specify]

(ix) Nearby Month: [specify]

(x) Specified Price: [high price] [low price] [average of the high price and the low price] [closing price] [opening price] [bid price] [asked price] [average of the bid price and the asked price] [settlement price] [official settlement price] [official price] [morning fixing] [afternoon fixing] [spot price] [other]

(xi) Exchange: [specify]

(xii) Disruption Fallback(s): [As per Condition 17] [specify]

(xiii) Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]

(xiv) Valuation Time: [Continuous monitoring [specify other] and the relevant time on [insert relevant date(s)].] [specify]

(xv) Specified Maximum Days of Disruption: [specify] [Commodity Business Days]

<sup>14</sup> If new term constitutes a "significant new change" or "significant new matter", consider whether a supplementary listing prospectus is required.

- (xvi) Knock-in-Event: [Not applicable/specify/ ["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Knock-in Price: [specify]
- (b) Knock-in Period Beginning Date: [specify]
- (c) Knock-in Period Beginning Date Commodity Business Day Convention: [Applicable] [Not applicable]
- (d) Knock-in Determination Period: [specify]
- (e) Knock-in Determination Day(s): [specify]
- (f) Knock-in Period Ending Date: [specify]
- (g) Knock-in Period Ending Date Commodity Business Day Convention: [Applicable] [Not applicable]
- (h) Knock-in Valuation Time: [specify/See definition in Condition 17] [Valuation Time.]
- (xvii) Knock-out Event: [Not applicable/specify/ ["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Knock-out Price: [specify]
- (b) Knock-out Period Beginning Date: [specify]
- (c) Knock-out Period Beginning Date Commodity Business Day Convention: [Applicable] [Not applicable]
- (d) Knock out Determination Period: [specify]
- (e) Knock out Determination Day(s): [specify]

- (f) Knock-out Period [specify]  
Ending Date:
- (g) Knock-out Period [Applicable] [Not applicable]  
Ending Date  
Commodity  
Business Day  
Convention:
- (h) Knock-out [specify/See definition in Condition 17] [Valuation  
Valuation Time: Time]
- (xviii) Delayed Cancellation on the [Applicable] [Not applicable]  
occurrence of a Market  
Disruption Event:
- (xix) Weighting: The Weighting to be applied to each item comprising  
the Basket of Commodities is [specify]
- (xx) Other terms or special [Not applicable] [specify]  
conditions:

#### DISTRIBUTION

22. (i) If syndicated, names of [Not applicable] [HSBC Bank plc] [other - give name]  
Relevant Manager(s):
- (ii) If syndicated, names [, [Not applicable] [other - give name]  
addresses and underwriting [Give addresses and underwriting commitments]  
commitments] of other  
Managers (if any): *(Include names and addresses of entities agreeing to  
underwrite the issue on a firm commitment basis and  
names and addresses of the entities agreeing to place  
the issue without a firm commitment or on a "best  
efforts" basis if such entities are not the same as the  
Managers.)*
23. Prohibition of Sales to EEA Retail [Applicable] [Not applicable ]  
Investors:
24. Prohibition of Sales to UK Retail [Applicable] [Not applicable ]  
Investors:
25. Exemption(s) from requirements [Not applicable. This offer is made exclusively to  
under Regulation (EU) 2017/1129 investors outside the European Economic Area.]/[The  
(as amended, the "EU Prospectus offer is addressed solely to qualified investors (as such  
Regulation"): term is defined in the EU Prospectus Regulation)]/[  
[The offer is addressed to fewer than 150 natural or  
legal persons (other than qualified investors as defined  
in the EU Prospectus Regulation).]]/ [The offer is  
addressed to investors who will acquire Warrants for a  
consideration of at least EUR100,000 (or equivalent  
amount in another currency) per investor for each  
separate offer]
26. Exemption(s) from requirements [Not applicable. This offer is made exclusively to  
under Regulation (EU) 2017/1129 as investors outside the United Kingdom.]/[The offer is  
it forms part of domestic law by addressed solely to qualified investors (as such term is  
virtue of the EUWA (the "UK defined in the UK Prospectus Regulation)]/[ The offer  
Prospectus Regulation"): is addressed to fewer than 150 natural or legal persons  
(other than qualified investors as defined in the UK  
Prospectus Regulation).]]/ [The offer is addressed to

investors who will acquire Warrants for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]

27. Additional U.S. federal income tax considerations: [Not applicable/give details] [The Warrants are [not] Section 871(m) Warrants for the purpose of Section 871(m).] [The [Dividend Withholding] approach shall apply to the Warrants. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Warrants, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Warrants: [ ]]. Additional information regarding the application of Section 871(m) to the Warrants will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] *[The Warrants will not be Section 871(m) Warrants if they do not reference any U.S. equity or any index that contains any U.S. equity. Warrants that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Warrants.]*
28. Additional selling restrictions: *[specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]*

## TRANSFER RESTRICTIONS

*[In offers of Warrants to Rule 144A insert:<sup>15</sup>*

Because of the following restrictions, purchasers of Warrants offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Warrants.

Each prospective purchaser of Warrants offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Warrants as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Warrants other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

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<sup>15</sup> *Transfer Restrictions are only to be included for Warrants offered in the United States in reliance of Rule 144A.*



Each purchaser of Warrants sold in reliance on Rule 144A ("**Restricted Warrants**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Warrants (such as the investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Warrants for its own account or for the account of a qualified institutional buyer, and (C) such person is aware that the sale of the Warrants to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Warrants are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Warrants offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Warrants (such as an investment manager), understands that certificates representing Restricted Warrants will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS WARRANT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE STATE SECURITIES LAWS OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. EACH PURCHASER OF THIS WARRANT IS HEREBY NOTIFIED THAT THE SELLER OF THIS WARRANT MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS WARRANT, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS WARRANT MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS WARRANT FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*<sup>16</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE

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<sup>16</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

OR<sup>17</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW) AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT

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<sup>17</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS WARRANT OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS WARRANT OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) Each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Warrants acknowledges that the Issuer, the Warrant Registrar, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Warrants for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Warrant for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Warrant or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in the section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, either that (a) such purchaser or transferee is not (and for so long as it holds such Warrant or an interest therein will not be), and is not (and for so long as it holds such Warrant or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Warrant or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of

Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Warrant or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Warrant or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.

- (7) Before any interest in a Warrant represented by a Restricted Global Registered Warrant may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Warrant, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 - Summary of Provisions relating to the Warrants While in Global Form*" in the Offering Memorandum.]

**CONFIRMED**

[HSBC BANK PLC

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By: .....  
*Authorised Signatory*

Date: .....

By:.....  
*Authorised Signatory*

Date: .....]

**PART B – OTHER INFORMATION**

**1. LISTING**

- (i) Listing: [Application [will be/has been] made to admit the Warrants to listing on the Official List of Euronext Dublin [on or around the Issue Date/[ ].] No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]
- (ii) Admission to trading: [Application [will be] [has been] made for the Warrants to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ [insert date]]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

*(Where documenting a fungible issue need to indicate that original warrants are already admitted to trading.)*

- (iii) Estimated total expenses of admission to trading: [(specify amount)] [Not applicable]

**2. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]**

[Save for any fees [[fees payable]/[and]/[discount to the Issue Price offered] to the [Manager(s)/distributors in respect of the Warrants [as of (or around) the Issue Date] (the "**Distributors**")/[specify other]], so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the issue. The [Manager(s)/Distributor(s)/[specify other]] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>18</sup>

**3. [Index-Linked, other variable-linked Interest Warrants only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>19</sup>**

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)*

**OPERATIONAL INFORMATION**

- 4. ISIN Code: [ ] [Not applicable]
- 5. Common Code: [ ] [Not applicable]
- 6. CUSIP: [ ] [Not applicable]
- 7. Valoren Number: [ ] [Not applicable]
- 8. SEDOL: [ ] [Not applicable]
- 9. WKN: [ ] [Not applicable]
- 10. Other identifier / code: [ ] [Not applicable]
- 11. Any clearing system(s) other than Euroclear and Clearstream, [None/specify]

<sup>18</sup> For unlisted Notes delete this paragraph.

<sup>19</sup> For unlisted Notes delete this paragraph.

Part E2 - *Pro Forma* Pricing Supplement for Commodity/Commodity Index-Linked Warrants

Luxembourg and the relevant identification number(s):

12. Delivery: Delivery [against/free of] payment
13. Additional Warrant Agent(s) (if any): [None/*specify*]
14. Common Depositary: [HSBC Bank plc] [Not applicable] [*specify*]
15. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] [*specify*]
16. ERISA Considerations: [ERISA prohibited] [ERISA terms apply]

## Part F – Product Supplement for Credit-Linked Warrants



### HSBC Bank plc

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*  
as Issuer

### HSBC BANK MIDDLE EAST LIMITED

*(a company limited by shares incorporated in the Dubai International Financial Centre)*  
as Issuer

#### PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS

##### Credit-Linked Warrants

This product supplement in relation to Credit-Linked Warrants constitutes Part F ("Part F") of the offering memorandum dated 1 June 2023 (the "Offering Memorandum") prepared by HSBC Bank plc (the "Issuer") in relation to the Programme for the Issuance of Notes and Warrants (the "Programme") described therein in connection with the application made for Notes or Warrants to be admitted to listing on the Irish Stock Exchange plc, trading as Euronext Dublin ("Euronext Dublin"), and to trading on its Global Exchange Market and applies in relation to Credit Linked Warrants for which "Part F - Product Supplement for Credit Linked Warrants" is specified as applicable in the relevant Pricing Supplement.

**This Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of the Regulation (EU) 2017/1129 (as amended the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

To the extent that there is any inconsistency between any statement in this Part F and any other statement in, or incorporated by reference in, other parts of this Offering Memorandum, the statements in this Part F will prevail for the purposes of this Part F.

Warrants issued pursuant to the Programme may include "Credit-Linked Warrants", being Warrants in relation to which the amount payable on exercise (if any) is dependent upon the performance of a reference entity or reference obligation, or a portfolio of reference entities or reference obligations. The purpose of this Part F is to provide information in relation to such Credit-Linked Warrants. This Part F should be read together with Parts A and C of the Offering Memorandum.

**An investment in Credit-Linked Warrants involves risks. See Part A of this Offering Memorandum under the heading "Part A - Risk Factors" (beginning on page A-1).**

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Part F or any other information supplied in connection with the Credit-Linked Warrants and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Part F nor any further information supplied in connection with the Credit-Linked Warrants should be considered as a recommendation or as constituting an invitation or offer by the Issuer that any recipient of this Part F or any other information supplied in connection with the Credit-Linked Warrants should subscribe for or purchase the Credit-Linked Warrants. Each investor contemplating subscribing for or purchasing the Credit-Linked Warrants should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Part F nor any other information supplied in connection with the Credit-Linked Warrants constitutes an offer by or on behalf of the Issuer to subscribe for or purchase the Credit-Linked Warrants.

The distribution of this Part F and the offer, distribution or sale of Credit-Linked Warrants may be restricted by law in certain jurisdictions. The Issuer does not represent that this document may be lawfully distributed, or that the Credit-Linked Warrants may be lawfully offered, or assumes any responsibility for facilitating any such distribution or offering. In particular, action may be required to be taken to permit a public offering of the Credit-Linked Warrants or a distribution of this document in any jurisdiction. Accordingly, no Credit-Linked Warrants may be offered or sold, directly or indirectly, and neither this Part F nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Part F or the Credit-Linked Warrants come must inform themselves about, and observe, any such restrictions.

**EU PRIIPs REGULATION - IMPORTANT – EEA RETAIL INVESTORS** – If the Pricing Supplement in respect of any Warrants includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs REGULATION - IMPORTANT – UK RETAIL INVESTORS** – If the Pricing Supplement in respect of any Warrants includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.



## **Part F – Product Supplement for Credit-Linked Warrants**

Credit-Linked Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the state securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In addition, unless the relevant Pricing Supplement specifies otherwise, Warrants may not be offered or sold to, or for the account or benefit of U.S. persons (as defined in the U.S. Commodity Futures Trading Commission regulation 23.23(a)(23)) at any time.

Programme Arranger  
**HSBC Bank plc**

Dealers and Managers  
**HSBC Bank plc**

**HSBC Continental Europe**

**The Hongkong and Shanghai Banking Corporation Limited**

1 June 2023

**Part F – Product Supplement for Credit-Linked Warrants**

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**Part F - Important Notices Relating to Credit-Linked Warrants**

**PART F –  
IMPORTANT NOTICES RELATING TO CREDIT-LINKED WARRANTS**

Given the highly specialised nature of Credit-Linked Warrants, the Issuer considers that they are only suitable for highly sophisticated investors who are willing to take considerable risks, who are able to determine for themselves the risk of an investment linked to the credit risk of the particular reference entity or entities and who can absorb a substantial or total loss of their investment.

Consequently, investors who do not fall within the description above should not consider purchasing the Credit-Linked Warrants without taking detailed advice from a specialised professional adviser.

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

### PART F – ADDITIONAL TERMS AND CONDITIONS RELATING TO CREDIT-LINKED WARRANTS

The section headed "*Part C1 – Terms and Conditions of the Warrants*" of this Offering Memorandum shall be supplemented and modified by the following "*Part F – Additional Terms and Conditions Relating to Credit-Linked Warrants*" (the "**Credit Linked Conditions**" and, together with the Part C1 – Terms and Conditions of the Warrants, the "**Base Conditions**") in respect of any issue of Credit-Linked Warrants as amended or supplemented by the terms of each Tranche of Warrants set out in the Pricing Supplement for which "*Part F - Product Supplement for Credit-Linked Warrants*" is specified as applicable therein. In the event of any inconsistency between the "*Part C1 – Terms and Conditions of the Warrants*" and the "*Part F – Additional Terms and Conditions Relating to Credit-Linked Warrants*", such "*Part F – Additional Terms and Conditions Relating to Credit-Linked Warrants*" shall prevail and the "*Part C1 – Terms and Conditions of the Warrants*" shall be amended accordingly.

Unless otherwise stated in these Credit Linked Conditions or in the relevant Pricing Supplement, in the event that any day specified in the section "*Credit Linked Terms*" in the relevant Pricing Supplement or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

In the case of Credit Linked Warrants for which more than one Reference Entity is specified in the relevant Pricing Supplement, all references to "the Reference Entity" herein shall be construed to refer to the Reference Entity in respect of which the relevant determination falls to be made at any relevant time and all related provisions and determinations will be construed accordingly. In addition, where an event, date, determination or circumstance relates to a Reference Entity and Business Centre(s) are specified in relation to that Reference Entity, only those Business Centre(s) specified in relation to that Reference Entity will be deemed to apply for the purposes of the definition of "**Business Day**" in relation thereto and otherwise all of the Business Centre(s) specified in the relevant Pricing Supplement (including those for all Reference Entities) will apply for the purposes of the definition of "**Business Day**".

References in these Credit Linked Conditions to a Credit Linked Warrant or Warrant are to a single Credit Linked Warrant. Any payment of a "*pro rata*" amount in respect of a Warrant will be determined by reference to the proportion that Warrant bears to the number of Warrants then outstanding.

For the avoidance of doubt no Credit Linked Warrants will be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

- (a) any relevant Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or
- (b) Obligations, Deliverable Obligations, Valuation Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

Any references in these Credit Linked Conditions to ISDA will include any other entity which succeeds to or is performing functions previously undertaken by ISDA in relation to Credit Derivatives Determinations Committees and references to Credit Derivatives Determinations Committees in relation to ISDA will include any successor thereto and the Calculation Agent may make such adjustments to these Credit Linked Conditions and the relevant Pricing Supplement as it determines appropriate to account for the application of these provisions.

For the avoidance of doubt, the application of any of Credit Linked Conditions 3, 4, 5, 6 or 7 below shall not preclude the application of any other such Credit Linked Condition either contemporaneously or subsequently and in the event that any such Credit Linked Conditions are inconsistent or the Calculation Agent becomes entitled to exercise a discretion under one or more of such Credit Linked Conditions, the Calculation Agent may elect in its discretion which Credit Linked Condition shall apply and under which Credit Linked Condition or Credit Linked Conditions it shall exercise its discretion.

Credit Linked Warrants may take the form of Single Reference Entity Credit Linked Warrants or Basket Credit Linked Warrants (which may be Index Basket Credit Linked Warrants). Credit Linked Warrants will be Cash Settlement European Style Put Warrants to which Automatic Exercise applies. The

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

"**Minimum Exercise Number**" for the purposes of Condition 6 (*Minimum Number of Warrants Exercisable*) is all of the outstanding Warrants.

The relevant Pricing Supplement shall specify (depending upon the particular Credit Linked Warrants), amongst other things:

- (a) the type of Credit Linked Warrants;
- (b) the Reference Entity or Reference Entities in respect of which a Credit Event may occur;
- (c) the Reference Obligation(s) (if any) in respect of each Reference Entity;
- (d) the Trade Date and the Scheduled Cut-Off Date;
- (e) the Reference Entity Notional Amount in respect of each Reference Entity; and
- (f) the Original Notional Amount.

### 1. Amendments to the Terms and Conditions of the Warrants

- (a) The definition of Fair Market Value in Condition 1 (*Definitions*) will be amended by the deletion of the words "less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements" therein and the substitution of the following therefor:

"less Unwind Costs (as defined in Credit Linked Condition 8 (*Definitions applicable to Credit Linked Warrants*))."
- (b) Condition 4(b) (*"European Style" Exercise*) will be amended by the deletion of the words "the Warrants are exercisable only on the Expiry Date" therein and the substitution of the following therefor:

"the Warrants are exercisable only on the Expiry Date or, in the case of Basket Credit Linked Warrants, only on each Expiry Date".
- (c) Condition 4(d) (*Cash Settlement*) will be amended by the deletion of the words "each such Warrant, upon exercise, entitles the Holder thereof to receive from the Issuer on the Cash Settlement Date (as specified in the relevant Pricing Supplement)" therein and the substitution of the following therefor:

"each such Warrant, upon exercise, entitles the Holder thereof to receive from the Issuer on the Cash Settlement Date or, in the case of Basket Credit Linked Warrants, the relevant Cash Settlement Date (in each case as specified in the relevant Pricing Supplement)".
- (d) Condition 4(i) (*Automatic Exercise*) will be deleted and the following substituted therefor:

"(i) *Automatic Exercise*

Notwithstanding Condition 4(h) (*Warrants Void on Expiry*), each Warrant shall be deemed to be automatically exercised on each Expiry Date and the provisions of Condition 5(h) (*Exercise Risk*) shall apply and in these Conditions the expression "exercise" and any related expressions shall be construed to apply to any such Warrants which are deemed to be automatically exercised in accordance with this Condition 4(i)."
- (e) Condition 5(b) (*Verification of Warrantholder*) will be amended by the deletion of the final paragraph thereof and the substitution of the following therefor:

"On or prior to the last occurring Cash Settlement Date, the relevant Clearing System will debit the Warrantholder's account with the Warrants being exercised."

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

- (f) Condition 5(c) (*Notification to Principal Warrant Agent*) will be amended by:
- (i) the deletion of the words "the Exercise Date" therein and the substitution of the words "the relevant Exercise Date" therefor; and
  - (ii) the deletion of the words "the Cash Settlement Amount" therein and the substitution of the words "the relevant Cash Settlement Amount" therefor.
- (g) Condition 5(d) (*Debit of Warrantholder's Account*) will be amended by the deletion of the words "the Cash Settlement Date" therein and the substitution of the words "the last occurring Cash Settlement Date" therefor.
- (h) Condition 5(e) (*Payment*) will be amended by:
- (i) the deletion of the first paragraph thereof and the substitution of the following therefor:

"In respect of Warrants which have been exercised, the Calculation Agent shall by close of business or such other time as is specified in the relevant Pricing Supplement on the date specified therefor in the relevant Pricing Supplement determine the relevant Cash Settlement Amount (if any) to be paid on the relevant Cash Settlement Date in respect of the relevant Warrants and, shall notify the Issuer and the Principal Warrant Agent of such amounts on the Business Day following the date so specified.";
  - (ii) the deletion of the words "the Cash Settlement Date" therein and the substitution of the words "the relevant Cash Settlement Date" therefor; and
  - (iii) the deletion of the words "the Cash Settlement Amount" therein and the substitution of the words "the relevant Cash Settlement Amount" therefor.
- (i) The following will be added as a new Condition 18 (*Adjustments on Purchase and Cancellation or Further Issue*):

### **18. Adjustments on Purchase and Cancellation or Further Issue**

If any purchase and cancellation of Warrants occurs under Condition 13 or any further issue under Condition 12, the Calculation Agent will make such adjustments to the relevant Pricing Supplement and/or these Conditions and/or the Credit Linked Conditions as it determines appropriate (including Reference Entity Notional Amounts and/or the Original Notional Amount, as applicable) to ensure the Warrants continue to reflect economic intentions."

## 2. Provisions relating to Basket Credit Linked Warrants

- (a) A Credit Event Determination Date may occur more than once except that, subject as provided in Credit Linked Condition 9 and the definition of Credit Event Determination Date in Credit Linked Condition 8, a Credit Event Notice (if applicable) may only be delivered on one occasion and a Credit Event Determination Date may occur once only, with respect to any Reference Entity (unless subsequent to the occurrence of a Credit Event Determination Date with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case a Credit Event Determination Date may occur again).
- (b) If a Credit Event Determination Date occurs in respect of more than one Reference Entity on the same date, the Calculation Agent shall determine the order in which such Credit Event Determination Dates arose on such date.
- (c) Notwithstanding anything to the contrary herein, if at any time the Credit Outstanding Notional Amount is equal to zero, each Warrant will terminate at the final Cash Settlement Amount on the final Cash Settlement Date.

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

### 3. **Repudiation/Moratorium Extension**

If "**Repudiation/Moratorium**" is specified as a Credit Event in the relevant Pricing Supplement, the provisions of this Credit Linked Condition 3 shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Cut-Off Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Cut-Off Date or, if Credit Linked Condition 6(y) applies, the Postponed Cut-off Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium may, in the sole opinion of the Calculation Agent, fall after the Scheduled Cut-Off Date, then the Calculation Agent shall notify the Warrantheolders in accordance with Condition 11 (*Notices*) that a Potential Repudiation/Moratorium has occurred and accordingly the last day of the Notice Delivery Period and thereby (in the case of Basket Credit Linked Warrants, final) exercise and expiry of the Warrants will fall later than would otherwise be the case.

Any failure to provide notice of any such delay to Warrantheolders will not affect the validity of any of the above provisions.

### 4. **Grace Period Extension**

If "**Grace Period Extension**" is specified as applicable in the relevant Pricing Supplement, the provisions of this Credit Linked Condition 4 shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Cut-Off Date but, in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Cut-Off Date (and such Grace Period(s) is/are continuing as at the Scheduled Cut-Off Date), then the Calculation Agent shall notify the Warrantheolders in accordance with Condition 11 (*Notices*) that a Potential Failure to Pay has occurred and accordingly the last day of the Notice Delivery Period and thereby (in the case of Basket Credit Linked Warrants, final) exercise and expiry of the Warrants will fall later than would otherwise be the case.

Any failure to provide notice of any such delay to Warrantheolders will not affect the validity of any of the above provisions.

### 5. **Credit Derivatives Determinations Committee Extension**

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred and following a Credit Event Resolution Request Date the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Cut-Off Date, then the Calculation Agent shall notify Warrantheolders in accordance with Condition 11 (*Notices*) that (unless and until it would otherwise arise as a result of a Credit Event Determination Date hereunder or it would fall later pursuant to any other provision of these Credit Linked Conditions in which case such other date will then apply) the Exercise Date or, in the case of Basket Credit Linked Warrants, the final Exercise Date has been postponed to a date being the day falling five Business Days after (a) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, fifteen (15) Business Days following the relevant DC Credit Event Announcement or (b) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement or, as applicable, (c) fifteen (15) Business Days following the DC Credit Event Question Dismissal (the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal, as applicable, the "**DC Determination Cut-off Date**").

Any failure to provide notice of any such postponement to Warrantheolders will not affect the validity of any of the above provisions.

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

### 6. **Repudiation/Moratorium Extension Condition, DC Determination Cut-off Date and Notice Delivery Period Extensions**

The following provisions of this Credit Linked Condition 6 apply to Credit Linked Warrants and, for the avoidance of doubt, may be applied on more than one occasion:

Without prejudice to Credit Linked Condition 7, if:

- (x) on (A) the Scheduled Cut-Off Date, (B), if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the relevant Pricing Supplement, the Grace Period Extension Date, (D) the last day of the Notice Delivery Period or (E) the DC Determination Cut-off Date, as the case may be, a Credit Event Determination Date has not occurred but, in the opinion of the Calculation Agent, a Credit Event or Potential Credit Event may have occurred or may occur; or
- (y) on the Scheduled Cut-Off Date, in the opinion of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may at its option notify the Warrantholders in accordance with Condition 11 (*Notices*) that (i) in the case of (x) above, the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be, has been postponed to the Postponed Cut-off Date or (ii) in the case of (y) above, the period in which the Repudiation/Moratorium Extension Condition can be satisfied has been extended and in each case (in the case of Basket Credit Linked Warrants, final) exercise and expiry of the Warrants will fall later than would otherwise be the case.

In the case of paragraph (y) above, if the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Cut-off Date, the provisions of Credit Linked Condition 3 shall apply to the Credit Linked Warrants.

For the purposes hereof:

**"Postponed Cut-off Date"** means the fifteenth (15<sup>th</sup>) Business Day after (i) in the case of paragraph (x) above, the originally designated last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be or (ii) in the case of paragraph (y) above, the Scheduled Cut-Off Date.

### 7. **Settlement Suspension**

Without prejudice to Credit Linked Condition 6, if, following the determination of a Credit Event Determination Date but, to the extent applicable, prior to a Valuation Date, there is a DC Credit Event Meeting Announcement, the Calculation Agent may, at its option, determine that the applicable timing requirements of the Credit Linked Conditions and the definitions of Cash Settlement Date and Valuation Date, and any other Credit Linked Condition provision(s) as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period of suspension, a **"Suspension Period"**) until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. During such Suspension Period none of the Issuer, the Calculation Agent or any Warrantholder are obliged to, nor are they entitled to, take any action in connection with the settlement of the Credit Linked Warrants. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary with the Issuer having the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Credit Linked Condition 7.

In the event of any such Suspension Period, the Calculation Agent may make (x) such consequential or other adjustment(s) or determination(s) to or in relation to the Conditions and these Credit Linked Conditions as may be desirable or required either during or following any relevant Suspension Period to account for or reflect such suspension and (y) determine the effective date of such adjustment(s) or determination(s).



## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

### 8. Definitions applicable to Credit Linked Warrants

"**2.5-year Limitation Date**" has the meaning given to that term in the definition of "Limitation Date".

"**10-year Limitation Date**" has the meaning given to that term in the definition of "Limitation Date".

"**Accrued Interest**" means, for the purpose of these Credit Linked Conditions, if:

- (a) "Include Accrued Interest" is specified in the relevant Pricing Supplement, the Outstanding Principal Balance of the relevant Valuation Obligation shall include accrued but unpaid interest;
- (b) "Exclude Accrued Interest" is specified in the relevant Pricing Supplement, the Outstanding Principal Balance of the relevant Valuation Obligation shall not include accrued but unpaid interest; or
- (c) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the relevant Pricing Supplement, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Valuation Obligation whether the Outstanding Principal Balance of the relevant Valuation Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof.

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity.

"**Aggregate Adjusted Reference Entity Weighting**" means, in respect of an Index, a percentage calculated by the Calculation Agent in respect of the Trade Date equal to (a) one divided by (b) the sum, for each numerically different Reference Entity Weighting greater than zero for the Reference Entities in respect of such Index, of (i) the number of Reference Entities with such Reference Entity Weighting multiplied by (ii) such Reference Entity Weighting, rounded as determined by the Calculation Agent in order that the aggregate Reference Entity Notional Amounts of the Reference Entities in respect of such Index equals the Index Notional Amount in respect of such Index.

"**Aggregate Shortfall Amount**" means, in respect of a Credit Event Determination Date, (a) the sum of any Shortfall Amounts in respect of the aggregate of the Cash Settlement Amounts in respect of the Warrants for each Reference Entity in respect of which a Credit Event Determination Date has arisen prior to the occurrence of such Credit Event Determination Date minus (b) the amount of any Aggregate Shortfall Amount in respect of any such Credit Event Determination Date applied in reducing any such Cash Settlement Amount to zero or above.

"**Annex Date**", in respect of an Index, has the meaning given to it in the relevant Pricing Supplement.

"**Asset**" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

"**Asset Package**" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

"**Asset Package Credit Event**" means:

- (a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the relevant Pricing Supplement:
  - (i) a Governmental Intervention; or
  - (ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in the relevant Pricing Supplement and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in the relevant Pricing Supplement, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

"**Auction**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Cancellation Date**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Covered Transaction**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Final Price**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Final Price Determination Date**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Settlement Date**" shall mean the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following the Auction Final Price Determination Date.

"**Bankruptcy**" means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof or before the Scheduled Cut-Off Date, whichever is earlier;
- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter or before the Scheduled Cut-Off Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in clauses (a) to (g).

**"Basket Credit Linked Warrants"** means Credit Linked Warrants indicated as such in the relevant Pricing Supplement, where the Issuer sells credit protection to the Warranholders in respect of a basket of Reference Entities.

**"Calculation Agent City Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City specified in the relevant Pricing Supplement.

**"Cash Settlement Amount"** means:

- (a) in respect of Single Reference Entity Credit Linked Warrants:
  - (i) if no Credit Event Determination Date occurs, zero; or
  - (ii) if a Credit Event Determination Date occurs, unless otherwise specified in the relevant Pricing Supplement, an amount (which may be zero but may never be less than zero) calculated by the Calculation Agent equal to each Warrant's *pro rata* share of:

$$(RENA \times [1 - RFP]) - UC.$$

Expressed in words, this is (1) (x) the product of the Reference Entity Notional Amount and (y) one minus the Relevant Final Price, minus (2) the Unwind Costs.

Where:

**"RENA"** is the Reference Entity Notional Amount;

**"RFP"** is the Relevant Final Price; and

**"UC"** is Unwind Costs; or

- (b) in respect of Basket Credit Linked Warrants:
  - (i) where the relevant Exercise Date does not fall on a Credit Event Determination Date, zero; or
  - (ii) following the occurrence of a Credit Event Determination Date in respect of any Reference Entity (x) the amount specified as such in the relevant Pricing Supplement or (y) a Warrant's *pro rata* share of the amount (which may be zero but may never be less than zero) calculated by the Calculation Agent in accordance with the following formula:

$$(RENA \times [1 - RFP]) - UC - ASA.$$

Where:

**"ASA"** is the relevant Aggregate Shortfall Amount in respect of such Credit Event Determination Date;

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

"RENA" is the Reference Entity Notional Amount in respect of the affected Reference Entity;

"RFP" is the Relevant Final Price in respect of the affected Reference Entity; and

"UC" is Unwind Costs.

Expressed in words, this is (1) (x) the product of the Reference Entity Notional Amount in respect of the affected Reference Entity and (y) one minus the Relevant Final Price in respect of the affected Reference Entity (the result of such multiplication, the "Loss Value") minus (2) the Unwind Costs minus (3) the Aggregate Shortfall Amount in respect of such Credit Event Determination Date.

Any Cash Settlement Amount will be rounded to the nearest sub-unit of the Settlement Currency (half a sub-unit being rounded upwards). In the case of Single Reference Entity Credit Linked Warrants, where any Cash Settlement Amount is or would be zero then, other than for the payment of any other due but unpaid amounts, the Warrants will be cancelled as of the Cash Settlement Date with no payment being due other than any other such due but unpaid amounts. The Issuer will have no further obligations in respect of the Credit Linked Warrants.

"Cash Settlement Date" means, subject as provided in Credit Linked Condition 7:

- (a) in the case of Single Reference Entity Credit Linked Warrants:
  - (i) if no Credit Event Determination Date occurs, the Exercise Date; or
  - (ii) if a Credit Event Determination Date occurs, in relation to any Cash Settlement Amount, the day falling the number of Business Days specified in the relevant Pricing Supplement (or, if a number of Business Days is not so specified, five Business Days) following the calculation of the Relevant Final Price; or
- (b) in the case of Basket Credit Linked Warrants, each of:
  - (i) in respect of an Exercise Date not falling on a Credit Event Determination Date, such Exercise Date; and
  - (ii) in relation to any Cash Settlement Amount in respect of an Exercise Date falling on a Credit Event Determination Date, the day falling the number of Business Days specified in the relevant Pricing Supplement (or, if a number of Business Days is not so specified, five Business Days) following the calculation of the Relevant Final Price.

"CDX Index" has the meaning given to it in the relevant Pricing Supplement.

"Conditionally Transferable Obligation" means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds, in each case as of each such date the Calculation Agent determines appropriate for purposes of the Hedging Arrangements or, if none at the relevant time, the date of delivery of the Valuation Obligation Notification **provided, however, that** a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Valuation Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Valuation Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

"Conforming Reference Obligation" means a Reference Obligation which is a Deliverable Obligation determined in accordance with the definition of Deliverable Obligation below.

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"**Credit Derivatives Auction Settlement Terms**" means any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published on <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) from time to time and may be amended from time to time.

"**Credit Derivatives Determinations Committee**" (and each a "**Credit Derivatives Determinations Committee**") means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

"**Credit Event**" means the occurrence of any one or more of the Credit Events specified in the relevant Pricing Supplement which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"**Credit Event Backstop Date**" means:

- (a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (b) of the definition of Repudiation/Moratorium), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or
- (b) otherwise, the date that is sixty (60) calendar days prior to the earlier of:
  - (i) if the Notice Delivery Date occurs during the Notice Delivery Period, the Notice Delivery Date; and
  - (ii) if the Notice Delivery Date occurs during the Post Dismissal Additional Period, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Credit Event Determination Date**" means:

- (a) subject to paragraph (b) of this definition, the Notice Delivery Date if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, **provided that** neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) notwithstanding paragraph (a) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request

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Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:

(A)

- (1) the Credit Event is not an M(M)R Restructuring; and
- (2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or

(B)

- (1) the Credit Event is an M(M)R Restructuring; and
- (2) a Credit Event Notice is delivered and is effective on or prior to the fifth Business Day following the Restructuring Exercise Cut-off Date,

**provided that** no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered (I) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date or (II) unless the Calculation Agent otherwise determines this is consistent with the Hedging Arrangements or, if none at the relevant time, (x) unless, and to the extent that, the Partial Exercise Amount specified in any such Credit Event Notice was less than the relevant Reference Entity Notional Amount or (y) unless the Deliverable Obligations set out on the Final List applicable to the Transaction Auction Settlement Terms are identical to the Permissible Deliverable Obligations,

**Provided further that** no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred (and, for the avoidance of doubt, any related Exercise Date shall be deemed not to have occurred and the Warrants not to have been duly exercised), if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date or the relevant Cash Settlement Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant event.

If, in accordance with the provisions above, following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred, the Calculation Agent will determine (1) such adjustment(s) to these Credit Linked Conditions (including any adjustment to payment amounts) as may be required to reflect (I) such deemed date of occurrence or (II) such deemed non-occurrence of such Credit Event Determination Date and (2) the effective date of such adjustment(s).

**"Credit Event Notice"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Cut-Off Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out in Credit Linked Condition 11.

**"Credit Event Resolution Request Date"** means, with respect to a DC Credit Event Question, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was

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effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

**"Credit Outstanding Notional Amount"** means, on any date, (i) the aggregate Reference Entity Notional Amounts of the Reference Entities as of the Issue Date minus (ii) the aggregate Reference Entity Notional Amounts of Reference Entities in respect of which a Credit Event Determination Date has occurred on or prior to the relevant date, **Provided That** in no event shall the Credit Outstanding Notional Amount be less than zero.

**"Credit Settlement Currency"** means the currency specified as such in the relevant Pricing Supplement, or if no currency is specified in the relevant Pricing Supplement, the Settlement Currency of the Credit Linked Warrants.

**"DC Announcement Coverage Cut-off Date"** means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable.

**"DC Credit Event Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, **provided that** if the Credit Event occurred after the Scheduled Cut-Off Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

**"DC Credit Event Meeting Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

**"DC Credit Event Question"** means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

**"DC Credit Event Question Dismissal"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

**"DC Determination Cut-off Date"** has the meaning given to that term in Credit Linked Condition 5.

**"DC No Credit Event Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

**"DC Party"** has the meaning given to that term in the DC Rules.

**"DC Resolution"** has the meaning given to that term in the DC Rules.

**"DC Rules"** means the Credit Derivatives Determinations Committees Rules, as published on <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

**"DC Secretary"** has the meaning given to that term in the DC Rules.

**"Default Requirement"** means the amount specified as such in the relevant Pricing Supplement or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the relevant Pricing Supplement, USD10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

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"**Deliver**" means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the relevant Deliverable Obligations to the relevant Warrantholder free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor) **provided that** (i) if all or a portion of the relevant Deliverable Obligations consists of Direct Loan Participations, "**Deliver**" means to create (or procure the creation of) a participation in favour of the relevant Warrantholder and (ii) if a Deliverable Obligation is a Guarantee, "**Deliver**" means to Deliver both the Underlying Obligation and the Guarantee, **provided further that** if the Guarantee has a Fixed Cap, "**Deliver**" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. "**Delivery**" and "**Delivered**" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

"**Deliverable Obligation**" means any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "*(i) Method for Determining Deliverable Obligations*" below, (i) unless it is an Excluded Deliverable Obligation and (ii) **provided that** the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero.

- (i) *Method for Determining Deliverable Obligations.* For the purposes of this definition of "Deliverable Obligation", the term "Deliverable Obligation" may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in the relevant Pricing Supplement, and, subject to paragraph (ii) (*Interpretation of Provisions*) below, having each of, the Deliverable Obligation Characteristics, if any, specified in the relevant Pricing Supplement, in each case, as of each such date the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, as of the relevant date herein. The following terms shall have the following meanings:
- (A) "**Deliverable Obligation Category**" means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" below, except that, for the purpose of determining Deliverable Obligations, the definition of "Reference Obligation Only" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).
- (B) "**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer;
- (1) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;
- (2) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the



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guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;

- (3) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Warrantholder that provides each Warrantholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Warrantholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
  - (4) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, **provided that** none of the following shall be considered contractual, statutory or regulatory restrictions:
    - I. contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
    - II. restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
    - III. restrictions in respect of blocked periods on or around payment dates or voting periods;
  - (5) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than the period specified in the relevant Pricing Supplement (or if no such period is specified, thirty years);
  - (6) "**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
  - (7) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream International or any other internationally recognised clearing system.
- (ii) *Interpretation of Provisions*
- (A) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
  - (B) If (i) any of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation

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Characteristic only with respect to Bonds; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans; or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.

- (C) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics in the relevant Pricing Supplement, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.
- (D) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:
  - (1) for purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (2) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the relevant Pricing Supplement from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
  - (3) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the relevant Pricing Supplement from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured" and "Not Bearer"; and
  - (4) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (E) For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.
- (F) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the relevant Pricing Supplement, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would

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constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic.

- (G) If "Subordinated European Insurance Terms" is specified as applicable in the relevant Pricing Supplement, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

For the avoidance of doubt the provisions of this paragraph (ii) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

"**Deliverable Obligation Terms**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Domestic Currency**" means the currency specified as such in the relevant Pricing Supplement and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

"**Domestic Law**" means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign.

"**Downstream Affiliate**" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than fifty per cent.- owned, directly or indirectly, by the Reference Entity. As used herein, "**Voting Shares**" means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"**Due and Payable Amount**" means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on the relevant Valuation Date or other relevant date herein, as applicable.

"**Effective Date**" means, in respect of an Index:

- (a) in the case of an iTraxx Index, the Roll Date in respect of such Index as set out and defined in the relevant Index Annex; or
- (b) in the case of a CDX Index, the Effective Date in respect of such Index as set out and defined in the relevant Index Annex.

"**Eligible Information**" means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

"**Eligible Transferee**" means:

- (a) any:
  - (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;
  - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in sub-paragraph (c) below); and

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- (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least US\$500 million;

- (b) an Affiliate of an entity specified in sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least US\$100 million or (B) is one of a group of investment vehicles under common control or management having, in aggregate, total assets of at least US\$100 million; or
  - (ii) that has total assets of at least US\$500 million; or
  - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(i) or (d); or
- (d) any Sovereign; or
- (e) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to US\$ include equivalent amounts in other currencies in each case as determined by the Calculation Agent.

**"Excluded Deliverable Obligation"** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the relevant Pricing Supplement; and
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped.

**"Excluded Obligation"** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the relevant Pricing Supplement;
- (b) if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement and (i) the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement and the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**"Excluded Valuation Obligation"** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the relevant Pricing Supplement;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and

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- (c) if Asset Package Delivery is applicable (as set out in Credit Linked Condition 15), any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**"Exercise Date"** means, subject as provided in Credit Linked Condition 5 and Credit Linked Condition 7:

- (a) in respect of Single Reference Entity Credit Linked Warrants, the last day on which a Credit Event Determination Date could occur under these Credit Linked Conditions or, if a Credit Event Determination Date occurs, the Credit Event Determination Date; or
- (b) in respect of Basket Credit Linked Warrants, (i) each Credit Event Determination Date (if any) and (ii) if not otherwise an Exercise Date, the last day on which a Credit Event Determination Date could occur under these Credit Linked Conditions.

**"Expiry Date"** means:

- (a) in respect of Single Reference Entity Credit Linked Warrants, the Exercise Date; or
- (b) in respect of Basket Credit Linked Warrants, each Exercise Date.

**"Extension Date"** means the latest of:

- (a) the Scheduled Cut-Off Date;
- (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applying in the relevant Pricing Supplement, and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Cut-Off Date; and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in the relevant Pricing Supplement, as applicable.

**"Failure to Pay"** means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure **provided that**, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Final List"** has the meaning given in the DC Rules.

**"Final Price"** means:

- (a) if there is more than one Valuation Obligation, the weighted average of the prices of each such Valuation Obligation, each expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable; or
- (b) otherwise, the price of the relevant Valuation Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable,

in either case determined in accordance with the Valuation Method specified in the relevant Pricing Supplement.

Notwithstanding the foregoing and anything to the contrary herein (including, without limitation, that the Warrants are not Physical Settlement Warrants), if Asset Package Delivery is applicable

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and a Prior Deliverable Obligation or a Package Observable Bond is specified in the Valuation Obligation Notification, (i) the related Asset Package may be treated as the Valuation Obligation in lieu of such Prior Deliverable Obligation or Package Observable Bond, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) if such Asset Package is zero, its price shall be deemed to be zero per cent. on the relevant Valuation Date and (iii) if the Calculation Agent determines that a price cannot reasonably be determined in accordance with the Valuation Method, then the price of the Asset Package will be calculated by the Calculation Agent as equal to the fair market value of the Asset Package, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable.

The Calculation Agent shall make available for inspection by Warrantholders on request (i) each Quotation for a Valuation Date that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

**"Fixed Cap"** means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, **provided that** a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

**"Full Quotation"** means, in accordance with the Quotation Method each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

**"Fully Transferable Obligation"** means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Valuation Obligation other than Bonds, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, the date of delivery of the Valuation Obligation Notification. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered as a requirement for consent for purposes of this definition of "Fully Transferable Obligation".

**"Further Subordinated Obligation"** means, in respect of a Reference Entity, if the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto. If "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, a Traditional Subordinated Obligation shall constitute a Further Subordinated Obligation.

**"Governmental Authority"** means:

- (a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

**"Governmental Intervention"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar

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law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in paragraphs (a) to (c).

For purposes of this definition of Governmental Intervention, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

**"Grace Period"** means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if "Grace Period Extension" is specified as applying in the relevant Pricing Supplement, a Potential Failure to Pay has occurred on or prior to the Scheduled Cut-Off Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Cut-Off Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the relevant Pricing Supplement or, if no period is specified in the relevant Pricing Supplement, thirty (30) calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; **provided that**, unless Grace Period Extension is specified as applying in the relevant Pricing Supplement, such deemed Grace Period shall expire no later than the Scheduled Cut-Off Date.

**"Grace Period Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified (a) if the Obligation Currency is the euro, a day on which T2 is open, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"Grace Period Extension Date"** means, if:

- (a) "Grace Period Extension" is specified as applying in the relevant Pricing Supplement; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Cut-Off Date,

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the date falling the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in the relevant Pricing Supplement, Grace Period Extension shall not apply.

**"Guarantee"** means a Relevant Guarantee or a guarantee which is the Reference Obligation.

**"Hedging Arrangements"** means any underlying or related transaction(s), swap(s), asset(s), financing or other arrangement(s) or trading position(s) the Issuer and/or any of its Affiliates or agents may enter into or hold from time to time (including, if applicable, on a portfolio basis) to hedge directly or indirectly and whether in whole or in part the credit or other price risk or funding of the Issuer issuing and performing its obligations with respect to the Credit Linked Warrants.

**"Index"** has the meaning given to it in the relevant Pricing Supplement.

**"Index Annex"** means, in respect of an Index:

- (a) in the case of an iTraxx Index, the list for the relevant Index with the relevant Annex Date, as published by the relevant Index Publisher (which can be accessed at <https://ihsmarkit.com/products/indices.html> or any successor website thereto) and subject as provided in Credit Linked Condition 16; or
- (b) in the case of a CDX Index, the list for the relevant Index with the relevant Annex Date, as published by the relevant Index Publisher (which can be accessed at <https://ihsmarkit.com/products/indices.html> or any successor website thereto).

**"Index Basket Credit Linked Warrants"** means Basket Credit Linked Warrants indicated as such in the relevant Pricing Supplement, which relate to one or more Indices.

**"Index Notional Amount"** means, in respect of an Index, the Index Weighting in respect of such Index multiplied by the Original Notional Amount as of the Issue Date.

**"Index Publisher"** means, in respect of an Index, Markit Group Limited, or any replacement therefor appointed by the relevant Index Sponsor for purposes of officially publishing the relevant Index.

**"Index Sponsor"** means, in respect of an Index:

- (a) in the case of an iTraxx Index, Markit Indices Limited, or any successor thereto; or
- (b) in the case of a CDX Index, Markit North America, Inc. or any successor sponsor of such Index.

**"Index Weighting"**, in respect of an Index, has the meaning given to it in the relevant Pricing Supplement.

**"ISDA"** means the International Swaps and Derivatives Association, Inc.

**"iTraxx Index"** has the meaning given to it in the relevant Pricing Supplement.

**"Largest Asset Package"** means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realizable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee or, if none, as determined by the Calculation Agent by reference to such source(s) as it determines appropriate.

**"Latest Maturity Restructured Bond or Loan"** has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date".

**"Limitation Date"** means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years



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after the Restructuring Date: 2.5 years (the "**2.5-year Limitation Date**"), 5 years, 7.5 years, 10 years (the "**10-year Limitation Date**"), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.

"**M(M)R Restructuring**" means a Restructuring Credit Event in respect of which either Mod R or Mod Mod R is specified as applicable in the relevant Pricing Supplement.

"**Market Value**" means, with respect to the Valuation Obligation on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount the Calculation Agent shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

"**Minimum Quotation Amount**" means the amount specified as such in the relevant Pricing Supplement (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

"**Modified Eligible Transferee**" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

"**Modified Restructuring Maturity Limitation Date**" means, with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Scheduled Cut-Off Date. Subject to the foregoing, if the Scheduled Cut-Off Date is later than the 10 year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Cut-Off Date.

"**Movement Option**" means, with respect to an M(M)R Restructuring for which a No Auction Announcement Date has occurred pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Issuer to apply to the Credit Linked Warrants, for purposes of settlement, (a) the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that could apply in respect of the Reference Transaction (**provided that** if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply) or (b) the Parallel Auction Settlement Terms, if any, for purposes of which all Deliverable Obligations on the Final

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List will be Permissible Deliverable Obligations. In determining whether to exercise such option and, if applicable, in exercising such option, the Issuer will follow the corresponding position under its Hedging Arrangements or, if none at the relevant time, will act in good faith and in a commercially reasonable manner. If no Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, the Relevant Final Price for the purpose of determining the relevant Cash Settlement Amount will be the Final Price as provided in the definition of Relevant Final Price below. If a Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, such event will be notified to Warrantheolders in accordance with Condition 11 (*Notices*). For the avoidance of doubt any failure to provide such a notice to Warrantheolders will not affect the validity of any of the foregoing provisions.

**"Movement Option Cut-off Date"** means the date that is one Relevant City Business Day following the Restructuring Exercise Cut-off Date, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

**"No Auction Announcement Date"** means, with respect to a Credit Event, the date on which the DC Secretary first publicly announces that:

- (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published;
- (b) following the occurrence of an M(M)R Restructuring no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either:
  - (i) no Parallel Auction will be held; or
  - (ii) one or more Parallel Auctions will be held.

**"Non-Conforming Reference Obligation"** means a Reference Obligation which is not a Conforming Reference Obligation.

**"Non-Conforming Substitute Reference Obligation"** means an obligation which would be a Deliverable Obligation determined in accordance with the definition of Deliverable Obligation above on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

**"Non-Financial Instrument"** means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

**"Non-Standard Reference Obligation"** means, in respect of the Reference Entity, the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

**"Non-Transferable Instrument"** means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

**"Notice Delivery Date"** means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the relevant Pricing Supplement, an effective Notice of Publicly Available Information, have been delivered by the Calculation Agent.

**"Notice Delivery Period"** means, subject as provided in Credit Linked Condition 6, the period from and including the Trade Date to and including the fifth Business Day following the date that is fourteen (14) calendar days after the Extension Date.

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**"Notice of Publicly Available Information"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is specified as applicable in the relevant Pricing Supplement and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Credit Linked Condition 11.

**"Notice to Exercise Movement Option"** means, with respect to Warrants for which (a) M(M)R Restructuring is applicable and (b) the Relevant Final Price would otherwise be the Final Price pursuant to sub-paragraph (b)(ii) of the definition thereof, a notice from the Issuer to the Calculation Agent that (i) specifies the Parallel Auction Settlement Terms applicable in accordance with the definition of Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date.

**"Number of Valuation Business Days"** means:

- (a) if Fixed Valuation Date is specified as applicable in the relevant Pricing Supplement, the number of Business Days specified therein (or, if the number of Business Days is not specified, five Business Days); or
- (b) otherwise, the number of Business Days selected by the Issuer.

**"Obligation"** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "Method for Determining Obligations" below); and
- (b) the Reference Obligation,

in each case unless it is an Excluded Obligation.

*Method for Determining Obligations.* For the purposes of paragraph (a) of this definition of "Obligation", the term "Obligation" may be defined as the obligation of each Reference Entity described by the Obligation Category specified in the relevant Pricing Supplement, and having each of the Obligation Characteristics (if any) specified in the relevant Pricing Supplement, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (i) **"Obligation Category"** means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the relevant Pricing Supplement, where:
  - (a) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (b) **"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

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- (c) **"Reference Obligation Only"** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
  - (d) **"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
  - (e) **"Loan"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
  - (f) **"Bond or Loan"** means any obligation that is either a Bond or a Loan.
- (ii) **"Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the relevant Pricing Supplement, where:
- (a) **"Not Subordinated"** means an obligation that is not Subordinated to (1) the Reference Obligation or, (2) the Prior Reference Obligation, if applicable;
  - (b) **"Subordination"** means, with respect to an obligation (the **"Second Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"First Obligation"**), a contractual, trust or other similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. **"Subordinated"** will be construed accordingly and, if "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, the term "Subordination" shall be applied in the assessment of any Obligation without regard to how the Obligation is described by the laws of any relevant jurisdiction, including any characterisation of the Obligation as senior or unsubordinated by the laws of any relevant jurisdiction. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date;
  - (c) **"Prior Reference Obligation"** means, in circumstances where there is no Reference Obligation applicable to the relevant Warrants, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the relevant Pricing Supplement as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;

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- (d) "**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the relevant Pricing Supplement (or, if Specified Currency is specified in the relevant Pricing Supplement and no currency is so specified, any Standard Specified Currency) **provided that** if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (e) "**Not Sovereign Lender**" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";
- (f) "**Not Domestic Currency**" means any obligation that is payable in any currency other than applicable Domestic Currency **provided that** a Standard Specified Currency shall not constitute the Domestic Currency;
- (g) "**Not Domestic Law**" means any obligation that is not governed by applicable Domestic Law, **provided that** the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (h) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (i) "**Not Domestic Issuance**" means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

"**Obligation Acceleration**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event or default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

"**Obligation Currency**" means the currency or currencies in which the Obligation is denominated.

"**Obligation Default**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

"**Original Non-Standard Reference Obligation**" means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in respect of such Reference Entity in the relevant Pricing Supplement (if any is so specified) **provided that** if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant Warrants (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless the relevant Warrants are Reference Obligation Only Warrants.

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

**"Original Notional Amount"** has the meaning given to it in the relevant Pricing Supplement, subject to adjustment as provided in these Credit Linked Conditions.

**"Outstanding Amount"** means, in respect of a Prior Deliverable Obligation or Package Observable Bond, the Quotation Amount specified in the relevant Valuation Obligation Notification.

**"Outstanding Principal Balance"** means the outstanding principal balance of an obligation which will be calculated as follows:

- (a) *first*, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);
- (b) *second*, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the **"Non-Contingent Amount"**); and
- (c) *third*, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (i) unless otherwise specified, in accordance with the terms of the obligation in effect on the relevant Valuation Date or other relevant date herein, as applicable; and
- (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

**"Package Observable Bond"** means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published on <https://ihsmarkit.com/index.html> from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within paragraphs (a) or (b) of the definition of Valuation Obligation (below), immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**"Parallel Auction"** means "Auction" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**"Parallel Auction Cancellation Date"** means "Auction Cancellation Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**"Parallel Auction Settlement Terms"** means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published with respect to such M(M)R Restructuring, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction **provided that** if no such Credit Derivatives Auction Settlement Terms are published, the Calculation Agent may select the applicable Credit Derivatives Auction Settlement Terms.

**"Parallel Notice of Physical Settlement Date"** means "Notice of Physical Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

**"Payment Requirement"** means the amount specified as such in the relevant Pricing Supplement or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

relevant Pricing Supplement, USD1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**"Permissible Deliverable Obligations"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included in the Final List pursuant to the Deliverable Obligation Terms applicable to the relevant Auction.

**"Permitted Contingency"** means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

- (a) as a result of the application of:
  - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
  - (ii) provisions implementing the Subordination of the obligation;
  - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
  - (iv) if "Subordinated European Insurance Terms" are specified as applicable in the relevant Pricing Supplement, any Solvency Capital Provisions; or
  - (v) if "Financial Reference Entity Terms" are specified as applicable in the relevant Pricing Supplement, provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**"Permitted Transfer"** means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

**"Post Dismissal Additional Period"** means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is five Business Days following the fourteenth calendar day thereafter (**provided that** the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

**"Postponed Cut-off Date"** has the meaning given to that term in Credit Linked Condition 6.

**"Potential Credit Event"** means a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity), a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity) or if a Credit Event Resolution Request Date has occurred and the relevant Credit Derivatives Determinations Committee has not made its determination, such event will be deemed to be a Potential Credit Event. A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred.

**"Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure,

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without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

**"Potential Repudiation/Moratorium"** means the occurrence of an event described in paragraph (a) of the definition of Repudiation/Moratorium.

**"Prior Deliverable Obligation"** means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within paragraphs (a) or (b) of the definition of Valuation Obligation below, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

**"Private-side Loan"** means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

**"Prohibited Action"** means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in (a) to (d) of the definition of Credit Event above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

**"Public Source"** means each source of Publicly Available Information specified as such in the relevant Pricing Supplement (or if no such source is specified in the relevant Pricing Supplement, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**"Publicly Available Information"** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:

- (a) has been published in or on not less than the Specified Number of Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);
- (b) is information received from or published by (i) the Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (c) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body;

**provided that** where any information of the type described in paragraphs (b) or (c) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in paragraphs (b) or (c) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law,



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agreement, understanding or other restriction regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Without limitation, Publicly Available Information need not state:

- (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned by the Reference Entity; and
- (ii) that the relevant occurrence:
  - (A) has met the Payment Requirement or Default Requirement;
  - (B) is the result of exceeding any applicable Grace Period; or
  - (C) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs (a) and (b) of the definition of Repudiation/Moratorium below.

**"Qualifying Affiliate Guarantee"** means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
  - (i) by payment;
  - (ii) by way of Permitted Transfer;
  - (iii) by operation of law;
  - (iv) due to the existence of a Fixed Cap; or
  - (v) due to:
    - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement; or
    - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the relevant Pricing Supplement.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy above in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- I. the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- II. if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

**"Qualifying Participation Seller"** means any participation seller that meets the requirements specified in the relevant Pricing Supplement. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**"Quantum of the Claim"** means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, **provided that** the Quantum of the Claim cannot exceed the Non-Contingent Amount.

**"Quotation"** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**"Quotation Amount"** means:

- (a) the amount specified as such in the relevant Pricing Supplement (which may be specified by reference to an amount in a currency or by reference to a Representative Amount); or
- (b) if no amount is specified in the relevant Pricing Supplement, as specified in the Valuation Obligation Notification,

or, in each case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained.

**"Quotation Dealer"** means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in the relevant Pricing Supplement. If no Quotation Dealers are specified in the relevant Pricing Supplement, the

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

**"Quotation Method"** means the applicable Quotation Method specified in the relevant Pricing Supplement by reference to one of the following terms:

- (a) **"Bid"** means that only bid quotations shall be requested from Quotation Dealers;
- (b) **"Offer"** means that only offer quotations shall be requested from Quotation Dealers; or
- (c) **"Mid-market"** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the relevant Pricing Supplement, Bid shall apply.

**"Reference Entity"** means:

- (a) the entity specified as such in the relevant Pricing Supplement. Any Successor to the Reference Entity either (i) identified pursuant to the definition of "Successor" on or following the Trade Date or (ii) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant Series; or
- (b) in the case of Index Basket Credit Linked Warrants:
  - (i) each relevant Reference Entity contained in any iTraxx Index and listed in the relevant Index Annex, and any Successor to any such Reference Entity either (i) in respect of which ISDA publicly announces on or following the earlier of the relevant Effective Date and the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Successor Resolution Request Date, a Successor in accordance with the DC Rules or (ii) in the event that ISDA does not make such an announcement, identified by the relevant Index Sponsor on or following the earlier of the relevant Effective Date and the Trade Date; and
  - (ii) subject to Credit Linked Condition 17 below, the applicable Reference Entities contained in any CDX Index and listed in the relevant Index Annex, and any Successor to any such Reference Entity either (i) identified by the Calculation Agent on or following the Trade Date pursuant to the Credit Linked Conditions or (ii) unless already reflected in the relevant Index Annex, identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the relevant Effective Date of the relevant Index, as set forth in the relevant Index Annex.

**"Reference Entity Notional Amount"**, in respect of a Reference Entity, means:

- (a) the amount specified as such in the relevant Pricing Supplement; or
- (b) in the case of Index Basket Credit Linked Warrants, an amount equal to (i) the Index Weighting in respect of the relevant Index multiplied by (ii) the Original Notional Amount multiplied by (iii) the Reference Entity Weighting for such Reference Entity multiplied by (iv) the Aggregate Adjusted Reference Entity Weighting in respect of the relevant Index,

in each case subject to adjustment as provided in "Successor" and pursuant to Credit Linked Condition 9 and as otherwise provided in these Credit Linked Conditions.

**"Reference Entity Weighting"** means the percentage set out opposite the relevant Reference Entity in the Index Annex in respect of the relevant Index.

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**"Reference Obligation"** means the Standard Reference Obligation, if any, unless:

- (a) "Standard Reference Obligation" is specified as not applicable in the relevant Pricing Supplement, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; **provided that** if "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, irrespective of any Original Non-Standard Reference Obligation specified in the relevant Pricing Supplement, if (i) a Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List, such Standard Reference Obligation shall be deemed to constitute the Reference Obligation, or (ii) no such Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List but such Standard Reference Obligation has previously been specified on the SRO List, there shall be deemed to be no Reference Obligation and such previously specified Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity shall be deemed to constitute the Prior Reference Obligation; or
- (b) (i) "Standard Reference Obligation" is specified as applicable in the relevant Pricing Supplement (or no election is specified in the relevant Pricing Supplement), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the relevant Pricing Supplement, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, **provided that** the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic or Valuation Obligation Characteristic, as applicable) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation.

Without prejudice to the previous paragraphs:

- (i) for a Reference Entity contained in a CDX Index, the Reference Obligation(s) will be the Reference Obligation(s) (if any) specified in the relevant Index and set out opposite the Reference Entity in the relevant Index Annex, subject to Credit Linked Condition 17 below and the Substitute Reference Obligation provisions herein; and
- (ii) for a Reference Entity contained in an iTraxx Index, the Reference Obligation will be the Reference Obligation (if any) set out opposite the relevant Reference Entity in the relevant Index Annex, subject to the definition of Substitute Reference Obligation below and the following paragraph:

If there is no Standard Reference Obligation and the relevant Index Sponsor publishes a replacement Reference Obligation for a Reference Entity, the Calculation Agent will select such Reference Obligation as the Reference Obligation hereunder for such Reference Entity rather than applying the provisions of the definition of Substitute Reference Obligation below.

**"Reference Obligation Only Warrants"** means any Warrants in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category, the Deliverable Obligation Category and Valuation Obligation Category in the relevant Pricing Supplement and (b) "Standard Reference Obligation" is specified as not applicable in the relevant Pricing Supplement.

**"Reference Transaction"** means a hypothetical credit derivative transaction:

- (a) for which the Deliverable Obligation Terms, the Reference Obligation and the Reference Entity are (i) the same as in respect of the Credit Linked Warrants (if Deliverable Obligation terms and a Reference Obligation are specified in the relevant Pricing Supplement) or (ii) if and to the extent Deliverable Obligation terms and/or a Reference

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Obligation are not specified, the Deliverable Obligation Terms and Reference Obligation determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;

- (b) with a scheduled termination date matching the Scheduled Cut-Off Date under the Credit Linked Warrants;
- (c) for which the Settlement Method thereunder is Auction Settlement; and
- (d) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Issuer's hedging arrangements (if any at the relevant time) and/or any credit derivative elections made in relation to the Credit Linked Warrants.

"**Relevant City Business Day**" has the meaning given in the DC Rules.

"**Relevant Final Price**" means:

- (a) the Auction Final Price; or
- (b) unless the relevant Cash Settlement Date and settlement has otherwise occurred, if:
  - (i) an Auction Cancellation Date occurs;
  - (ii) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraphs (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);
  - (iii) a DC Credit Event Question Dismissal occurs;
  - (iv) a Credit Event Determination Date was determined pursuant to paragraph (a) of the definition of Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date; or
  - (v) the Calculation Agent determines that it is otherwise reasonably likely that the Reference Transaction would be settled in accordance with the Fallback Settlement Method thereunder and gives notice of such to the Issuer (the date on which the Calculation Agent gives such notice, the "**Calculation Agent Fallback Settlement Determination Date**"),

the Final Price,

**provided that** in no event shall the Relevant Final Price be greater than 100 per cent.

"**Relevant Guarantee**" means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the relevant Pricing Supplement, a Qualifying Guarantee.

"**Relevant Holder**" means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Valuation Obligation Notification.

"**Relevant Obligations**" means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), **provided that**:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;

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- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor below, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and
- (d) if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", **provided that** if no such Relevant Obligations exist, "Relevant Obligations" shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market and at the relevant time, which amount will be determined by the Calculation Agent.

**"Representative Auction-Settled Transaction"** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**"Repudiation/Moratorium"** means the occurrence of both of the following events:

- (a) an authorised officer of the Reference Entity or a Governmental Authority:
  - (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**"Repudiation/Moratorium Evaluation Date"** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Cut-Off Date (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium **provided that**, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Cut-Off Date unless the Repudiation/Moratorium Extension Condition is satisfied.

**"Repudiation/Moratorium Extension Condition"** will be satisfied:

- (a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen (14) calendar days after the Scheduled Cut-Off Date that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has

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occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Scheduled Cut-Off Date; or

- (b) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the relevant Pricing Supplement, a Notice of Publicly Available Information that are each effective on or prior to the Scheduled Cut-Off Date or, if Credit Linked Condition 6(y) applies, the Postponed Cut-off Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Scheduled Cut-Off Date.

**"Repudiation/Moratorium Extension Notice"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Cut-Off Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

**"Resolve"** has the meaning set out in the DC Rules, and **"Resolved"** and **"Resolves"** shall be construed accordingly.

**"Restructured Bond or Loan"** means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**"Restructuring"** means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to the relevant Credit Linked Warrants and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest, or (ii) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

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Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (i) the payment in euro of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (iii) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (iv) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a) to (e) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, **provided that** in respect of paragraph (e) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition of Restructuring and Credit Linked Condition 10, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of Restructuring and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (i) to (iv) of this definition of Restructuring shall continue to be deemed to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a) to (e) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**"Restructuring Date"** means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Restructuring Exercise Cut-off Date"** means, with respect to an M(M)R Restructuring, either:

- (a) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
- (b) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date,

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves.

**"Restructuring Maturity Limitation Date"** means with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Scheduled Cut-Off Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with



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the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a "**Latest Maturity Restructured Bond or Loan**") and the Scheduled Cut-Off Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

"**Scheduled Cut-Off Date**" has the meaning given to it in the relevant Pricing Supplement.

"**Seniority Level**" means, with respect to an obligation of the Reference Entity:

- (a) "Senior Level" or "Subordinated Level" as specified in the relevant Pricing Supplement;
- (b) if no such seniority level is specified in the relevant Pricing Supplement, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which "Senior Level"; or
- (c) if "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, "Senior Non-Preferred Level".

"**Senior Non-Preferred Obligation**" means any obligation of the Reference Entity which is Subordinated only to any unsubordinated Borrowed Money Obligations of the Reference Entity but not further or otherwise, or which would be so Subordinated if any unsubordinated Borrowed Money Obligations of the Reference Entity existed, and which ranks above Traditional Subordinated Obligations of the Reference Entity or which would so rank if any Traditional Subordinated Obligations of the Reference Entity existed.

"**Senior Obligation**" means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the relevant Reference Entity.

"**Shortfall Amount**" means, in respect of a Cash Settlement Amount, an amount calculated by the Calculation Agent equal to (a) (i) the relevant Unwind Costs minus (ii) the relevant Loss Value or, if greater, (b) zero.

"**Single Reference Entity Credit Linked Warrants**" means Credit Linked Warrants indicated as such in the relevant Pricing Supplement, where the Issuer sells credit protection to the Warrantheolders in respect of only one Reference Entity.

"**Solvency Capital Provisions**" means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

"**Sovereign**" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including without limiting the foregoing, the central bank) thereof.

"**Sovereign Restructured Valuation Obligation**" means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of Valuation Obligation below immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"**Sovereign Succession Event**" means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or, other similar event.

"**Specified Number**" means the number of Public Source(s) specified in the relevant Pricing Supplement, or if no such number is specified in the relevant Pricing Supplement, two.

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"**SRO List**" means the list of Standard Reference Obligations as published on <https://ihsmarkit.com/index.html> from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

"**Standard Reference Obligation**" means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

"**Standard Specified Currency**" means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

"**Steps Plan**" means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

"**Subordinated Obligation**" means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the relevant Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of that Reference Entity existed. If "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, a Senior Non-Preferred Obligation shall constitute a Subordinated Obligation for the purposes of these Credit Linked Conditions and it shall be deemed that there is a relevant Reference Obligation which is a Subordinated Obligation for the purposes of the definitions of "Excluded Obligation" and "Relevant Obligation" in this Credit Linked Condition 8.

"**Substitute Reference Obligation**" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; **provided that** the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii)). If the event set forth in paragraph (b)(i) of the definition of Substitution Event below has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event below occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
  - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
  - (ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and

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- (iii)
- (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
    - I. is a Deliverable Obligation (other than a Loan) determined in accordance with the definition of Deliverable Obligation above; or if no such obligation is available,
    - II. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with the definition of Deliverable Obligation above;
  - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
    - I. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - II. is a Deliverable Obligation (other than a Loan) determined in accordance with the definition of Deliverable Obligation above; or if no such obligation is available,
    - III. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with the definition of Deliverable Obligation above; or
  - (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
    - I. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - II. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - III. is a Deliverable Obligation (other than a Loan) determined in accordance with the definition of Deliverable Obligation above; or if no such obligation is available,
    - IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with the definition of Deliverable Obligation above.
  - (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the Warrants as determined by the Calculation Agent. The Calculation Agent will notify the Warrantholders in accordance with Condition 11 (*Notices*) of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-

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Standard Reference Obligation. For the avoidance of doubt any failure to provide such a notice to the Warrantholders will not affect the validity of any of the foregoing provisions.

- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.
- (f) For the avoidance of doubt, no Substitute Reference Obligation shall be determined in respect of any Credit Linked Warrants that are Reference Obligation Only Warrants.

**"Substitution Date"** means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the Issuer of the Substitute Reference Obligation that it has identified in accordance with the definition of Substitute Reference Obligation above.

**"Substitution Event"** means, with respect to the Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole; or
- (b) **provided that** the Credit Linked Warrants to which the Non-Standard Reference Obligation relates are not Reference Obligation Only Warrants:
  - (i) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
  - (ii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event. If an event described in paragraphs (a) or (b)(i) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraphs (a) or (b)(i) above as the case may be, on the Trade Date.

**"Substitution Event Date"** means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; **provided that** if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (a) of the definition of Successor below would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

**"Successor"** means:

- (a) subject to paragraph (b) below, the entity or entities, if any, determined as follows:
  - (i) subject to paragraph (vii), if one entity succeeds, either directly or indirectly, as a provider of a Relevant Guarantee, to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
  - (ii) if only one entity succeeds directly as a provider of a Relevant Guarantee, to more than twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of

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the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor;

- (iii) if more than one entity each succeeds directly as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and the Base Conditions and/or the relevant Pricing Supplement will be adjusted as provided below;
  - (iv) if one or more entity each succeed directly as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the Base Conditions and/or the relevant Pricing Supplement will be adjusted as provided below;
  - (v) if one or more entities succeed directly as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
  - (vi) if one or more entities succeed, either directly or indirectly, as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (**provided that** if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and the Base Conditions and/or the relevant Pricing Supplement will be adjusted as provided below); and
  - (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor; and
- (b) An entity may only be a Successor if:
- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
  - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
  - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a) above, **Provided That** the Calculation Agent will not make any

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such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent may, if it determines appropriate, select an alternative Transaction Type for any Successor to a Reference Entity and adjust such of the Base Conditions and/or the relevant Pricing Supplement as it determines appropriate to reflect such new Transaction Type and determine the effective date of any such change and adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if any such Transaction Type and adjustment reflects any adjustment to any credit derivative transaction(s) related to or underlying the Credit Linked Warrants incorporating the provisions of the 2014 ISDA Credit Derivatives Definitions (the "**2014 Definitions**"). Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Warranholders in accordance with Condition 11 (*Notices*) stating the new Transaction Type and the adjustment to the Base Conditions and/or the relevant Pricing Supplement (if any). For the avoidance of doubt any failure to provide such a notice to Warranholders will not affect the validity of any of the foregoing provisions.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information and will, as soon as practicable after such calculation or determination, make such calculation or determination available for inspection by Warranholders at the specified office of the Principal Warrant Agent. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

Where pursuant to paragraph (a)(iii), (a)(iv) or (a)(vi) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Base Conditions and/or the relevant Pricing Supplement as it shall determine to be appropriate (including, without limitation, the Reference Entity Notional Amount and (if applicable) the Transaction Type) to reflect that the Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Base Conditions and/or the relevant Pricing Supplement in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Credit Linked Warrants under the provisions of the 2014 Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Warranholders in accordance with Condition 11 (*Notices*) stating the adjustment to the Base Conditions and/or the relevant Pricing Supplement and giving brief details of the relevant Successor event. For the avoidance of doubt any failure to provide such a notice to Warranholders will not affect the validity of any of the foregoing provisions.

If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "**Joint Relevant Obligation**") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

For the purposes of this definition of "Successor", "**succeed**" means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this definition of "Successor", "succeeded" and "succession" shall be construed

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accordingly. In the case of an exchange offer, the determinations required pursuant to paragraph (a) of this definition of "Successor" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

Where a single entity is a Reference Entity under the Credit Linked Warrants more than once by virtue of the operation of these Successor provisions, such entity will continue to be treated as separate Reference Entities under the Credit Linked Warrants and a Credit Event Determination Date, and settlement with respect thereto, may occur separately for each such Reference Entity

**"Successor Backstop Date"** means for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**"Successor Notice"** means an irrevocable notice from the Calculation Agent to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined.

A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph (a) of the definition of Successor above.

**"Successor Resolution Request Date"** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**"Tier 2 Subordinated Obligation"** means any obligation of the Reference Entity which means the conditions set out in Article 63 of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013, as such Article may be amended or replaced from time to time (the "CRR") or which are (or were at any time) otherwise eligible as a Tier 2 item in accordance with the CRR.

**"Trade Date"** means the date specified as such in the relevant Pricing Supplement.

**"Trading Terms Matrix"** means the terms for the relevant Index, as published by the relevant Index Publisher (which can be accessed at <https://ihsmarkit.com/products/indices.html> or any successor website thereto). In the event of any inconsistency between the Trading Terms Matrix and these Credit Linked Conditions, the Trading Terms Matrix will govern.

**"Traditional Subordinated Obligation"** means:

- (a) Tier 2 Subordinated Obligations of the Reference Entity;
- (b) any obligations of the Reference Entity which rank or are expressed to rank *pari passu* with any Tier 2 Subordinated Obligations of the Reference Entity; and
- (c) any obligations of the Reference Entity which are Subordinated to the obligations thereto described in paragraphs (a) and (b) above shall each (without limitation) constitute Traditional Subordinated Obligations in respect of a Senior Non-Preferred Obligation.

**"Transaction Auction Settlement Terms"** means the Credit Derivatives Auction Settlement Terms selected by the Calculation Agent in accordance with this provision. In relation to a Credit Event (and as set out in the definition of Credit Derivatives Auction Settlement Terms), one or

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

more form(s) of Credit Derivatives Auction Settlement Terms may be published on <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) and such forms may be amended from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, *inter alia*, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the Credit Linked Warrants shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms). The Reference Transaction (as set out in the definition thereof) is a hypothetical credit derivative transaction included in these Credit Linked Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Credit Linked Warrants.

**"Transaction Type"** is:

- (a) as specified in the relevant Pricing Supplement, subject to adjustment as provided in "Successor";
- (b) for a Reference Entity contained in an iTraxx Index, as set out opposite the relevant Reference Entity in the relevant Index Annex, subject to adjustment as provided in "Successor" as applicable; or
- (c) for a Reference Entity contained in a CDX Index:
  - (i) Standard North American Corporate;
  - (ii) where such Index is a "Markit CDX.LatAm Corp", as specified in the Trading Terms Matrix for the Reference Entity, subject to adjustment as provided in "Successor" as applicable; or
  - (iii) where such Index is a "Markit CDX.EM", if the "Region" set out opposite the relevant Reference Entity in the relevant Index Annex is:
    - (x) Asia, Standard Asia Sovereign;
    - (y) EEMEA, Standard Emerging European & Middle Eastern Sovereign; or
    - (z) Latin America, Standard Latin America Sovereign,subject to adjustment as provided in "Successor" as applicable.

**"Underlying Obligation"** means, with respect to a guarantee, the obligation which is the subject of the guarantee.

**"Underlying Obligor"** means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

**"Unwind Costs"** means:

- (a) the amount specified in the relevant Pricing Supplement;
- (b) if "Standard Unwind Costs" are specified in the relevant Pricing Supplement, an amount determined by the Calculation Agent equal to the aggregate sum of (without duplication) all costs (including loss of funding), fees, charges, expenses, tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the exercise, credit settlement or termination, as applicable, of the Credit Linked Warrants and the related termination, liquidation, transfer, settlement or re-establishment (whether in whole or in part) of any Hedging Arrangements; or
- (c) if "Zero Unwind Costs" are specified in the relevant Pricing Supplement, zero.



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"**Valuation Date**" means if "Single Valuation Date" is specified in the relevant Pricing Supplement and subject to Credit Linked Condition 7, the date that is the Number of Valuation Business Days following the Credit Event Determination Date or, if any and as applicable, the Calculation Agent Fallback Settlement Determination Date, the Auction Cancellation Date or the relevant No Auction Announcement Date, and if "Multiple Valuation Dates" is specified in the relevant Pricing Supplement, each of the following dates:

- (a) subject to Credit Linked Condition 7, the date that is the Number of Valuation Business Days following the Credit Event Determination Date or, if any and as applicable, the Calculation Agent Fallback Settlement Determination Date, the Auction Cancellation Date or the relevant No Auction Announcement Date; and
- (b) each successive date that is the Number of Valuation Business Days after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "**Multiple Valuation Dates**" is specified in the relevant Pricing Supplement, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the relevant Pricing Supplement (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the relevant Pricing Supplement, Single Valuation Date shall apply.

### "**Valuation Method**":

- (a) The following Valuation Methods may be specified in the relevant Pricing Supplement with only one Valuation Date:
  - (i) "**Market**" means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
  - (ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.
- (b) If no such Valuation Method is specified in the relevant Pricing Supplement, the Valuation Method shall be Highest.
- (c) The following Valuation Methods may be specified in the relevant Pricing Supplement with more than one Valuation Date:
  - (i) "**Average Market**" means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
  - (ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
  - (iii) "**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.
- (d) If no such Valuation Method is specified in the relevant Pricing Supplement, the Valuation Method shall be Average Highest.

Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Calculation Agent may at its option determine that the Valuation Method shall be Market or Average Market, as the case may be.

Where applicable, the relevant Pricing Supplement may specify an alternative Valuation Method which shall be applicable in respect of the relevant Credit Linked Warrants.

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

"**Valuation Obligation**" means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "*(A) Method for Determining Valuation Obligations*" below;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Valuation Obligation; and
- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the relevant Pricing Supplement, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond,

in each case, as selected by the Issuer in its sole and absolute discretion and notified to the Calculation Agent (a "**Valuation Obligation Notification**") on or prior to the Valuation Date and (i) unless it is an Excluded Valuation Obligation and (ii) **provided that** the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d) above, immediately prior to the relevant Asset Package Credit Event).

- (i) *Method for Determining Valuation Obligations.* For the purposes of this definition of "Valuation Obligation", the term "Valuation Obligation" may be defined as each obligation of the Reference Entity described by the Valuation Obligation Category specified in the relevant Pricing Supplement, and, subject to paragraph (ii) (*Interpretation of Provisions*) below, having each of the Valuation Obligation Characteristics, if any, specified in the relevant Pricing Supplement, in each case, as of each such date the Issuer determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, the date of delivery of the Valuation Obligation Notification. The following terms shall have the following meanings:
  - (A) "**Valuation Obligation Category**" means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" above, except that, for the purpose of determining Valuation Obligations, the definition of "Reference Obligation Only" shall be amended to state that no Valuation Obligation Characteristics shall be applicable to Reference Obligation Only).
  - (B) "**Valuation Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" above), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer;
    - (1) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;
    - (2) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of

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the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;

- (3) **"Direct Loan Participation"** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Warrantholder that provides each Warrantholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Warrantholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (4) **"Transferable"** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, **provided that** none of the following shall be considered contractual, statutory or regulatory restrictions:
- I contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
  - II restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - III restrictions in respect of blocked periods on or around payment dates or voting periods;
- (5) **"Maximum Maturity"** means an obligation that has a remaining maturity of not greater than the period specified in the relevant Pricing Supplement (or if no such period is specified, thirty years);
- (6) **"Accelerated or Matured"** means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (7) **"Not Bearer"** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream International or any other internationally recognised clearing system.

### (ii) *Interpretation of Provisions*

- (A) If (i) any of the Valuation Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Bonds; (ii) the

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Valuation Obligation Characteristic "Transferable" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans; or (iii) any of the Valuation Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans.

- (B) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Valuation Obligation Characteristics in the relevant Pricing Supplement, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics.
- (C) If a Valuation Obligation is a Relevant Guarantee, the following will apply:
  - (1) for purposes of the application of the Valuation Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (2) for purposes of the application of the Valuation Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Valuation Obligation Characteristics, if any, specified in the relevant Pricing Supplement from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
  - (3) for purposes of the application of the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Valuation Obligation Characteristics, if any, specified in the relevant Pricing Supplement from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured" and "Not Bearer"; and
  - (4) for purposes of the application of the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (D) For purposes of the application of the Valuation Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the remaining maturity shall be zero.
- (E) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the relevant Pricing Supplement, if an obligation would otherwise satisfy a particular Valuation Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental

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Intervention, shall not cause such obligation to fail to satisfy such Valuation Obligation Characteristic.

- (F) For purposes of determining the applicability of Valuation Obligation Characteristics and the requirements specified in the paragraphs commencing "If "Mod R" ..." and "If "Mod Mod R" ..." below to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (G) If "Subordinated European Insurance Terms" is specified as applicable in the relevant Pricing Supplement, if an obligation would otherwise satisfy the "Maximum Maturity" Valuation Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Valuation Obligation Characteristic.

If "Mod R" is specified as applicable in the relevant Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Valuation Obligation may be specified in a Valuation Obligation Notification only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, the date of delivery of the Valuation Obligation Notification.

If "Mod Mod R" is specified as applicable in the relevant Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Valuation Obligation may be specified in a Valuation Obligation Notification only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, the date of delivery of the Valuation Obligation Notification. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

For the purposes of making a determination pursuant to the two prior paragraphs or the definition of Restructuring Maturity Limitation Date, the final maturity date shall, subject as provided in the prior paragraph, be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

The Valuation Obligation Notification shall describe the selected Valuation Obligation(s) in reasonable detail and shall specify the relevant title(s) or designation(s), maturity date(s) and coupon rate(s) and, unless the Quotation Amount is specified in the relevant Pricing Supplement, the applicable Quotation Amount in respect of each such Valuation Obligation (**Provided That** the aggregate of the Quotation Amounts in respect of the Valuation Obligations shall not exceed the relevant Reference Entity Notional Amount). The Issuer may at any time after delivering a Valuation Obligation Notification but prior to the Valuation Time on the Valuation Date deliver a further Valuation Obligation Notification which shall replace all prior Valuation Obligation Notifications in relation to any additional or replacement Valuation Obligation(s) specified therein.

For the avoidance of doubt the Issuer shall be entitled to select any Valuation Obligations for the purposes of calculating the Final Price irrespective of their market value and, **provided that** (in the case of a Valuation Obligation selected pursuant to sub-paragraph (a) above) the selected obligation satisfies the applicable Valuation Obligation Category and Valuation Obligation Characteristics on the relevant date, such obligation(s) may constitute the Valuation Obligation(s) for the purposes hereof notwithstanding that this is not the case subsequent to such date.

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"**Valuation Time**" means the time specified as such in the relevant Pricing Supplement or, if no time is so specified, 11.00 a.m. in the principal trading market for the Valuation Obligation.

"**Weighted Average Quotation**" means in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but, of a size at least equal to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

### 9. Credit Event Notice after Restructuring Credit Event

Notwithstanding anything to the contrary in these Credit Linked Conditions, upon the occurrence of an M(M)R Restructuring:

- (a) The Calculation Agent may deliver multiple Credit Event Notices in respect of such M(M)R Restructuring, each such Credit Event Notice setting forth an amount of the relevant Reference Entity Notional Amount to which such Restructuring Credit Event applies (the "**Partial Exercise Amount**") that may be less than such Reference Entity Notional Amount immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Exercise Amount only and each such Credit Linked Warrant shall be exercised in part (in a proportion equal to the proportion that the Partial Exercise Amount bears to the relevant Reference Entity Notional Amount).
- (b) For the avoidance of doubt (A) the part of each Credit Linked Warrant not so exercised in part shall remain outstanding and the Reference Entity Notional Amount shall be reduced by the Partial Exercise Amount, (B) the Credit Linked Conditions and related provisions shall apply to such Credit Linked Warrant in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable to Warrantheolders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to the Base Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 9 and (y) the effective date of such adjustment(s).
- (c) If the provisions of this Credit Linked Condition 9(c) apply in respect of the Credit Linked Warrants, on exercise in part of each such Credit Linked Warrant the relevant Credit Linked Warrant or, if the Credit Linked Warrants are represented by a Global Registered Warrant, such Global Registered Warrant, shall be endorsed to reflect such partial exercise.

### 10. Provisions relating to Multiple Holder Obligation

Unless this Credit Linked Condition 10 is specified as not applicable in the relevant Pricing Supplement, then, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a) to (e) of the definition of "Restructuring" shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

"**Multiple Holder Obligation**" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event, **provided that** any Obligation that is a Bond shall be deemed to satisfy the requirement in paragraph (ii).

### 11. Calculation Agent, Calculation Agent Notices and Timings

- (a) Whenever any state of affairs, circumstance, event or other matter falls to be determined, considered or otherwise decided upon, or any discretion is required to be exercised, by the

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated (including in respect of discretions as set out in paragraph (b) below), that matter shall be determined, considered or otherwise decided upon, or that discretion shall be exercised, (i) where by the Calculation Agent, acting in good faith and in a commercially reasonable manner or (ii) where by such other person, acting in its sole and absolute discretion and in each case shall in the absence of manifest error be final and binding on the Issuer and the Warrantholders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Warrants including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion. Neither the Calculation Agent nor the Issuer shall be liable for any loss, liability, cost, claim, action, demand or expense (including without limitation, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) arising out of or in relation to or in connection with the Calculation Agent's appointment or the exercise of its functions (including, without limitation, any such delay, deferral or forbearance), except in the case of the Calculation Agent such as may result from its own wilful default, negligence or bad faith or that of its officers or agents.

- (b) Unless otherwise stated herein, when exercising discretions under the Credit Linked Warrants (including, without limitation, with respect to the determination of Credit Events and the delivery of Credit Event Notices and Notices of Publicly Available Information for the purposes of a Credit Event Determination Date and (if Mod R or Mod Mod R is applicable) the exercise of the Movement Option for the purposes of the Relevant Final Price) the Issuer (as applicable) will act in good faith and in a commercially reasonable manner and the Calculation Agent and the Issuer (as applicable) will take into account (or, in the case of the Movement Option, follow) the position under or in respect of any Hedging Arrangements at the relevant time.
- (c) Any notice to be delivered by the Calculation Agent to the Issuer pursuant to these Credit Linked Conditions may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice will be effective when given, regardless of the form in which it is delivered. A notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.
- (d) Any notice to be delivered by the Issuer to the Calculation Agent pursuant to these Credit Linked Conditions may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice will be effective when given, regardless of the form in which it is delivered. A notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.
- (e) For the purposes of determining the day on which an event occurs for purposes of these Credit Linked Conditions, the Calculation Agent will determine the demarcation of days by reference to Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time) irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.
- (f) In addition, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone of its place of payment.

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### 12. **Amendment of Credit Linked Conditions**

The Calculation Agent may from time to time amend any provision of these Credit Linked Conditions in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable from the perspective of the Issuer, the Calculation Agent or a party to the Hedging Arrangements (i) to incorporate and/or reflect further or alternative documents or protocols from time to time published by or on behalf of ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by Credit Derivatives Determinations Committees, including without limitation, in relation to settlement, credit events and successors and/or (ii) to reflect or account for market practice for credit derivative transactions. Any amendment made in accordance with this Credit Linked Condition 12 shall be notified to the Warrantholders in accordance with Condition 11 (*Notices*). Any failure to provide notice of any such amendment to Warrantholders will not affect the validity of any of the foregoing provisions.

### 13. **Early termination of Reference Obligation Only Warrants following a Substitution Event**

If the Warrants are Reference Obligation Only Warrants relating to a single Reference Entity and the event set out in paragraph (a) of the definition of Substitution Event above occurs with respect to the Reference Obligation, then each Credit Linked Warrant will be cancelled forthwith and the Issuer's obligations in respect of the Credit Linked Warrants will be discharged and the Issuer will have no further liability in respect thereof.

### 14. **DC Resolution Adjustment Events**

If following the publication of a DC Resolution (the "**Prior DC Resolution**"), a further DC Resolution (the relevant "**Further DC Resolution**") is published the effect of which would be to reverse all or part of the Prior DC Resolution or if any DC Resolution would reverse any determination made by the Calculation Agent and/or the occurrence of a Credit Event Determination Date, notwithstanding any other provisions of these Credit Linked Conditions the Calculation Agent may make any adjustment(s) that the Calculation Agent determines is necessary or desirable to the Conditions or these Credit Linked Conditions to reflect the publication of such Further DC Resolution or DC Resolution, including, without limitation, as a result of the impact or effect of such Further DC Resolution or DC Resolution on the Hedging Arrangements (if any at the relevant time).

### 15. **Asset Package Delivery**

Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if Sovereign No Asset Package Delivery is specified as applicable in the relevant Pricing Supplement, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published) and accordingly, Asset Package Delivery shall not apply thereto.

### 16. **Amendments to an Index Annex for an iTraxx Index**

The relevant Index Annex in respect of an iTraxx Index will be deemed amended from time to time to reflect any modifications resulting from the application of the definitions of Reference Entity, Reference Obligation, Standard Reference Obligation and/or Substitute Reference Obligation above.

### 17. **Inconsistency between Index Annex and a CDX Index**

In the event of any inconsistency between the relevant Index Annex in respect of a CDX Index and the corresponding Index published by the relevant Index Sponsor, the relevant Index Annex shall govern.



## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

### 18. 2019 Narrowly Tailored Credit Event Provisions

If "2019 Narrowly Tailored Credit Event Provisions" are specified as applicable in the relevant Pricing Supplement, the following provisions shall apply for the purpose of the Warrants.

#### (a) Outstanding Principal Balance

The definition of "**Outstanding Principal Balance**" in Credit Linked Condition 8 is hereby deleted in its entirety and replaced with the following:

"**Outstanding Principal Balance**" means the outstanding principal balance of an obligation which will be calculated as follows:

- (a) *first*, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);
- (b) *second*, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the "**Non Contingent Amount**"); and
- (c) *third*, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (i) unless otherwise specified, in accordance with the terms of the obligation in effect on the relevant Valuation Date or other relevant date herein, as applicable; and
- (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

For the purposes of paragraph (ii) above, "**applicable laws**" shall include any bankruptcy or insolvency law or other law affecting creditors' rights to which the relevant obligation is, or may become, subject.

If "Fallback Discounting" is specified as applicable in the relevant Pricing Supplement, then notwithstanding the above, if (i) the Outstanding Principal Balance of an obligation is not reduced or discounted under paragraph (ii) above, (ii) that obligation is either a Bond that has an issue price less than ninety-five per cent. of the principal redemption amount or a Loan where the amount advanced is less than ninety-five per cent. of the principal repayment amount, and (iii) such Bond or Loan does not include provisions relating to the accretion over time of the amount which would be payable on an early redemption or repayment of such Bond or Loan that are customary for the applicable type of Bond or Loan as the case may be, then the Outstanding Principal Balance of such Bond or Loan shall be the lesser of (a) the Non-Contingent Amount; and (b) an amount determined by straight line interpolation between the issue price of the Bond or the amount advanced under the Loan and the principal redemption amount or principal repayment amount, as applicable.

For the purposes of determining whether the issue price of a Bond or the amount advanced under a Loan is less than ninety-five per cent. of the principal redemption amount or

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

principal repayment amount (as applicable) or, where applicable, for applying straight line interpolation:

- (x) where such Bond or Loan was issued as a result of an exchange offer, the issue price or amount advanced of the new Bond or Loan resulting from the exchange shall be deemed to be equal to the aggregate Outstanding Principal Balance of the original obligation(s) that were tendered or exchanged (the "**Original Obligation(s)**") at the time of such exchange (determined without regard to market or trading value of the Original Obligation(s)); and
- (y) in the case of a Bond or Loan that is fungible with a prior debt obligation previously issued by the Reference Entity, such Bond or Loan shall be treated as having the same issue price or amount advanced as the prior debt obligation.

In circumstances where a holder would have received more than one obligation in exchange for the Original Obligation(s), the Calculation Agent will determine the allocation of the aggregate Outstanding Principal Balance of the Original Obligation(s) amongst each of the resulting obligations for the purpose of determining the issue price or amount advanced of the relevant Bond or Loan. Such allocation will take into account the interest rate, maturity, level of subordination and other terms of the obligations that resulted from the exchange and shall be made by the Calculation Agent in accordance with the methodology (if any) determined by the relevant Credit Derivatives Determinations Committee or, if none, as determined by the Calculation Agent in such manner and by reference to such source(s) as it determines appropriate."

(b) **Failure to Pay**

The definition of "**Failure to Pay**" in Credit Linked Condition 8 is hereby deleted in its entirety and replaced with the following:

"**Failure to Pay**" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure **provided that**, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination. If "Credit Deterioration Requirement" is specified as applicable in the relevant Pricing Supplement, then, notwithstanding the foregoing, it shall not constitute a Failure to Pay if such failure does not directly or indirectly either result from, or result in, a deterioration in the creditworthiness or financial condition of the Reference Entity, as determined by the Calculation Agent. In making such determination, the Calculation Agent may take into account the guidance note set out in paragraph 3 (*Interpretive Guidance*) of the ISDA 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (published on July 15, 2019)."

19. **2020 Limited Recourse Additional Provisions**

If "2020 Limited Recourse Additional Provisions" are specified as applicable in the relevant Pricing Supplement, the following provisions shall apply for the purpose of the Warrants.

- (a) Paragraph (a) of the definition of "Permitted Contingency" in Credit Linked Condition 8 is amended by (x) deleting the word "or" at the end of sub-paragraph (iv) thereof; and (y) inserting the following sub-paragraph at the end of the existing provision:

## Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants

"(vi) provisions which (A) limit recourse in respect of the obligation to the proceeds of specified assets or the proceeds resulting from the enforcement of security or collateral arrangements and/or (B) extinguish any obligation that remains outstanding following the disposal of specified assets and/or the enforcement of the security or collateral arrangements and in each case the application of the resulting proceeds (any such provisions, "**Limited Recourse Provisions**"); or".

- (b) If an obligation includes Limited Recourse Provisions, then for the purpose of determining whether such obligation is an Obligation or a Deliverable Obligation such obligation is deemed to satisfy "Not Subordinated".
- (c) For the avoidance of doubt, in the event of any inconsistency between this Credit Linked Condition 19 and any other Credit Linked Conditions, this Credit Linked Condition 19 will govern.

### 20. **Additional Provisions for Certain Russian Entities: Excluded Obligations and Excluded Deliverable Obligations**

If "Additional Provisions for Certain Russian Entities: Excluded Obligations and Excluded Deliverable Obligations" are specified as applicable in the relevant Pricing Supplement, the following provisions shall apply for the purpose of the Warrants.

- (a) Unless and until the Restricted Period has ended, notwithstanding the definition of "Obligation", any obligation that is Restricted Debt shall be an "Excluded Obligation".
- (b) Unless and until the Restricted Period has ended, notwithstanding the definition of "Deliverable Obligation", any obligation that is Restricted Debt shall be an "Excluded Deliverable Obligation".
- (c) Unless and until the Restricted Period has ended, notwithstanding the definition of "Valuation Obligation", any obligation that is Restricted Debt shall be an "Excluded Valuation Obligation".
- (d) The relevant Credit Derivatives Determinations Committee may determine whether the Restricted Period has ended in respect of any Covered Reference Entity.
- (e) For the purpose of this Credit Linked Condition 20:
  - (i) "**Covered Reference Entity**" means each of the Russian Federation (this includes any government ministry, agency or instrumentality of the Russian Federation, including the Ministry of Finance of the Russian Federation) and Gazprom Public Joint Stock Company.
  - (ii) "**Relevant Sanctions**" means any economic or financial sanctions, trade embargoes or other similar prohibitions or restrictions on activity pursuant to any laws, regulations, orders or licenses imposed, administered or enforced from time to time by a Sanctions Authority. In respect of the European Union, the Relevant Sanctions are limited to those imposed by the European Union itself and not sanctions imposed by an individual member state.
  - (iii) "**Restricted Debt**" means any debt that is issued or incurred on or after the Restricted Debt Start Date of the applicable Covered Reference Entity (either directly or as provider of a Relevant Guarantee).
  - (iv) "**Restricted Debt End Date**" means, in respect of a Covered Reference Entity, the first day on which no Relevant Sanctions on Secondary Trading apply in respect of debt issued or incurred by the applicable Covered Reference Entity on or after the Restricted Debt Start Date.
  - (v) "**Restricted Debt Start Date**" means, in respect of a Covered Reference Entity, 24 February 2022.

**Part F - Additional Terms and Conditions Relating to Credit-Linked Warrants**

- (vi) "**Restricted Period**" means, in respect of a Covered Reference Entity, the period from, and including, the Restricted Debt Start Date to, but excluding, the Restricted Debt End Date.
  - (vii) "**Sanctions Authority**" means any authority responsible for the imposition, administration and/or enforcement of sanctions in Canada, the European Union, Japan, Switzerland, the United Kingdom and the United States of America.
  - (viii) "**Secondary Trading**" means the purchase, sale or dealing in debt issued or incurred by the applicable Covered Reference Entity (either directly or as provider of a Relevant Guarantee) (other than such activities that occur solely within the primary market at the time the debt is issued or incurred).
- (f) For the avoidance of doubt, in the event of any inconsistency between this Credit Linked Condition 20 and any other Credit Linked Conditions, this Credit Linked Condition 20 will prevail.

## Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants

### PART F – PRO FORMA PRICING SUPPLEMENT FOR CREDIT-LINKED WARRANTS

[When completing any terms herein, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]

#### PRICING SUPPLEMENT

Pricing Supplement dated: [•]

[HSBC Bank plc

(A company incorporated in England with registered number 14259; the liability of its members is limited)  
/ HSBC Bank Middle East Limited]

#### Programme for the Issuance of Notes and Warrants

[Further] Issue of

[Number of Warrants] [Credit Linked Warrants linked to [name of Reference Entity] [a basket of [number of Reference Entities] Reference Entities] [the Reference Entities in the Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia] [index name] Series [•] Version [•]] [the Reference Entities in the Markit CDX™ [NA].[IG/HY/XO].[ ] [EM] [LatAm Corp] [specify sector, if any] [specify series, if any] [specify version, if any]]

[(to be consolidated and form a single series with the existing [Insert details of existing Tranche(s)] issued pursuant to the Programme for the Issuance of Notes and Warrants]

#### PART A – CONTRACTUAL TERMS

This document constitutes the pricing supplement ("**Pricing Supplement**") relating to the issue of the Tranche of Warrants described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants, including Part F – Additional Terms and Conditions Relating to Credit-Linked Warrants (the "**Conditions**") set forth in such Offering Memorandum.]

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')].

The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).

## Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Warrants are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Warrants which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2017/2018/2019/2020/2021/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Warrants. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement, the [2017/2018/2019/2020/2021/2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2017/2018/2019/2020/2021/2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

## Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants

*[For Index Basket Credit Linked Warrants linked to one Index, insert (ensure up to date as at the Issue Date):*

The Warrants are linked to the Index.

The Index referenced herein is the property of the Index Sponsor and has been licensed for use in connection with the Warrants. The Issuer acknowledges and agrees that the Warrants are not sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a Credit Event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein.

The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of investing in the Warrants, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. The Index Sponsor shall not have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Index.

*"[For iTraxx Index, insert:*

"iTraxx®", "Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia]" and "Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia] [Index name]" are service marks of Markit Indices Limited and have been licensed for use by the Issuer.]

*[For CDX Index, insert:*

"CDX™", "Markit CDX™ [North American [IG/HY/XO]] [EM] [LatAm Corp]" and "Markit CDX.[NA.[IG/HY/XO].[ ]][EM][LatAm Corp] [specify sector, if any] [specify series, if any] [specify version, if any]" are service marks of Markit North America, Inc. and have been licensed for use by the Issuer.]]

*[For Index Basket Credit Linked Warrants linked to more than one Index, insert (ensure up to date as at the Issue Date):*

The Warrants are linked to each Index.

Each Index referenced herein is the property of the relevant Index Sponsor and has been licensed for use in connection with the Warrants. The Issuer acknowledges and agrees that the Warrants are not sponsored, endorsed or promoted by any Index Sponsor. The relevant Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the relevant Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to quality, accuracy and/or completeness of the relevant Index or any data included therein, the results obtained from the use of the relevant Index and/or the composition of the relevant Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a Credit Event or similar event (however defined) with respect to an obligation, in the relevant Index at any particular time on any particular date or otherwise. The relevant Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the relevant Index, and the relevant Index Sponsor is under no obligation to advise the parties or any person of any error therein.

The relevant Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of investing in the Warrants, the ability of the relevant Index to track relevant markets'

## Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants

performances, or otherwise relating to the relevant Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The relevant Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the relevant Index. The relevant Index Sponsor shall not have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the relevant Index.

*"[For iTraxx Index, insert:*

"iTraxx®", "Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia]" and "Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia] [*Index name*]" are service marks of Markit Indices Limited and have been licensed for use by the Issuer. (*Repeat as applicable depending upon the Indices*)

*[For CDX Index, insert:*

"CDX™", "Markit CDX™ [North American [IG/HY/XO]] [EM] [LatAm Corp]" and "Markit CDX.[NA.[IG/HY/XO].[ ]][EM][LatAm Corp] [*specify sector, if any*] [*specify series, if any*] [*specify version, if any*]" are service marks of Markit North America, Inc. and have been licensed for use by the Issuer. (*Repeat as applicable depending upon the Indices*)

*[For Warrants offered and sold in the United States of America include:*

### IMPORTANT NOTICES

THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE WARRANTS ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF WARRANTS PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Warrants, the Issuer will promptly furnish, upon request of a holder of a Warrant, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Warrants understand the risks of transactions involving the Warrants and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Warrants in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Warrants will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**



**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.]
  
2. Tranche number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible).*
  
3. Settlement Currency: [ ] [Not applicable]
  
4. Aggregate Number of Warrants in the:
  - [(i) Series:] [ ]
  - [(ii) Tranche:] [ ]
  
5. (i) Issue Date: [ ]  
(ii) Trade Date: [ ]
  
6. Issue Price: [*currency*] [*amount*] per Warrant
  
7. Strike Price: Not applicable
  
8. Type of Warrants: Credit Linked Warrants  
  
Part F - Product Supplement for Credit Linked Warrants: applicable
  
9. Series represented by: Global Registered Warrant. Warrants in definitive form [will/will not] be issued.
  
10. Form of Warrant: [Initially represented by [Rule 144A Global Registered Warrant] [Regulation S Global Registered Warrant] [Unrestricted Global Registered Warrant and Restricted Global Registered Warrant] [Combined Global Registered Warrant] [Definitive Registered Warrant] [Combined Definitive Registered Warrant]]
  
11. Style of Warrants: The Warrants are European Style Put Warrants. Condition 4(b) is applicable.
  
12. (i) Expiry Date: As set out in the Credit Linked Conditions.  
(ii) Automatic Exercise: Applicable  
(iii) Exercise Period: Not applicable  
(iv) Potential Exercise Date(s): Not applicable

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

13. (i) Minimum Exercise As set out in the Credit Linked Conditions  
Number/Minimum  
Trading Size:
- (ii) Permitted Multiple: Not applicable
14. Cash Settlement: Applicable. The Warrants are Cash Settlement Warrants.  
Condition 4(d) (*Cash Settlement*) applies.
- (i) Cash Settlement Amount: See item 21 below
- (ii) Cash Settlement Date: See item 21 below
15. Physical Settlement: Not applicable
16. (i) Payment of Alternative [Applicable] [Not applicable]  
Payment Currency  
Equivalent:
- (A) Settlement [ ]  
Currency  
Jurisdiction:
- (B) Cross Currency [Applicable] [Not applicable]  
Exchange Rate:
- (C) Cross Currency: [ ] (*delete if Cross Currency Exchange Rate is not  
applicable*)
- (D) Cross Currency [ ] (*delete if Cross Currency Exchange Rate is not  
applicable*)  
Jurisdiction:
- (E) Alternative [ ]  
Payment  
Currency:
- (F) Alternative [ ] [Not applicable]  
Payment  
Currency  
Jurisdiction:
- (G) Alternative [ ]  
Payment  
Currency Fixing  
Page:
- (H) Alternative [ ]  
Payment  
Currency Fixing  
Time:
- (I) Alternative [ ] [Condition 1 applies] [[the relevant  
Payment [jurisdictions/places] for the purposes of the Alternative  
Currency Fixing Payment Currency Fixing Date are [ ]]  
Date:
- (J) Alternative [ ] [Not applicable]  
Payment  
Currency  
Exchange Rate

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

- Fall-Back provisions:
- (K) Additional Alternative Payment Currency Event: [ ]
- (L) Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
- (M) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (ii) Underlying Currency Pair provisions: Not applicable
- (iii) Price Source Disruption: Not applicable
- (iv) LBMA Physical Settlement Provisions: Not applicable
- (v) Physical Settlement provisions: Not applicable
17. Business Centre: [ ] [See also the Schedule hereto]
18. Determination Date: Not applicable
19. Selling Restrictions:
- United States of America: [Warrants may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
- [Warrants may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S)] only in compliance with the provisions set forth under "*Transfer Restrictions*."
- [*Specify if applicable*: Warrants are able to be offered or sold to, or for the account or benefit of U.S. persons (as defined in the Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed. Reg. 45292, 26 July 2013, as amended or supplemented by the U.S. Commodity Futures Trading Commission)]
- 40-day Distribution Compliance Period: [Applicable] [Not applicable]
- In addition to selling restrictions listed in "*Part C2 - Purchase and Sale of the Warrants*" contained in the Offering Memorandum:
- (*Specify any selling restrictions applicable to the Warrants which are additional to, or in substitution for, those contained in the Offering Memorandum*)
20. Other Terms: [ ] [Not applicable]

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

21. Credit Linked Terms:
- (i) Type of Credit Linked Warrants: [Single Reference Entity Credit Linked Warrants] [Basket Credit Linked Warrants [which are Index Basket Credit Linked Warrants]]
  - (ii) Unwind Costs: [Applicable: [Standard Unwind Costs][Zero Unwind Costs][specify]] [Not applicable]
  - (iii) Index Basket Credit Linked Terms: [Applicable] [Not applicable]
 

*[If applicable, insert:*

Index: [Each of] [Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia] [index name] Series [specify] Version [specify]] [Markit CDX.[NA.[IG/HY/XO].[ ] [EM] [LatAm Corp] [specify sector, if any] [specify series, if any] [specify version, if any]].

iTraxx Index: [Each of] [specify].

CDX Index: [Each of] [specify].

Annex Date: [specify per Index].

Index Weighting: [specify per Index].

Original Notional Amount: [specify].]
  - (iv) Scheduled Cut-Off Date: [specify]
  - (v) Calculation Agent City: [specify]
  - (vi) Reference Entity(ies): [specify][See the Schedule hereto] [For Index Basket Credit Linked Warrants: As set out in the Credit Linked Conditions]
  - (vii) Transaction Type: [Not applicable] [specify] [See the Schedule hereto] [For Index Basket Credit Linked Warrants: As set out in the Credit Linked Conditions]
 

*[If a Transaction Type and Standard Terms applies, insert:*

The "**Standard Terms**" in respect of a Reference Entity will be the standard terms set out in the Credit Derivatives Physical Settlement Matrix dated [insert date] as published by ISDA on its website at www.isda.org, in relation to the Transaction Type for such Reference Entity

*(Note, in the case of Index Basket Credit Linked Warrants, the Standard Terms Supplements as at the date of the Offering Memorandum apply the Physical Settlement Matrix as at the later of the Effective Date and 22 September 2014)]*
  - (viii) Reference Entity Notional Amount: [specify in respect of each Reference Entity] [See the Schedule hereto] [For Index Basket Credit Linked Warrants: As set out in the Credit Linked Conditions]
  - (ix) Reference Obligation(s): [For Index Basket Credit Linked Warrants: As set out in the Credit Linked Conditions] [See the Schedule hereto]

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

Standard Obligation:	Reference	<p>[Applicable] [Not applicable] (<i>Note, Standard Reference Obligation is applicable for Index Basket Credit Linked Warrants</i>)</p> <p><i>[If Standard Reference Obligation is applicable and "Additional Provisions for Senior Non-Preferred Reference Obligations" is not applicable, insert: Seniority Level: [Senior Level/Subordinated Level]]</i></p> <p>[Seniority Level: See the Schedule hereto]</p>
		<p><i>[If there is a Non-Standard Reference Obligation, insert:</i></p>
	Non-Standard Obligation:	
	Primary Obligor:	[specify]
	Guarantor:	[specify]
	Maturity:	[specify]
	Coupon:	[specify]
	CUSIP/ISIN:	[specify] ( <i>Note, only include if Standard Reference Obligation does not apply or Standard Reference Obligation applies but one has not yet been published and an initial Non-Standard Reference Obligation is required until publication</i> )
(x)	All Guarantees:	[Applicable] [Not applicable] [As per the Standard Terms]
(xi)	Credit Events:	<p>[As per the Standard Terms]</p> <p>[Bankruptcy]</p> <p>[Failure to Pay]</p> <p>[Grace Period Extension] [Applicable] [Not applicable]</p> <p>[If applicable: Grace Period: [specify] [As set out in the Credit Linked Conditions]]</p> <p>[Obligation Default]</p> <p>[Obligation Acceleration]</p> <p>[Repudiation/Moratorium]</p> <p>[Restructuring]</p> <p>[Provisions relating to Restructuring Credit Event: [Mod R/Mod Mod R] applicable]</p> <p>[Provisions relating to Multiple Holder Obligation: Credit Linked Condition 10: [Not applicable]]</p> <p>[Governmental Intervention]</p>
	Default Requirement:	[specify] [As set out in the Credit Linked Conditions]

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

- Payment Requirement: *[specify]* [As set out in the Credit Linked Conditions]
- (xii) Financial Reference Entity Terms: [Applicable] [Not applicable] [As per the Standard Terms]
- (xiii) Subordinated European Insurance Terms: [Applicable] [Not applicable] [As per the Standard Terms]
- (xiv) Additional Provisions for Senior Non-Preferred Reference Obligations: [Applicable] [Not applicable] [As per the Standard Terms]
- (xv) 2019 Narrowly Tailored Credit Event Provisions: [Applicable] [Not applicable] [As per the Standard Terms]  
*[If the 2019 Narrowly Tailored Credit Event Provisions apply, insert:*  
 Fallback Discounting: [Applicable] [Not applicable] [As per the Standard Terms]  
 Credit Deterioration Requirement: [Applicable] [Not applicable] [As per the Standard Terms]]
- (xvi) 2020 Limited Recourse Additional Provisions: [Applicable] [Not applicable]
- (xvii) Additional Provisions for Certain Russian Entities: Excluded Obligations and Excluded Deliverable Obligations [Applicable] [Not applicable]
- (xviii) Credit Event Determination Date: Notice of Publicly Available Information: [Applicable] [Not applicable]  
*[If Applicable:*  
 Public Source(s): *[specify]* [As set out in the Credit Linked Conditions]  
 Specified Number: *[specify]* [As set out in the Credit Linked Conditions]]
- (xix) Obligation(s):  
 Obligation Category: [As per the Standard Terms]  
 [Payment] [Borrowed Money] [Reference Obligation Only] [Bond] [Loan] [Bond or Loan]  
*(select one only)*  
 Obligation Characteristics: [As per the Standard Terms]  
 [Not Subordinated] [Specified Currency: *[specify currency]*/Standard Specified Currency] [Not Sovereign Lender] [Not Domestic Currency: Domestic Currency means: *[specify currency]* [As set out in the Credit Linked Conditions]] [Not Domestic Law] [Listed] [Not Domestic Issuance]

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

*(select all of which apply)*

- (xx) Excluded Obligation(s): *[specify]* [As set out in Credit Linked Condition 20] [Not applicable]

***Terms relating to Cash Settlement***

- (xxi) Cash Settlement Amount: *[specify]* [As set out in the Credit Linked Conditions]

- (xxii) Cash Settlement Date: [As set out in the Credit Linked Conditions] *[specify]* *[[specify] Business Days]*

- (xxiii) Valuation Date:

[Single Valuation Date:

Fixed Valuation Date: [Applicable] [Not applicable]

*[If applicable: [specify] Business Days]]]*

[Multiple Valuation Dates:

Fixed Valuation Date: [Applicable] [Not applicable]

*[If applicable: [specify] Business Days; and each [specify] Business Days thereafter; Number of Valuation Dates: [specify]]]*

- (xxiv) Valuation Time: *[specify]* [As set out in the Credit Linked Conditions]

- (xxv) Quotation Method: [Bid] [Offer] [Mid-market] [As set out in the Credit Linked Conditions]

- (xxvi) Quotation Amount: *[specify]* [Representative Amount] [As set out in the Credit Linked Conditions]

- (xxvii) Minimum Quotation Amount: *[specify]* [As set out in the Credit Linked Conditions]

- (xxviii) Quotation Dealers: [ABN Amro Bank NV

Barclays Bank PLC

BNP Paribas

Citibank, N.A., London Branch

Commerzbank AG

Credit Suisse Securities (Europe) Limited

Deutsche Bank AG, London Branch

Goldman Sachs International

HSBC Bank plc

The Hongkong and Shanghai Banking Corporation Limited

HSBC Bank Middle East Limited

HSBC Bank USA, National Association

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

J.P. Morgan Securities LLC

Merrill Lynch International

Morgan Stanley & Co. International plc

Société Générale

The Royal Bank of Scotland plc

UBS Limited]

[*specify other*] [As set out in the Credit Linked Conditions]

(xxix) Accrued Interest: [Include Accrued Interest] [Exclude Accrued Interest] [As set out in the Credit Linked Conditions]

(xxx) Valuation Method: [Market] [Highest]  
[Average Market] [Highest] [Average Highest]

(xxxi) Valuation Obligations:

Valuation Obligation [The Deliverable Obligation Category under the Standard Category: Terms]

[Payment] [Borrowed Money] [Reference Obligation Only] [Bond] [Loan] [Bond or Loan] [Not applicable]

*(select one only)*

Valuation Obligation [The Deliverable Obligation Characteristics under the Characteristics: Standard Terms]

[Not Subordinated] [Specified Currency: [*specify currency*]/Standard Specified Currency] [Not Sovereign Lender] [Not Domestic Currency: Domestic Currency means: [*specify currency*] [As set out in the Credit Linked Conditions]] [Not Domestic Law] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Transferable] [Listed] [*specify*] [Maximum Maturity: [ ] years] [Accelerated or Matured] [Not Bearer] [Not applicable]

*(select all of which apply)*

(xxxii) Excluded Valuation [specify] [As set out in Credit Linked Condition 20] [Not Obligation(s): applicable]

***Additional Terms relating to Deliverable Obligations*** (Note, complete notwithstanding the Warrants are not physically settled)

(xxxiii) Deliverable Obligations:

Deliverable Obligation [As per the Standard Terms] Category:



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[Payment] [Borrowed Money] [Reference Obligation Only] [Bond] [Loan] [Bond or Loan] [Not applicable]

(select one only)

Deliverable Obligation Characteristics: [As per the Standard Terms]

[Not Subordinated] [Specified Currency: *[specify currency]*/Standard Specified Currency] [Not Sovereign Lender] [Not Domestic Currency: Domestic Currency means: *[specify currency]*] [As set out in the Credit Linked Conditions]] [Not Domestic Law] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Transferable] [Listed] *[specify]*] [Maximum Maturity: [ ] years] [Accelerated or Matured] [Not Bearer] [Not applicable]

(select all of which apply)

(xxxiv) Excluded Deliverable Obligation(s): *[specify]* [As set out in Credit Linked Condition 20] [Not applicable]

(xxxv) Qualifying Participation Seller: *[insert]* [Not applicable]

(xxxvi) Sovereign No Asset Package Delivery: [Applicable] [Not applicable]

**DISTRIBUTION**

22. (i) If syndicated, names of Relevant Manager(s): [Not applicable] [HSBC Bank plc] *[other - give name]*
- (ii) If syndicated, names [, addresses and underwriting commitments] of other Managers (if any): [Not applicable] *[other - give name]*  
*[Give addresses and underwriting commitments]*  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
23. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
24. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
25. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"):  
 [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Warrants for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]

## Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants

26. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"):
- [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]]/ [The offer is addressed to investors who will acquire Warrants for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
27. Additional U.S. federal income tax considerations:
- [Not applicable/*give details*] [The Warrants are [not] Section 871(m) Warrants for the purpose of Section 871(m).] [The [Dividend Withholding] approach shall apply to the Warrants. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Warrants, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Warrants: [ ]]. Additional information regarding the application of Section 871(m) to the Warrants will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] [*The Warrants will not be Section 871(m) Warrants if they do not reference any U.S. equity or any index that contains any U.S. equity. Warrants that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Warrants.*]

### TRANSFER RESTRICTIONS

[*In offer of Warrants pursuant to Rule 144A insert:*

Because of the following restrictions, purchasers of Warrants offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Warrants.

Each prospective purchaser of Warrants offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Warrants as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Warrants other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

## Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants

Each purchaser of Warrants sold in reliance on Rule 144A ("**Restricted Warrants**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Warrants (such as an investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Warrants for its own account or for the account of a qualified institutional buyer, and (C) such person is aware that the sale of the Warrants to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Warrants are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Warrants offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Warrants (such as an investment manager), understands that certificates representing Restricted Warrants will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS WARRANT HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS WARRANT IS HEREBY NOTIFIED THAT THE SELLER OF THIS WARRANT MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS WARRANT, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS WARRANT MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A ("**RULE 144A**")) UNDER THE SECURITIES ACT OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS WARRANT FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*<sup>1</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS

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<sup>1</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

AMENDED ("**ERISA**")), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

*OR*<sup>2</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN

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<sup>2</sup> *This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".*

## Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants

INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS WARRANT OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS WARRANT OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Warrants acknowledges that the Issuer, the Warrant Registrar, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Restricted Warrants for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Warrant for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Warrant or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A – Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, either that (a) such purchaser or transferee is not (and for so long as it holds such Warrant or an interest therein will not be), and is not (and for so long as it holds such Warrant or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Warrant or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Warrant or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Warrant or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A – Certain ERISA Considerations*" in the Offering Memorandum.

- (7) Before any interest in a Warrant represented by a Restricted Global Registered Warrant may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Warrant, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 – Summary of Provisions relating to the Warrants While in Global Form*" in the Offering Memorandum.

**CONFIRMED**

**[HSBC BANK PLC**

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By: .....  
*Authorised Signatory*

Date: .....

By: .....  
*Authorised Signatory*

Date: ..... ]

**PART B – OTHER INFORMATION**

1. **LISTING**

- (i) Listing: [Application [will be/has been] made to admit the Warrants to listing on the Official List of Euronext Dublin [on or around the Issue Date/[ ]]. No assurance can be given as to whether or not, or when, such application will be granted.][Not applicable]
- (ii) Admission to trading: [Application [will be][has been] made for the Warrants to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ [insert date] ]. No assurance can be given as to whether or not, or when, such application will be granted.] [Application have been made to have the Warrants admitted to trading on the PORTAL System of the US National Association of Securities Dealers] [Not applicable]
- (Where documenting a fungible issue need to indicate that original warrants are already admitted to trading.)*
- (iii) Estimated total expenses of admission to trading: [(specify amount)] [Not applicable]

2. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]<sup>3</sup>**

Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Manager(s)/distributors in respect of the Warrants [as of (or around the Issue Date)] (the "**Distributors**")/[specify other]], so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the issue. The [Manager(s)/Distributor(s)/[specify other]] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>4</sup>

3. **[Index-Linked or other variable-linked Interest Warrants only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>5</sup>**

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)*

**OPERATIONAL INFORMATION**

- (a) ISIN Code: [ ] [Not applicable]
- (b) Common Code: [ ] [Not applicable]
- (c) CUSIP: [ ] [Not applicable]
- (d) Valoren Number: [ ] [Not applicable]
- (e) SEDOL: [ ] [Not applicable]
- (f) WKN: [ ] [Not applicable]
- (g) Other identifier / code: [ ] [Not applicable]

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<sup>4</sup> For unlisted Warrants delete this paragraph.

<sup>5</sup> For unlisted Warrants delete this paragraph.

**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

- (h) Any clearing system(s) [None/specify]  
other than Euroclear,  
and Clearstream,  
Luxembourg and the  
relevant identification  
number(s):
- (i) Delivery: Delivery [against/free of] payment
- (j) Additional Warrant [None/specify]  
Agent(s) (if any):
- (k) Common Depositary: [HSBC Bank plc] [Not applicable] [specify]
- (l) Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] [specify]
- (m) ERISA Considerations: [ERISA prohibited] [ERISA terms applicable]



**Part F - Pro Forma Pricing Supplement for Credit-Linked Warrants**

**SCHEDULE**

<b>Reference Entity</b>	<b>Reference Obligation (ISIN)</b>	<b>[Seniority Level (Note, not required if "Additional Provisions for Senior Non-Preferred Reference Obligations" is applicable to all Reference Entities)</b>	<b>Transaction Type</b>	<b>[Reference Entity Notional Amount</b>	<b>[Business Centre(s) (Note, reflect any Reference Entity specific Business Day centres on a per Index and/or name basis, as applicable to reflect the relevant Index/Indices, as required for Index Basket Credit Linked Warrants)</b>
[ ]	[ ]	[ ] (Note, if "Additional Provisions for Senior Non-Preferred Reference Obligations" is applicable to some only of the Reference Entities, this should be specified as "As set out in the Credit Linked Conditions" for those Reference Entities)]	[ ]	[ ]	[ ]

## Part G – Product Supplement for Credit-Linked Notes



*(A company incorporated in England with registered number 14259; the liability of its members is limited)  
as Issuer*

### **HSBC BANK MIDDLE EAST LIMITED**

*(a company limited by shares incorporated in the Dubai International Financial Centre)  
as Issuer*

### **HSBC CONTINENTAL EUROPE**

*(a société anonyme registered in France)  
as Issuer*

## **PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS**

### **Credit-Linked Notes**

This product supplement in relation to Credit-Linked Notes constitutes Part G ("Part G") of the offering memorandum dated 1 June 2023 (the "Offering Memorandum") prepared by HSBC Bank plc (the "Issuer") in relation to the Programme for the Issuance of Notes and Warrants (the "Programme") described therein in connection with the application made for Notes or Warrants to be admitted to listing on the Irish Stock Exchange plc, trading as Euronext Dublin ("Euronext Dublin"), and to trading on its Global Exchange Market and applies in relation to Credit-Linked Notes for which "Part G – Product Supplement for Credit-Linked Notes" is specified as applicable in the relevant Pricing Supplement.

This Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of the Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).

To the extent that there is any inconsistency between any statement in this Part G and any other statement in, or incorporated by reference in, other parts of this Offering Memorandum, the statements in this Part G will prevail for the purposes of Part G.

Notes issued pursuant to the Programme may include "Credit-Linked Notes", being Notes in relation to which the interest and/or the amount payable and/or the value of the assets deliverable on redemption reflect the performance of a reference entity or reference obligation, or a portfolio of reference entities or reference obligations. The purpose of this Part G is to provide information in relation to such Credit-Linked Notes. This Part G should be read together with Parts A and B of this Offering Memorandum.

**An investment in Credit-Linked Notes involves risks. See Part A of this Offering Memorandum under the heading "Part A - Risk Factors" (beginning on page A-1).**

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Part G or any other information supplied in connection with the Credit-Linked Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Part G nor any further information supplied in connection with the Credit-Linked Notes should be considered as a recommendation or as constituting an invitation or offer by the Issuer that any recipient of this Part G or any other information supplied in connection with the Credit-Linked Notes should subscribe for or purchase the Credit-Linked Notes. Each investor contemplating subscribing for or purchasing the Credit-Linked Notes should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Part G nor any other information supplied in connection with the Credit-Linked Notes constitutes an offer by or on behalf of the Issuer to subscribe for or purchase the Credit-Linked Notes.

The distribution of this Part G and the offer, distribution or sale of Credit-Linked Notes may be restricted by law in certain jurisdictions. The Issuer does not represent that this document may be lawfully distributed, or that the Credit-Linked Notes may be lawfully offered, or assumes any responsibility for facilitating any such distribution or offering. In particular, action may be required to be taken to permit a public offering of the Credit-Linked Notes or a distribution of this document in any jurisdiction. Accordingly, no Credit-Linked Notes may be offered or sold, directly or indirectly, and neither this Part G nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Part G or the Credit-Linked Notes come must inform themselves about, and observe, any such restrictions.

**EU PRIIPs REGULATION - IMPORTANT – EEA RETAIL INVESTORS** - If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs REGULATION - IMPORTANT - UK RETAIL INVESTORS** – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key

## **Part G – Product Supplement for Credit-Linked Notes**

information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Credit-Linked Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the state securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Programme Arranger  
**HSBC Bank plc**

Dealers and Managers  
**HSBC Bank plc**

**HSBC Continental Europe**

**The Hongkong and Shanghai Banking Corporation Limited**

1 June 2023

**Part G – Product Supplement for Credit-Linked Notes**

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**PART G –  
IMPORTANT NOTICES RELATING TO CREDIT-LINKED NOTES**

Given the highly specialised nature of Credit-Linked Notes, the Issuer considers that they are only suitable for highly sophisticated investors who are willing to take considerable risks, who are able to determine for themselves the risk of an investment linked to the credit risk of the particular reference entity or entities and who can absorb a substantial or total loss of principal.

Consequently, investors who do not fall within the description above should not consider purchasing the Credit-Linked Notes without taking detailed advice from a specialised professional adviser.

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

### PART G – ADDITIONAL TERMS AND CONDITIONS RELATING TO CREDIT-LINKED NOTES

The sections headed "*Part B1 – Terms and Conditions of the Notes*" or "*Part B3 – Terms and Conditions of the Notes issued by HBCE*" (as applicable) of this Offering Memorandum shall be supplemented and modified by the following "*Part G – Additional Terms and Conditions Relating to Credit-Linked Notes*" (the "**Credit Linked Conditions**" and, together with the Terms and Conditions of the Notes, the "**Base Conditions**") in respect of any issue of Credit-Linked Notes as amended or supplemented by the terms of each Tranche of Notes set out in the Pricing Supplement for which "Part G – Product Supplement for Credit-Linked Notes" is specified as applicable therein. In the event of any inconsistency between the "*Part B1 – Terms and Conditions of the Notes*", or "*Part B3 – Terms and Conditions of the Notes issued by HBCE*" (as applicable) and the "*Part G – Additional Terms and Conditions Relating to Credit-Linked Notes*", such "*Part G – Additional Terms and Conditions Relating to Credit-Linked Notes*" shall prevail and the "*Part B1 – Terms and Conditions of the Notes*" or "*Part B3 – Terms and Conditions of the Notes issued by HBCE*" (as applicable) shall be amended accordingly.

Unless otherwise stated in these Credit Linked Conditions or in the relevant Pricing Supplement, in the event that any day specified in the section "*Credit Linked Redemption*" in the relevant Pricing Supplement or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

In the case of Credit Linked Notes for which more than one Reference Entity is specified in the relevant Pricing Supplement, all references to "the Reference Entity" herein shall be construed to refer to the Reference Entity in respect of which the relevant determination falls to be made at any relevant time and all related provisions and determinations will be construed accordingly. In addition, where an event, date, determination or circumstance relates to a Reference Entity and Business Centre(s) are specified in relation to that Reference Entity, only those Business Centre(s) specified in relation to that Reference Entity will be deemed to apply for the purposes of the definition of "Business Day" in relation thereto and otherwise all of the Business Centre(s) specified in the relevant Pricing Supplement (including those for all Reference Entities) will apply for the purposes of the definition of "Business Day".

For the avoidance of doubt no Credit Linked Notes will be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

- (a) any relevant Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or
- (b) Obligations, Deliverable Obligations, Valuation Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

Any references in these Credit Linked Conditions to ISDA will include any other entity which succeeds to or is performing functions previously undertaken by ISDA in relation to Credit Derivatives Determinations Committees and references to Credit Derivatives Determinations Committees in relation to ISDA will include any successor thereto and the Calculation Agent may make such adjustments to these Credit Linked Conditions and the relevant Pricing Supplement as it determines appropriate to account for the application of these provisions.

For the avoidance of doubt, the application of any of Credit Linked Conditions 9, 10, 11, 12 or 14 below shall not preclude the application of any other such Credit Linked Condition either contemporaneously or subsequently and in the event that any such Credit Linked Conditions are inconsistent or the Calculation Agent becomes entitled to exercise a discretion under one or more of such Credit Linked Conditions, the Calculation Agent may elect in its discretion which Credit Linked Condition shall apply and under which Credit Linked Condition or Credit Linked Conditions it shall exercise its discretion.

Credit Linked Notes may take the form of Single Reference Entity Credit Linked Notes, Basket Credit Linked Notes (which may be Index Basket Credit Linked Notes) or Reverse Credit Linked Notes. The Settlement Method for Credit Linked Notes may be Auction Settlement, Physical Settlement, Cash Settlement or Zero Recovery and Credit Event Maturity Settlement may apply to Credit Linked Notes where the Settlement Method is Auction Settlement or Cash Settlement. The relevant Pricing Supplement shall specify (depending upon the particular Credit Linked Notes), amongst other things:

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

- (a) the type of Credit Linked Notes;
- (b) the Settlement Method and (if applicable) the Final Price and whether Credit Event Maturity Settlement applies;
- (c) the Reference Entity or Reference Entities in respect of which a Credit Event may occur;
- (d) the Reference Obligation(s) (if any) in respect of each Reference Entity;
- (e) the Trade Date and the Scheduled Maturity Date; and
- (f) the Reference Entity Notional Amount in respect of each Reference Entity.

### 1. **Redemption of Credit Linked Notes**

- (a) Unless previously redeemed or purchased and cancelled and subject as provided in Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4, Credit Linked Condition 5 and Credit Linked Condition 6, the Issuer shall redeem each Credit Linked Note on the Maturity Date by payment of the Final Redemption Amount. The Final Redemption Amount will be rounded to the nearest sub-unit of the Settlement Currency (half a sub-unit being rounded upwards).

In the case of Instalment Notes, subject as provided in Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable, the Issuer shall redeem each Credit Linked Note by such number of instalments and by payment of such amounts ("**Instalment Amounts**") as may be specified in, or determined herein or in accordance with the provisions of, the relevant Pricing Supplement.

Following any partial redemption of a Note, references to a nominal amount of Credit Linked Notes (or Notes) equal to the Calculation Amount shall be deemed to be to a nominal amount which as of the Issue Date had a nominal amount equal to the Calculation Amount.

If a Credit Event Determination Date has occurred in respect of any Reference Entity, the Issuer shall redeem each Credit Linked Note as described below.

References in these Credit Linked Conditions to a Credit Linked Note or Note are to a nominal amount of Credit Linked Notes equal to the Calculation Amount (subject as provided above). Any payment of a "*pro rata*" amount in respect of a Note will be determined by reference to its nominal amount relative to the then aggregate nominal amount of Notes. For the avoidance of doubt, Condition 7(a) and Condition 7(i) will not apply.

- (b) Where the Notes are Single Reference Entity Credit Linked Notes, if a Credit Event Determination Date has occurred in relation to the Reference Entity, then the Notes will be settled in accordance with Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable.
- (c) Where the Notes are Reverse Credit Linked Notes, if a Credit Event Determination Date has occurred in relation to the Reference Entity, then the Notes will be settled in accordance with Credit Linked Condition 3.
- (d) Where the Notes are Basket Credit Linked Notes, if a Credit Event Determination Date has occurred in respect of any specified Reference Entity, then the provisions of Credit Linked Condition 6 will apply.
- (e) Where any Credit Event Redemption Amount is or would be zero then, other than for the payment of accrued interest (if any) or any other due but unpaid amounts, the Notes will be cancelled as of the Credit Event Redemption Date with no payment being due other than any final amount of accrued interest or any other due but unpaid amounts. The Issuer will have no further obligations in respect of the Credit Linked Notes.

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

- (f) If any purchase and cancellation of Notes occurs under Condition 7(g) (*Purchases*) or any further issue under Condition 8 (*Further Issues*), the Calculation Agent will make such adjustments to the relevant Pricing Supplement and/or these Credit Linked Conditions as it determines appropriate (including Reference Entity Notional Amounts and/or the Original Notional Amount, as applicable) to ensure the Notes continue to reflect economic intentions.

### 2. Auction Settlement

- (a) Where (i) Auction Settlement is specified as the applicable Settlement Method in the relevant Pricing Supplement for Single Reference Entity Credit Linked Notes and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date or (ii) Credit Linked Condition 4 applies and the Issuer does not give a Notice of Physical Settlement, the Issuer shall give notice (such notice an "**Auction Settlement Notice**") to the Noteholders in accordance with Condition 14 (*Notices*), and, subject to these Credit Linked Conditions, in particular Credit Linked Condition 1, redeem all but not some only of the Credit Linked Notes, each Credit Linked Note being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date. Any delay in the delivery of an Auction Settlement Notice or failure by the Issuer to deliver an Auction Settlement Notice shall not affect the validity of a Credit Event Determination Date.
- (b) Unless settlement has occurred in accordance with the paragraph above, if:
  - (i) an Auction Cancellation Date occurs;
  - (ii) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraphs (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);
  - (iii) a DC Credit Event Question Dismissal occurs;
  - (iv) a Credit Event Determination Date was determined pursuant to paragraph (a)(i) of the definition of Credit Event Determination Date or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date; or
  - (v) the Calculation Agent determines that it is otherwise reasonably likely that the Reference Transaction would be settled in accordance with the Fallback Settlement Method and gives notice of such to the Issuer (the date on which the Calculation Agent gives such notice, the "**Calculation Agent Fallback Settlement Determination Date**"),

then the Issuer shall redeem the Credit Linked Notes in accordance with Credit Linked Condition 3 below.

*If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this Credit Linked Condition 2, upon payment of the Credit Event Redemption Amounts in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the nominal amount of a Credit Linked Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.*

### 3. Cash Settlement

If a Credit Event Determination Date has occurred and (i) Cash Settlement is specified as the applicable Settlement Method in the relevant Pricing Supplement for Single Reference Credit Linked Notes or Reverse Credit Linked Notes or (ii) Credit Linked Condition 2(b) above applies, the Issuer shall give notice (such notice a "**Cash Settlement Notice**") to the Noteholders in accordance with Condition 14 (*Notices*), and, subject to these Credit Linked Conditions, in



## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

particular Credit Linked Condition 1, redeem all but not some only of the Credit Linked Notes, each Credit Linked Note being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date. Any delay in the delivery of a Cash Settlement Notice or failure by the Issuer to deliver a Cash Settlement Notice shall not affect the validity of a Credit Event Determination Date.

*If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this Credit Linked Condition 3, upon payment of the Credit Event Redemption Amounts in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the nominal amount of a Credit Linked Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.*

### 4. Physical Settlement

- (a) If a Credit Event Determination Date has occurred, then where Physical Settlement is specified as the applicable Settlement Method in the relevant Pricing Supplement for Single Reference Entity Credit Linked Notes, the Issuer shall give notice (such notice a "**Notice of Physical Settlement**") to the Noteholders in accordance with Condition 14 (*Notices*), and, subject to these Credit Linked Conditions, in particular Credit Linked Condition 1, redeem all but not some only of the Credit Linked Notes, each Credit Linked Note being redeemed by the Issuer by the Delivery of the Deliverable Obligations comprising the Entitlement on or prior to the Credit Settlement Date, subject to and in accordance with the Conditions and these Credit Linked Conditions, unless in the determination of the Issuer in its sole and absolute discretion in its opinion (i) it would not have any Deliverable Obligations to so Deliver or (ii) all of the Deliverable Obligations would be Undeliverable Obligations, in which case the provisions of Credit Linked Condition 2 above shall apply as if Auction Settlement were thereafter specified as the applicable Settlement Method in the relevant Pricing Supplement and these Credit Linked Conditions and the relevant Pricing Supplement will be construed accordingly and the Issuer shall redeem the Credit Linked Notes in accordance with Credit Linked Condition 2. Any delay in the delivery of a Notice of Physical Settlement or failure by the Issuer to deliver a Notice of Physical Settlement shall not affect the validity of a Credit Event Determination Date.

In the Notice of Physical Settlement, the Issuer shall specify the Deliverable Obligations comprising the Entitlement that it reasonably expects to Deliver and the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Credit Settlement Currency (in each case the relevant "**Outstanding Amount**") and, if different, the face amount, of each such Deliverable Obligation and the aggregate Outstanding Amount of such Deliverable Obligations (the "**Aggregate Outstanding Amount**"). For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Entitlement, irrespective of their market value.

The Issuer may, from time to time, amend a Notice of Physical Settlement by delivering a notice to Noteholders in accordance with Condition 14 (*Notices*), (each such notification, a "**Physical Settlement Amendment Notice**") that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will Deliver (each, a "**Replacement Deliverable Obligation**") and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the "**Replaced Deliverable Obligation Outstanding Amount**"). The Outstanding Amount of each Replacement Deliverable Obligation identified in the Physical Settlement Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of the Replacement Deliverable Obligation(s) specified in any Physical Settlement Amendment Notice in aggregate with the

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Outstanding Amount of the Deliverable Obligation(s) specified in the Notice of Physical Settlement or any earlier Physical Settlement Amendment Notice which, in each case, are not being replaced must not be greater than the Aggregate Outstanding Amount. Each such Physical Settlement Amendment Notice must be effective on or prior to the Credit Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, (i) the Issuer may correct any errors or inconsistencies contained in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, by notice to Noteholders in accordance with Condition 14 (*Notices*), prior to the relevant Delivery Date; and (ii) if Asset Package Delivery is applicable, the Issuer shall on the relevant PSN Effective Date, or as soon as reasonably practicable thereafter (but in any case, prior to the Delivery Date), notify the Noteholders (in accordance with Condition 14 (*Notices*)) of the detailed description of the Asset Package, if any, that the Issuer will Deliver in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, it being understood in each case that any such notice shall not constitute a Physical Settlement Amendment Notice.

If "**Mod R**" is specified as applicable in the relevant Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation falls within paragraph (e) of the definition thereof or the Deliverable Obligation or Valuation Obligation, as applicable, is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, both the PSN Effective Date and the Delivery Date.

If "Mod R" is specified as applicable in the relevant Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation falls within paragraph (e) of the definition thereof or the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, both the PSN Effective Date and the Delivery Date. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

For the purposes of making a determination pursuant to the two prior paragraphs or the definition of Restructuring Maturity Limitation Date, the final maturity date shall, subject as provided in the prior paragraph, be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if Sovereign No Asset Package Delivery is specified as applicable in the relevant Pricing Supplement, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published) and accordingly, Asset Package Delivery shall not apply thereto.

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Where Asset Package Delivery applies, the Calculation Agent may make any adjustment in relation to provisions for physical settlement and determination of the Entitlement to take account of the relevant Asset Package.

*If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this Credit Linked Condition 4, upon Delivery of the Deliverable Obligations and/or payment of the Partial Cash Settlement Amounts, as the case may be, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount, as the case may be, may be less than the nominal amount of a Credit Linked Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.*

### 5. Zero Recovery

Where Zero Recovery is specified as the applicable Settlement Method in the relevant Pricing Supplement for Single Reference Entity Credit Linked Notes and a Credit Event Determination Date occurs, the Credit Linked Notes will be cancelled forthwith and, other than for the payment of accrued interest (if any) or any other due but unpaid amounts, the Issuer's obligations in respect of the Credit Linked Notes will be immediately discharged and the Issuer will have no further liability in respect thereof.

The Issuer shall give notice of such cancellation (such notice a "**Cancellation Notice**") to the Noteholders in accordance with Condition 14 (*Notices*). Any delay in the delivery of a Cancellation Notice or failure by the Issuer to deliver a Cancellation Notice shall not affect the validity of a Credit Event Determination Date.

*If a Credit Event Determination Date has occurred and the Notes are cancelled forthwith in accordance with this Credit Linked Condition 5, no amounts will be payable to Noteholders in this respect and the Issuer's obligations in respect of the Notes will be discharged and the Issuer will have no further liability in respect thereof.*

### 6. Consequences of a Credit Event Determination Date for Basket Credit Linked Notes

(a)

#### (1) *Auction Settlement or Cash Settlement for Basket Credit Linked Notes*

If (x) Auction Settlement or Cash Settlement is specified as the applicable Settlement Method in the relevant Pricing Supplement and a Credit Event Determination Date has occurred in respect of any specified Reference Entity or (y) sub-paragraph (3) below applies and the Issuer does not give a Notice of Physical Settlement, (i) the Issuer shall give notice in each case that a Credit Event Determination Date has occurred (such notice a "**Settlement Notice**") to the Noteholders in accordance with Condition 14 (*Notices*) and (ii) in respect of each Basket Credit Linked Note:

(A) the Issuer shall pay as an Instalment Amount for the purposes of Credit Linked Condition 1(a) above an amount equal to the relevant Credit Event Amount (for which purposes, subject as provided below, the Settlement Method shall apply), if any, on the relevant Credit Event Payment Date which will be the relevant Instalment Date. The Instalment Amount will be deemed to be a payment of principal but, notwithstanding anything to the contrary in the Conditions or the Global Note (as applicable), will not reduce the outstanding nominal amount of the Credit Linked Notes and (except as provided below) the Credit Linked Notes will not be redeemed in full on the final Instalment Date. For the avoidance of doubt, where Credit Event Maturity Settlement is specified to be applicable in the relevant Pricing Supplement each such Credit Event Payment Date and the related Instalment Date will fall on the Maturity Date;

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- (B) the interest calculation basis described in paragraph (b) below will apply; and
- (C) other than where Credit Event Maturity Settlement is specified to be applicable in the relevant Pricing Supplement, notwithstanding anything to the contrary herein and subject to the following sentence, if on any date on or prior to the Maturity Date the Adjusted Credit Outstanding Nominal Amount is equal to zero, each Credit Linked Note will be redeemed at the final Credit Event Amount on the final Credit Event Payment Date. If such final Credit Event Amount is zero, then the Credit Linked Notes will be cancelled as of the final Credit Event Payment Date, with no payment being due in respect thereof and the Issuer will have no further liability in respect of the Notes.

Unless settlement has occurred in accordance with part (A) above, if the Settlement Method is Auction Settlement and:

- (i) an Auction Cancellation Date occurs;
- (ii) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraphs (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);
- (iii) a DC Credit Event Question Dismissal occurs;
- (iv) a Credit Event Determination Date was determined pursuant to paragraph (a)(i) of the definition of Credit Event Determination Date or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date; or
- (v) a Calculation Agent Fallback Settlement Determination Date occurs,

then the Fallback Settlement Method shall apply for the purposes of the Credit Event Amount.

For the avoidance of doubt parts (A) and (B) of this provision will apply and part (C) of this provision will continue to apply in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred.

Any delay in the delivery of a Settlement Notice or failure by the Issuer to deliver a Settlement Notice shall not affect the validity of the Credit Event Determination Date in respect of the affected Reference Entity.

A Credit Event Determination Date may occur more than once except that, subject as provided in Credit Linked Condition 17 and the definition of Credit Event Determination Date in Credit Linked Condition 16, a Credit Event Notice (if applicable) may only be delivered on one occasion and a Credit Event Determination Date may occur once only, with respect to any Reference Entity (unless subsequent to the occurrence of a Credit Event Determination Date with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case a Credit Event Determination Date may occur again).

### (2) ***Zero Recovery for Basket Credit Linked Notes***

If Zero Recovery is specified as the applicable Settlement Method in the relevant Pricing Supplement and a Credit Event Determination Date has occurred in respect of any specified Reference Entity (i) the Issuer shall give notice in each

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case that a Credit Event Determination Date has occurred (such notice a "**Settlement Notice**") to the Noteholders in accordance with Condition 14 (*Notices*) (ii) the Adjusted Credit Outstanding Nominal Amount will be reduced as provided therein with no amounts being payable in respect of such reduction and (iii) in respect of each Basket Credit Linked Note:

- (A) the interest calculation basis described in paragraph (b) below will apply; and
- (B) notwithstanding anything to the contrary herein, if on any date on or prior to the Maturity Date the Adjusted Credit Outstanding Nominal Amount is equal to zero, each Credit Linked Note will be cancelled forthwith with no payment being due in respect thereof and the Issuer will have no further liability in respect of the Notes.

For the avoidance of doubt the provisions above will apply, or continue to apply as applicable, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred.

Any delay in the delivery of a Settlement Notice or failure by the Issuer to deliver a Settlement Notice shall not affect the validity of the Credit Event Determination Date in respect of the affected Reference Entity.

Credit Linked Condition 14 will not apply to the Credit Linked Notes.

A Credit Event Determination Date may occur more than once except that, subject as provided in Credit Linked Condition 17 and the definition of Credit Event Determination Date in Credit Linked Condition 16, a Credit Event Notice (if applicable) may only be delivered on one occasion and a Credit Event Determination Date may occur once only, with respect to any Reference Entity (unless subsequent to the occurrence of a Credit Event Determination Date with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case a Credit Event Determination Date may occur again).

### (3) *Physical Settlement for Basket Credit Linked Notes*

If a Credit Event Determination Date has occurred in respect of any specified Reference Entity, the Issuer shall give notice (such notice a "**Notice of Physical Settlement**") to the Noteholders in accordance with Condition 14 (*Notices*), and, subject to these Credit Linked Conditions, in particular Credit Linked Condition 1, redeem the Credit Event Portion of all but not some only of the Credit Linked Notes and Deliver in respect of each such Credit Event Portion the Deliverable Obligations comprising the Entitlement on or prior to the Credit Settlement Date, subject to and in accordance with the Conditions and these Credit Linked Conditions, unless in the determination of the Issuer in its sole and absolute discretion in its opinion (i) it would not have any Deliverable Obligations to so Deliver or (ii) all of the Deliverable Obligations would be Undeliverable Obligations, in which case the provisions of sub-paragraph (1) of this Condition 6 above shall apply in relation to such Credit Event Portion as if Auction Settlement were thereafter specified as the applicable Settlement Method in the relevant Pricing Supplement and these Credit Linked Conditions and the relevant Pricing Supplement will be construed accordingly and the Issuer shall redeem the Credit Event Portion of all of the Credit Linked Notes in accordance with sub-paragraph (1). Any delay in the delivery of a Notice of Physical Settlement or failure by the Issuer to deliver a Notice of Physical Settlement shall not affect the validity of the Credit Event Determination Date in respect of the affected Reference Entity.

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If the Notes are subject to this Credit Linked Condition 6(3), the interest calculation basis described in paragraph 6(b) below will apply.

Notwithstanding anything to the contrary herein and subject to the following sentence, if on any date on or prior to the Maturity Date the Adjusted Credit Outstanding Nominal Amount is equal to zero, each Credit Linked Note will be redeemed by Delivery of the final Entitlement on the final Credit Settlement Date (and/or, as applicable, by payment of the Partial Cash Settlement Amount(s) on the Partial Cash Settlement Date(s) if the provisions of Credit Linked Condition 13 below apply). If such final Entitlement (or final Partial Cash Settlement Amount, as applicable) is zero, then each relevant Credit Linked Note will be cancelled, with no further payment or delivery being due in respect thereof and the Issuer will have no further liability in respect thereof.

For the avoidance of doubt the provisions above will apply, or continue to apply as applicable, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred.

A Credit Event Determination Date may occur more than once except that, subject as provided in Credit Linked Condition 17 and the definition of Credit Event Determination Date in Credit Linked Condition 16, a Credit Event Notice (if applicable) may only be delivered on one occasion and a Credit Event Determination Date may occur once only, with respect to any Reference Entity (unless subsequent to the occurrence of a Credit Event Determination Date with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case a Credit Event Determination Date may occur again).

Each Credit Linked Note or, if the Credit Linked Notes are in global form, the relevant Global Note, shall be endorsed to reflect such partial redemption. If the Calculation Agent, at any time, determines that the aggregate nominal amount of the Credit Linked Notes is thereby reduced to zero, the Issuer's obligations in respect of such Credit Linked Notes shall immediately be discharged and the Issuer shall have no further liability in respect thereof.

In the Notice of Physical Settlement, the Issuer shall specify the Deliverable Obligations comprising the Entitlement that it reasonably expects to Deliver and the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Credit Settlement Currency (in each case the relevant "**Outstanding Amount**") and, if different, the face amount, of each such Deliverable Obligation and the aggregate Outstanding Amount of such Deliverable Obligations (the "**Aggregate Outstanding Amount**"). For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Entitlement, irrespective of their market value.

The Issuer may, from time to time, amend a Notice of Physical Settlement by delivering a notice to Noteholders in accordance with Condition 14 (*Notices*), (each such notification, a "**Physical Settlement Amendment Notice**") that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will Deliver (each, a "**Replacement Deliverable Obligation**") and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the "**Replaced Deliverable Obligation Outstanding Amount**"). The Outstanding Amount of each Replacement Deliverable Obligation identified

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in the Physical Settlement Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of the Replacement Deliverable Obligation(s) specified in any Physical Settlement Amendment Notice in aggregate with the Outstanding Amount of the Deliverable Obligation(s) specified in the Notice of Physical Settlement or any earlier Physical Settlement Amendment Notice which, in each case, are not being replaced must not be greater than the Aggregate Outstanding Amount. Each such Physical Settlement Amendment Notice must be effective on or prior to the Credit Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, (i) the Issuer may correct any errors or inconsistencies contained in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, by notice to Noteholders in accordance with Condition 14 (*Notices*), prior to the relevant Delivery Date; and (ii) if Asset Package Delivery is applicable, the Issuer shall on the relevant PSN Effective Date, or as soon as reasonably practicable thereafter (but in any case, prior to the Delivery Date), notify the Noteholders (in accordance with Condition 14 (*Notices*)) of the detailed description of the Asset Package, if any, that the Issuer will Deliver in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, it being understood in each case that any such notice shall not constitute a Physical Settlement Amendment Notice.

If "Mod R" is specified as applicable in the relevant Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation falls within paragraph (e) of the definition thereof or the Deliverable Obligation or Valuation Obligation, as applicable, is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, both the PSN Effective Date and the Delivery Date.

If "Mod R" is specified as applicable in the relevant Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation falls within paragraph (e) of the definition thereof or the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, both the PSN Effective Date and the Delivery Date. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

For the purposes of making a determination pursuant to the two prior paragraphs or the definition of Restructuring Maturity Limitation Date, the final maturity date shall, subject as provided in the prior paragraph, be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

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Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if Sovereign No Asset Package Delivery is specified as applicable in the relevant Pricing Supplement, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published) and accordingly, Asset Package Delivery shall not apply thereto.

Where Asset Package Delivery applies, the Calculation Agent may make any adjustment in relation to provisions for physical settlement and determination of the Entitlement to take account of the relevant Asset Package.

- (b) Each Note will bear interest pursuant to, and in accordance with, Condition 4 (*Fixed Rate Note Provisions*) or Condition 5 (*Floating Rate Note, Index-Linked Note and other variable-linked interest Note Provisions*), as applicable, **provided that** other than where "Accrual of Interest upon Credit Event" is specified as "Applicable – Scheduled Maturity Date" in the relevant Pricing Supplement (i) for the purposes of determining the interest amounts payable, the Calculation Amount shall be deemed to be each Note's *pro rata* share of the Interest Credit Outstanding Nominal Amount in respect of the relevant Interest Period and (ii) without duplication to any adjustment pursuant to the final paragraph of "Credit Event Determination Date" below, if one or more Interest Payment Dates has occurred between the Credit Event Determination Date and its determination, the Issuer may elect in its sole and absolute discretion to instigate the clawback of any overpaid interest in respect of such Interest Payment Date(s).
- (c) The "**Final Redemption Amount**" will be, unless otherwise specified in the relevant Pricing Supplement, an amount calculated by the Calculation Agent equal to a Note's *pro rata* share of the Adjusted Credit Outstanding Nominal Amount as of the Maturity Date. The Final Redemption Amount will be rounded to the nearest sub-unit of the Settlement Currency (half a sub-unit being rounded upwards). For the avoidance of doubt, if the Adjusted Credit Outstanding Nominal Amount as of the Maturity Date is zero, then the Final Redemption Amount will be zero and no amounts will be payable in respect thereof.
- (d) For the purposes of Basket Credit Linked Notes:

"**Adjusted Credit Outstanding Nominal Amount**" means, on any date, (i) the Aggregate Principal Amount minus (ii) the aggregate Reference Entity Notional Amounts of Reference Entities in respect of which a Credit Event Determination Date has occurred on or prior to the relevant date minus (iii) the aggregate of (x) any Shortfall Amounts for each Reference Entity in respect of which a Credit Event Determination Date has occurred on or prior to the relevant date or (y) in the case of Zero Recovery Basket Credit Linked Notes, the sum, for all of the Notes, of any Unwind Costs in respect of each Credit Event Determination Date that has occurred on or prior to the relevant date, **provided that** in no event shall the Adjusted Credit Outstanding Nominal Amount be less than zero;

"**Interest Credit Outstanding Nominal Amount**" means, in respect of an Interest Period:

- (i) if "Average Interest Calculation" is specified as "Applicable" in the relevant Pricing Supplement, the arithmetic average of the Adjusted Credit Outstanding Nominal Amounts for each day in such Interest Period, calculated without the deduction of any Shortfall Amounts or Unwind Costs, as applicable; or
- (ii) if "Average Interest Calculation" is specified as "Not applicable" in the relevant Pricing Supplement, the Adjusted Credit Outstanding Nominal Amount as of the last day of such Interest Period, calculated without the deduction of any Shortfall Amounts or Unwind Costs, as applicable; and



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"**Shortfall Amount**" means, for a Reference Entity in respect of which a Credit Event Determination Date has occurred:

- (x) if Auction Settlement or Cash Settlement is specified as the applicable Settlement Method in the relevant Pricing Supplement, the aggregate, for all of the Notes, of (a) (i) the relevant Unwind Costs minus (ii) the Recovery Value related to the relevant Credit Event Amount or, if greater, (b) zero; or
- (y) if Physical Settlement is specified as the applicable Settlement Method in the relevant Pricing Supplement, the aggregate, for all of the Notes, of (a) (i) the relevant Unwind Costs minus (ii) the market value, determined by the Calculation Agent on the Market Value Determination Date, of the Initial Deliverable Obligations related to the relevant Entitlement or, if greater, (b) zero.

*If a Credit Event Determination Date occurs the Adjusted Credit Outstanding Nominal Amount will be reduced in accordance with this Credit Linked Condition 6 proportionately to the weighting of the relevant Reference Entity in the portfolio and to reflect the relevant Shortfall Amounts or Unwind Costs, as applicable.*

*Any Credit Event Amount payable or the value of any Deliverable Obligations deliverable and/or Partial Cash Settlement Amount payable, as the case may be, on the related partial redemption of each Note may be less than the amount of such reduction and upon such payment and/or delivery, as applicable, the Issuer shall have discharged its obligations in respect of the amount of the Notes so redeemed and shall have no other liability or obligation whatsoever in respect thereof. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer. In the case of Zero Recovery Basket Credit Linked Notes no amounts will be payable to Noteholders in respect of such redemption and reduction in the Adjusted Credit Outstanding Nominal Amount.*

*In the event that the Adjusted Credit Outstanding Nominal Amount is reduced to zero, the Issuer's obligations in respect of the Credit Linked Notes will be discharged (after payment of any Credit Event Amount(s) or Delivery of any Deliverable Obligation(s) and/or payment of any Partial Cash Settlement Amount(s), as the case may be, in the case of Credit Linked Notes other than Zero Recovery Basket Credit Linked Notes) and the Issuer will have no further liability in respect of the Notes.*

### 7. Terms relating to Physical Settlement

#### (a) *Asset Transfer Notices*

In relation to Credit Linked Notes to be redeemed (whether in whole or in part) by Delivery of the Entitlement(s), in order to obtain Delivery of the Entitlement in respect of the Credit Event Portion of any Note, the relevant Noteholder must:

- (i) if such Note is in global form, deliver to the relevant Clearing System and (in the case of Registered Notes) the Registrar, with a copy to the Principal Paying Agent, the Issuer and any entity appointed by the Issuer to Deliver the Entitlement on its behalf (the "**Delivery Agent**") no later than the close of business in each place of reception on the Cut-off Date, a duly completed asset transfer notice (the "**Asset Transfer Notice**") substantially in the form set out in "*Part G – Product Supplement for Credit-Linked Notes*" of the Offering Memorandum dated 6 June 2020 prepared by the Issuer in relation to the Programme for the Issuance of Notes and Warrants described therein; and
- (ii) if such Note is in definitive form, deliver (i) if such Note is a Bearer Note, to any Paying Agent or (ii) if such Note is a Registered Note, to the Registrar or any Paying Agent, in each case, with a copy to the Principal Paying Agent, the Issuer and the Delivery Agent (as defined above) no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

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For the purposes hereof, "**Cut-Off Date**" means the date specified as such in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable.

A form of Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is in global form, in such manner as is acceptable to the relevant Clearing System or (ii) if such Note is in definitive form, in writing.

If a Note is in definitive form, it must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

- (1) specify the name, address and contact telephone number of the relevant Noteholder and the person from whom the Issuer or Delivery Agent may obtain details for the Delivery of the Entitlement;
- (2) specify the series number of the Notes and the number of Notes which are the subject of such notice;
- (3) in the case of Notes in global form, specify the nominal amount which is the subject of such notice and the number of the Noteholder's account at the relevant Clearing System which, where the relevant Delivery represents the final settlement due in respect of the Notes, is to be debited with such Notes and in such case irrevocably instruct and authorise the relevant Clearing System to debit the relevant Noteholder's account with such Notes on or before the relevant Credit Settlement Date;
- (4) include an undertaking to pay all Expenses and, in the case of Notes in global form, an authority to the relevant Clearing System to debit a specified account of the Noteholder with the relevant Clearing System in respect thereof and to pay such Expenses;
- (5) include such details as are required for Delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be Delivered and/or any other Delivery instructions and specify the name and number of the Noteholder's account to be credited with any cash payable by the Issuer, (including, where applicable, pursuant to Credit Linked Condition 13, in respect of any cash amount constituting the Entitlement); and
- (6) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided therein.

(b) ***Verification of the Noteholder***

In the case of Notes in global form, upon receipt of an Asset Transfer Notice, the relevant Clearing System shall verify that the person delivering the Asset Transfer Notice is the holder of the nominal amount of Notes described therein according to its records. Subject thereto, the relevant Clearing System will confirm to the Principal Paying Agent the series number and number of Notes the subject of such notice, the relevant account details and the details for the Delivery of the Entitlement in respect of the Credit Event Portion of such Notes. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer and any Delivery Agent thereof. The relevant Clearing System will on or before the relevant Credit Settlement Date, where the relevant Delivery represents the final settlement due in respect of the Notes, debit the securities account of the relevant Noteholder with the Notes the subject of such Asset Transfer Notice.

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

(c) ***Determination and Delivery***

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Principal Paying Agent, any Delivery Agent and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Paying Agent, the Issuer and any Delivery Agent immediately after being delivered or sent as provided in paragraph (a) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of Notes in global form, the relevant Clearing System, or, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

The relevant Clearing System or the relevant Registrar or the Paying Agent, as applicable, shall use its reasonable efforts as soon as reasonably practicable to notify the Noteholder submitting an Asset Transfer Notice, if, in consultation with the Principal Paying Agent and the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Paying Agents, the Registrar or the relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Noteholder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System, the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

In relation to each Deliverable Obligation comprising an Entitlement the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation on or prior to the relevant Credit Settlement Date at the risk of the relevant Noteholder in the manner provided below and **provided that** the Asset Transfer Notice is duly delivered as provided above not later than the close of business in each place of reception on the Cut-Off Date, **provided that** if all or some of the Deliverable Obligations included in such Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations as of the Credit Settlement Date, then the provisions of Credit Linked Condition 13 below will apply.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to each relevant party prior to the close of business in each place of reception on the Cut-Off Date, then the Deliverable Obligations comprising each relevant Entitlement will be treated as Hedge Disruption Obligations and the provisions of Credit Linked Condition 13 below will apply.

The Issuer (or any Delivery Agent on its behalf) shall, at the risk of the relevant Noteholder, Deliver (or procure the Delivery) of the Entitlement in respect of the Credit Event Portion of a Note, in such commercially reasonable manner as the Calculation Agent shall determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the relevant Pricing Supplement. All Expenses shall be for the account of the relevant Noteholder and no Delivery of an Entitlement shall be made until all Expenses have been paid by the relevant Noteholder to the satisfaction of the Issuer.

(d) ***General***

Notes held by the same Noteholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of the Credit Event Portion of such Notes, **provided that**, the aggregate Entitlements in respect of the same Noteholder will be rounded down to the nearest whole unit of the Deliverable Obligation or each of the Deliverable

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Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Fractions of the Deliverable Obligation or of each of the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent shall be paid to the Noteholder.

After Delivery of the Entitlement in respect of the Credit Event Portion of a Note and for the Intervening Period, none of the Issuer, the Paying Agents, the Registrar, any Delivery Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities or obligations included in such Entitlement, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

(e) ***Rights of Noteholders and calculations***

None of the Issuer, the Calculation Agent, any Delivery Agent and the Agents shall have any responsibility for any errors or omissions in any calculation or determination in respect of the Notes.

The purchase of Notes does not confer on any holder of such Notes any rights (whether in respect of voting, distributions or otherwise) attaching to any Deliverable Obligation.

8. **Accrual of Interest**

- (a) In the case of Single Reference Entity Credit Linked Notes, if "Accrual of Interest upon Credit Event" is specified as "Not applicable" in the relevant Pricing Supplement, notwithstanding Condition 4(b) (*Accrual of Interest*) and Condition 5(b) (*Accrual of Interest*), as applicable, no interest shall be payable (and accordingly will be deemed not to have accrued) in respect of a Note in respect of which the relevant date for payment thereof (as may be adjusted pursuant to these Credit Linked Conditions) has not occurred on or prior to the Credit Event Determination Date or, if the Credit Event Determination Date falls prior to the first such payment date, no interest shall accrue on the Notes;
- (b) in the case of Single Reference Entity Credit Linked Notes, if "Accrual of Interest upon Credit Event" is specified as "Applicable – Credit Event Determination Date" in the relevant Pricing Supplement, notwithstanding (b) (*Accrual of Interest*) and Condition 5(b) (*Accrual of Interest*), as applicable, each Note shall cease to bear interest from the Credit Event Determination Date or, if earlier, the last day of the Interest Period ending on (but excluding) the Scheduled Maturity Date; or
- (c) if "Accrual of Interest upon Credit Event" is specified as "Applicable – Scheduled Maturity Date" in the relevant Pricing Supplement, interest will continue to accrue and be payable following a Credit Event Determination Date in accordance with Condition 4 (*Fixed Rate Note Provisions*) or Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*), as applicable.

**Provided That, if:**

- (A)
- (1) Credit Linked Condition 9, Credit Linked Condition 10 or Credit Linked Condition 11 applies in respect of the Notes and, in the case of Credit Linked Condition 9, a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of Credit Linked Condition 10, a Failure to Pay has not occurred on the Grace Period Extension Date or, in the case of Credit Linked Condition 11, a Credit Event has not occurred on or prior to the DC Determination Cut-off Date, as the case may be; and/or

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- (2) Credit Linked Condition 12 applies in respect of the Notes and a Credit Event Determination Date or the Repudiation/Moratorium Extension Condition, as applicable, has not occurred or is not satisfied on or prior to the Postponed Cut-off Date,

then interest will accrue as provided in Credit Linked Condition 9, Credit Linked Condition 10, Credit Linked Condition 11 or Credit Linked Condition 12, as the case may be; and

- (B) without duplication to any adjustment pursuant to the final paragraph of "Credit Event Determination Date" below, if one or more Interest Payment Dates has occurred between the Credit Event Determination Date and its determination, the Issuer may elect in its sole and absolute discretion to instigate the clawback of any overpaid Interest Amount(s) paid in respect of such Interest Payment Date(s).

### 9. Repudiation/Moratorium Extension

If "Repudiation/Moratorium" is specified as a Credit Event in the relevant Pricing Supplement, the provisions of this Credit Linked Condition 9 shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 12(y) applies, the Postponed Cut-off Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium may, in the sole opinion of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Noteholders in accordance with Condition 14 (*Notices*) that a Potential Repudiation/Moratorium has occurred and the maturity of the Notes will be delayed (without prejudice to any other later Maturity Date also determined pursuant to the Notes) to the fifth Business Day following the Repudiation/Moratorium Evaluation Date or, if later, the Postponed Cut-off Date and:

- (a) where (1) a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or (2) a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date but a Credit Event Determination Date has not occurred:
- (i) each nominal amount of Credit Linked Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the Maturity Date; and
  - (ii) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest (if any) calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 1 and Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4, Credit Linked Condition 5 or Credit Linked Condition 6, as applicable, shall apply to the Credit Linked Notes.

Any failure to provide notice of any such delay to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the above provisions.

### 10. Grace Period Extension

If "Grace Period Extension" is specified as applicable in the relevant Pricing Supplement, the provisions of this Credit Linked Condition 10 shall apply.

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Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but, in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then the Calculation Agent shall notify the Noteholders in accordance with Condition 14 (*Notices*) that a Potential Failure to Pay has occurred and the maturity of the Notes will be delayed (without prejudice to any other later Maturity Date also determined pursuant to the Notes) to the fifth Business Day following the Grace Period Extension Date and:

- (a) where (1) a Failure to Pay has not occurred on the Grace Period Extension Date or (2) a Failure to Pay has occurred on the Grace Period Extension Date but a Credit Event Determination Date has not occurred:
  - (i) each nominal amount of Credit Linked Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the Maturity Date; and
  - (ii) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Failure to Pay has occurred on the Grace Period Extension Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 1 and Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4, Credit Linked Condition 5 or Credit Linked Condition 6, as applicable, shall apply to the Credit Linked Notes.

Any failure to provide notice of any such delay to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the above provisions.

### 11. Credit Derivatives Determinations Committee Extension

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred and following a Credit Event Resolution Request Date the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Maturity Date or (unless "Accrual of Interest upon Credit Event" is specified as "Applicable – Scheduled Maturity Date" in the relevant Pricing Supplement) any Interest Payment Date then the Calculation Agent shall notify Noteholders in accordance with Condition 14 (*Notices*) that (without prejudice to any other later Maturity Date also determined pursuant to the Notes) the Maturity Date or the relevant interest payment has been postponed to a date (the "**DC Determination Postponed Date**") being the day falling five Business Days after (a) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, fifteen (15) Business Days following the relevant DC Credit Event Announcement or (b) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement or, as applicable, (c) fifteen (15) Business Days following the DC Credit Event Question Dismissal (the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal, as applicable, the "**DC Determination Cut-off Date**"), and:

- (a) in the case of the Maturity Date, where (1) a Credit Event has not occurred on or prior to the DC Determination Cut-off Date or (2) a Credit Event has occurred on or prior to the DC Determination Cut-off Date but a Credit Event Determination Date has not occurred:
  - (i) each nominal amount of Credit Linked Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the Maturity Date; and

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- (ii) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or if none the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 1 and Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4, Credit Linked Condition 5 or Credit Linked Condition 6, as applicable, shall apply to the Credit Linked Notes; or
- (c) in relation to such event as of an Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (i) a Credit Event has not occurred on or prior to the DC Determination Cut-off Date then, without duplication to any interest payable pursuant to paragraph (a) above, the relevant amount of interest shall be payable on the relevant DC Determination Postponed Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; or (ii) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred thereafter, if applicable the relevant amount of interest will be adjusted accordingly and may be zero and (if any) will be payable on the relevant DC Determination Postponed Date or, in the case of any interest due at maturity, on the Maturity Date.

Any failure to provide notice of any such postponement to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the above provisions.

### 12. **Maturity Date Extension in the case of Credit Linked Notes**

The following provisions of this Credit Linked Condition 12 apply to Credit Linked Notes and, for the avoidance of doubt, may be applied on more than one occasion:

Without prejudice to Credit Linked Condition 14, if:

- (x) on (A) the Scheduled Maturity Date, (B), if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the relevant Pricing Supplement, the Grace Period Extension Date, (D) the last day of the Notice Delivery Period or (E) the DC Determination Cut-off Date, as the case may be, a Credit Event Determination Date has not occurred but, in the opinion of the Calculation Agent, a Credit Event or Potential Credit Event may have occurred or may occur; or
- (y) on the Scheduled Maturity Date, in the opinion of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may at its option notify the Noteholders in accordance with Condition 14 (*Notices*) that redemption of the Notes has been postponed (without prejudice to any other later Maturity Date also determined pursuant to the Notes) to the Postponed Maturity Date and, in the case of (x) above, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period (which for these purposes shall apply in the case of (x)(A) as well as (x)(D) above) or the DC Determination Cut-off Date, as the case may be, has been postponed to the Postponed Cut-off Date and:

where:

- (a) in the case of Credit Linked Condition 12(x), a Credit Event Determination Date has not occurred on or prior to the Postponed Cut-off Date or, in the case of Credit Linked Condition 12(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Cut-off Date:

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- (i) subject as provided below, each Note will be redeemed by the Issuer at the Final Redemption Amount on the Maturity Date; and
  - (ii) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (b) where:
- (i) in the case of Credit Linked Condition 12(x), a Credit Event Determination Date has occurred on or prior to the Postponed Cut-off Date, the provisions of Credit Linked Condition 1 and Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4, Credit Linked Condition 5 or Credit Linked Condition 6, as applicable, shall apply to the Credit Linked Notes; or
  - (ii) in the case of Credit Linked Condition 12(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Cut-off Date, the provisions of Credit Linked Condition 9 shall apply to the Credit Linked Notes.

For the purposes hereof:

**"Postponed Cut-off Date"** means the fifteenth (15<sup>th</sup>) Business Day after the Scheduled Maturity Date, the relevant Repudiation/Moratorium Evaluation Date or Grace Period Extension Date, or the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be; and

**"Postponed Maturity Date"** means the fifth (5<sup>th</sup>) Business Day after the Postponed Cut-off Date.

### 13. **Partial Cash Settlement**

If all or a portion of the Obligations comprising an Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations, the Issuer shall give notice (a **"Partial Cash Settlement Notice"**) to the Noteholders in accordance with Condition 14 (*Notices*) and the Issuer shall pay in respect of each Undeliverable Obligation and/or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date. Any failure to provide a Partial Cash Settlement Notice will not constitute an Event of Default under the Notes and will not affect the validity of any of the foregoing provisions.

In the Partial Cash Settlement Notice, the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

Unless otherwise specified in the relevant Pricing Supplement, for the purposes of this Credit Linked Condition 13 only the following terms shall be defined as follows and such definitions will apply notwithstanding other definitions of such terms in Credit Linked Condition 16:

**"Indicative Quotation"** means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

**"Market Value"** means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly



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three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the relevant Pricing Supplement and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (b) of the definition of "Quotation" below, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

**"Partial Cash Settlement Amount"** is deemed to be, for an Undeliverable Obligation or a Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of:

- (i)
  - (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be; multiplied by
  - (B) (x) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligation, determined as provided in this Credit Linked Condition or (y) in the case of a Hedge Disruption Obligation, if a Hedging Auction has been held on or prior to the relevant Credit Settlement Date, the Hedging Auction Final Price (which may never be greater than 100 per cent.); less if applicable
  - (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Entitlement); less
  - (D) Expenses, if any (but excluding any Expenses already taken into account in calculating the relevant Entitlement); and
- (ii) zero,

**provided that** where the relevant Undeliverable Obligation or Hedge Disruption Obligation forms part of the Asset Package and (in the case of (x) above) the Calculation Agent determines that a Final Price cannot reasonably be determined in respect of such Undeliverable Obligation or Hedge Disruption Obligation, then the Partial Cash Settlement Amount will be an amount calculated by the Calculation Agent equal to the fair market value of the relevant Undeliverable Obligation or Hedge Disruption Obligation less Unwind Costs if any (but excluding any Unwind Costs already taken into account in calculating the relevant Entitlement) and less Expenses, if any (but excluding any Expenses already taken into account in calculating the relevant Entitlement).

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**"Partial Cash Settlement Date"** is deemed to be the date falling five Business Days after the calculation of the Final Price or, if the Hedging Auction Final Price applies, the relevant Credit Settlement Date.

**"Quotation"** means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the relevant Pricing Supplement, each Indicative Quotation obtained and expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable, of the relevant Undeliverable Obligation or Hedge Disruption Obligation with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the relevant Pricing Supplement, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the relevant Pricing Supplement, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.
- (c) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this determination.

**"Quotation Amount"** is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount equal to at least the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

**"Quotation Method"** is deemed to be Bid.

**"Valuation Date"** is the fifth Business Day following the relevant Credit Settlement Date.

**"Valuation Method"** is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case "Valuation Method" is deemed to be Market.

**"Valuation Obligation"** is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

**"Valuation Time"** is the time specified as such in the relevant Pricing Supplement, or, if no time is so specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be.

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**"Weighted Average Quotation"** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

### 14. Settlement Suspension

#### *Suspension*

Without prejudice to Credit Linked Condition 12, if, following the determination of a Credit Event Determination Date but prior to the relevant Credit Settlement Date or, to the extent applicable, a Valuation Date, there is a DC Credit Event Meeting Announcement, the Calculation Agent may, at its option, determine that the applicable timing requirements of the Credit Linked Conditions and the definitions of Credit Event Redemption Date, Credit Event Payment Date, Valuation Date, Maturity Date, Physical Settlement Period and PSN Cut-off Date, and any other Credit Linked Condition provision(s) as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period of suspension, a "**Suspension Period**") until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. During such Suspension Period none of the Issuer, the Calculation Agent or any Noteholder are obliged to, nor are they entitled to, take any action in connection with the settlement of the Credit Linked Notes. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary with the Issuer having the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Credit Linked Condition 14.

In the event of any such Suspension Period, the Calculation Agent may make (x) such consequential or other adjustment(s) or determination(s) to or in relation to the Conditions and these Credit Linked Conditions as may be desirable or required either during or following any relevant Suspension Period to account for or reflect such suspension and (y) determine the effective date of such adjustment(s) or determination(s).

### 15. Potential Credit Event Interest Postponement

#### (a) *Single Reference Entity Credit Linked Notes and Reverse Credit Linked Notes*

If "Potential Credit Event Interest Postponement" is specified as "Applicable" in the relevant Pricing Supplement, if on an Interest Payment Date prior to the Scheduled Maturity Date neither a Credit Event Determination Date nor a Credit Event Resolution Request Date has occurred but, in the determination of the Calculation Agent, a Potential Credit Event has occurred, then the Calculation Agent shall notify the Noteholders in accordance with Condition 14 (*Notices*) that it has made such determination (including the date thereof (the "**Potential Credit Event Determination Date**")) and payment of interest for the relevant Interest Period shall be postponed to the Interest Payment Date for the next Interest Period (the "**Potential Credit Event Cut-Off Date**"), subject as provided in paragraph (ii) below.

Where:

- (i) a Credit Event Determination Date has not occurred on or prior to the Potential Credit Event Cut-Off Date, the relevant interest shall be payable on the Potential Credit Event Cut-Off Date and no further or other amount in respect of interest and no additional amount shall be payable in each case in respect of such delay; or
- (ii) a Credit Event Determination Date has occurred on or prior to the Potential Credit Event Cut-Off Date, for the purposes of interest only, such Credit Event Determination Date shall be deemed to have occurred on the Potential Credit Event Determination Date and accordingly:

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

- (x) if "Accrual of Interest upon Credit Event" is specified as "Not applicable" in the relevant Pricing Supplement, neither the relevant interest nor any further or other amount in respect of interest shall be payable; or
- (y) if "Accrual of Interest upon Credit Event" is specified as "Applicable – Credit Event Determination Date" in the relevant Pricing Supplement, the relevant interest shall be re-calculated on this basis and shall be payable on the Credit Event Redemption Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.

Any failure to provide notice of any such Potential Credit Event determination to Noteholders will not constitute an Event of Default under the Credit Linked Notes and will not affect the validity of any of the above provisions.

### (b) *Basket Credit Linked Notes*

If "Potential Credit Event Interest Postponement" is specified as "Applicable" in the relevant Pricing Supplement, if on an Interest Payment Date prior to the Scheduled Maturity Date neither a Credit Event Determination Date nor a Credit Event Resolution Request Date has occurred in respect of a Reference Entity but, in the determination of the Calculation Agent, a Potential Credit Event has occurred in respect of such Reference Entity, then the Calculation Agent shall notify the Noteholders in accordance with Condition 14 (*Notices*) that it has made such determination (including the date thereof (the "**Potential Credit Event Determination Date**")) and:

- (i) the Adjusted Credit Outstanding Nominal Amount used to calculate the Interest Credit Outstanding Nominal Amount in respect of the Interest Period (the "**Relevant Interest Period**") in respect of which the interest payable on such Interest Payment Date is calculated shall be reduced by the Reference Entity Notional Amount in respect of such Reference Entity with effect from (and including):
  - (x) if "Average Interest Calculation" is specified as "Applicable" in the relevant Pricing Supplement, the Potential Credit Event Determination Date; or
  - (y) if "Average Interest Calculation" is specified as "Not applicable" in the relevant Pricing Supplement, the last day of the Relevant Interest Period,in either case notwithstanding that a Credit Event Determination Date has not occurred with respect thereto; and
- (ii) payment of the interest that, but for such reduction, would have been payable in respect of the Relevant Interest Period (the "**Reduction Interest Amount**") shall be postponed to the Interest Payment Date for the next Interest Period (the "**Potential Credit Event Cut-Off Date**"), subject as provided in paragraph (B) below.

Where:

- (A) a Credit Event Determination Date has not occurred with respect to the relevant Reference Entity on or prior to the Potential Credit Event Cut-Off Date, the Reduction Interest Amount shall be payable on the Potential Credit Event Cut-Off Date and no further or other amount in respect of interest and no additional amount shall be payable in each case in respect of such delay; or
- (B) a Credit Event Determination Date has occurred with respect to the relevant Reference Entity on or prior to the Potential Credit Event Cut-Off Date, for the purposes of interest only, such Credit Event Determination Date shall be deemed to have occurred on:

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- (1) if "Average Interest Calculation" is specified as "Applicable" in the relevant Pricing Supplement, the Potential Credit Event Determination Date; or
- (2) if "Average Interest Calculation" is specified as "Not applicable" in the relevant Pricing Supplement, the last day of the Relevant Interest Period,

and accordingly in either case neither the Reduction Interest Amount nor any further or other amount of interest in respect thereof or additional amount shall be payable.

Any failure to provide notice of any such Potential Credit Event determination to Noteholders will not constitute an Event of Default under the Credit Linked Notes and will not affect the validity of any of the above provisions.

### 16. Definitions applicable to Credit Linked Notes

"**2.5-year Limitation Date**" has the meaning given to that term in the definition of "Limitation Date".

"**10-year Limitation Date**" has the meaning given to that term in the definition of "Limitation Date".

"**Accrued Interest**" means for the purpose of these Credit Linked Conditions:

- (a) in respect of any Notes for which "Physical Settlement" is specified to be the Settlement Method in the relevant Pricing Supplement, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified in the relevant Pricing Supplement, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest (as the Calculation Agent shall determine);
- (b) in respect of any Notes for which the Fallback Settlement Method applies in accordance with Credit Linked Condition 2 or Credit Linked Condition 6(1), as applicable, and:
  - (i) "Include Accrued Interest" is specified in the relevant Pricing Supplement, the Outstanding Principal Balance of the relevant Valuation Obligation shall include accrued but unpaid interest;
  - (ii) "Exclude Accrued Interest" is specified in the relevant Pricing Supplement, the Outstanding Principal Balance of the relevant Valuation Obligation shall not include accrued but unpaid interest; or
  - (iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the relevant Pricing Supplement, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Valuation Obligation whether the Outstanding Principal Balance of the relevant Valuation Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or
- (c) if Credit Linked Condition 13 applies, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligation (as applicable), whether such Quotations shall include or exclude accrued but unpaid interest.

"**Adjusted Credit Outstanding Nominal Amount**" has the meaning given to that term in Credit Linked Condition 6.

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

entity directly or indirectly under common control with the First Entity. For these purposes "control" means ownership of a majority of the voting power of an entity.

"**Aggregate Adjusted Reference Entity Weighting**" means, in respect of an Index, a percentage calculated by the Calculation Agent in respect of the Trade Date equal to (a) one divided by (b) the sum, for each numerically different Reference Entity Weighting greater than zero for the Reference Entities in respect of such Index, of (i) the number of Reference Entities with such Reference Entity Weighting multiplied by (ii) such Reference Entity Weighting, rounded as determined by the Calculation Agent in order that the aggregate Reference Entity Notional Amounts of the Reference Entities in respect of such Index equals the Index Notional Amount in respect of such Index.

"**Aggregate Outstanding Amount**" has the meaning given to that term in Credit Linked Condition 4 or Credit Linked Condition 6 as applicable.

"**Annex Date**", in respect of an Index, has the meaning given to it in the relevant Pricing Supplement.

"**Asset**" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

"**Asset Market Value**" means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

"**Asset Package**" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

"**Asset Package Credit Event**" means:

- (a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the relevant Pricing Supplement:
  - (i) a Governmental Intervention; or
  - (ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in the relevant Pricing Supplement and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in the relevant Pricing Supplement, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

"**Asset Transfer Notice**" has the meaning given to that term in Credit Linked Condition 7.

"**Auction**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Cancellation Date**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Covered Transaction**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

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"**Auction Final Price**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Final Price Determination Date**" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Settlement Date**" shall mean the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following the Auction Final Price Determination Date.

"**Auction Settlement Notice**" has the meaning given to that term in Credit Linked Condition 2.

"**Bankruptcy**" means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof or before the Scheduled Maturity Date, whichever is earlier;
- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter or before the Scheduled Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in clauses (a) to (g).

"**Basket Credit Linked Notes**" means Credit Linked Notes indicated as such in the relevant Pricing Supplement, where the Issuer purchases credit protection from the Noteholders in respect of a basket of Reference Entities.

"**Calculation Agent City Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City specified in the relevant Pricing Supplement.

"**Calculation Agent Fallback Settlement Determination Date**" has the meaning given to that term in Credit Linked Condition 2.

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

"**Cancellation Notice**" has the meaning given to that term in Credit Linked Condition 5.

"**Cash Settlement Notice**" has the meaning given to that term in Credit Linked Condition 3.

"**CDX Index**" has the meaning given to it in the relevant Pricing Supplement.

"**Conditionally Transferable Obligation**" means a Deliverable Obligation or Valuation Obligation, as applicable, that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation or Valuation Obligation other than Bonds, in each case as of each such date the Calculation Agent determines appropriate for purposes of the Hedging Arrangements or, if none at the relevant time, both the relevant PSN Effective Date and the relevant Delivery Date or the date of delivery of the Valuation Obligation Notification, as applicable, **provided, however, that** a Deliverable Obligation or Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation or Valuation Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Deliverable Obligation or Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation or Valuation Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation or Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation or Valuation Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

"**Conforming Reference Obligation**" means a Reference Obligation which is a Deliverable Obligation determined in accordance with paragraph (a) below of the definition of Deliverable Obligation below.

"**Credit Derivatives Auction Settlement Terms**" means any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published on <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) from time to time and may be amended from time to time.

"**Credit Derivatives Determinations Committee**" (and each a "Credit Derivatives Determinations Committee") means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

"**Credit Event**" means the occurrence of any one or more of the Credit Events specified in the relevant Pricing Supplement which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.



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"**Credit Event Amount**" means, following the occurrence of a Credit Event Determination Date in respect of any Reference Entity (i) the amount specified as such in the relevant Pricing Supplement or (ii) an amount (which may be zero but may never be less than zero) calculated by the Calculation Agent in accordance with the following formula:

$$(RENA \times FP) - UC - E.$$

Where:

"**RENA**" is each Note's *pro rata* share of the Reference Entity Notional Amount in respect of the affected Reference Entity;

"**FP**" is the Final Price or the Auction Final Price, as applicable, in respect of the affected Reference Entity (which, in either case, may never be greater than 100 per cent.);

"**UC**" is Unwind Costs; and

"**E**" is the Expenses, if any, and if Credit Linked Condition 6(a)(1)(y) applies.

Expressed in words, this is (1) the product of each Note's *pro rata* share of the Reference Entity Notional Amount in respect of the affected Reference Entity and the Final Price or Auction Final Price, as applicable, in respect of the affected Reference Entity (which, in either case, may never be greater than 100 per cent.) (the "**Recovery Value**") minus (2) the Unwind Costs minus (3) if Credit Linked Condition (6)(a)(1)(y), applies, Expenses, if any. Any Credit Event Amount will be rounded to the nearest sub-unit of the Settlement Currency (half a sub-unit being rounded upwards).

"**Credit Event Backstop Date**" means:

- (a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (b) of the definition of Repudiation/Moratorium), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or
- (b) otherwise, the date that is sixty (60) calendar days prior to the earlier of:
  - (i) if the Notice Delivery Date occurs during the Notice Delivery Period, the Notice Delivery Date; and
  - (ii) if the Notice Delivery Date occurs during the Post Dismissal Additional Period, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Credit Event Determination Date**" means, with respect to a Credit Event with respect to which:

- (a) Auction Settlement is the applicable Settlement Method:
  - (i) subject to paragraph (a)(ii) of this definition, the Notice Delivery Date if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, **provided that** neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
  - (ii) notwithstanding paragraph (a)(i) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

(A)

- (1) the Credit Event is not an M(M)R Restructuring; and
- (2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or

(B)

- (1) the Credit Event is an M(M)R Restructuring; and
- (2) a Credit Event Notice is delivered and is effective on or prior to the fifth Business Day following the Exercise Cut-off Date,

**provided that** no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered (I) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date or (II) unless the Calculation Agent otherwise determines this is consistent with the Hedging Arrangements or, if none at the relevant time, (x) unless, and to the extent that, the Partial Redemption Amount specified in any such Credit Event Notice was less than the relevant Reference Entity Notional Amount or (y) unless the Deliverable Obligations set out on the Final List applicable to the Transaction Auction Settlement Terms are identical to the Permissible Deliverable Obligations, or

- (b) if paragraph (a) of this definition does not apply, the Non-Standard Credit Event Determination Date,

**provided further that** other than in the case of Zero Recovery Credit Linked Notes no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the relevant Credit Settlement Date, the Credit Event Redemption Date, the relevant Credit Event Payment Date or the Maturity Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant event.

If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to one or more preceding Interest Payment Dates, the Calculation Agent will determine (1) such adjustment(s) to these Credit Linked Conditions (including any adjustment to payment amounts) as may be required to reflect (I) such deemed date of occurrence or (II) such deemed non-occurrence of such Credit Event Determination Date and (2) the effective date of such adjustment(s). For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any adjustment to payment amounts.

"**Credit Event Notice**" means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Maturity Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out in Credit Linked Condition 19.

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"**Credit Event Payment Date**" means, subject as provided in Credit Linked Condition 14, in relation to any Credit Event Amount:

- (a) the day falling the number of Business Days specified in the relevant Pricing Supplement (or, if a number of Business Days is not so specified, five Business Days) following the calculation of the relevant Final Price or Auction Final Price, as applicable; or
- (b) in the case of Fixed Recovery Basket Credit Linked Notes and subject to paragraph (c) below, either:
  - (x) the day falling the number of Business Days specified in the relevant Pricing Supplement (or, if a number of Business Days is not so specified, five Business Days) following:
    - (i) if a Credit Event Determination Date is determined pursuant to paragraph (a) of the definition of "Non-Standard Credit Event Determination Date" below, the third Business Day following such Credit Event Determination Date; **provided that** no Credit Event Resolution Request Date occurs on or before such third Business Day;
    - (ii) subject to sub-paragraph (i) above, if a DC Credit Event Question Dismissal occurs, the later of (A) the Credit Event Determination Date and (B) the date of such DC Credit Event Question Dismissal;
    - (iii) subject to paragraph (y) below, if a Credit Event Determination Date occurs and an Auction Cancellation Date occurs or one or more Parallel Auction Cancellation Dates occur, the last such Auction Cancellation Date or Parallel Auction Cancellation Date;
    - (iv) subject to sub-paragraph (i) above, if the relevant Credit Event in respect of which the Credit Event Determination Date occurred is not an M(M)R Restructuring and a No Auction Announcement Date described in paragraphs (a) or (c) of the definition thereof occurs, such No Auction Announcement Date; or
    - (v) subject to sub-paragraph (i) above, if the relevant Credit Event in respect of which the Credit Event Determination occurred is an M(M)R Restructuring and a No Auction Announcement Date described in paragraphs (a) or (c) of the definition thereof occurs, the Exercise Cut-off Date; or
  - (y) if a Credit Event Determination Date occurs and an Auction Settlement Date or a Parallel Auction Settlement Date occurs, the first such Auction Settlement Date or Parallel Auction Settlement Date to occur,

such date, the "**Fixed Credit Event Payment Date**"; or

- (c) where Credit Event Maturity Settlement is specified to be applicable in the relevant Pricing Supplement the Maturity Date.

"**Credit Event Redemption Amount**" means, unless otherwise specified in the relevant Pricing Supplement:

- (a) in respect of Reverse Credit Linked Notes, an amount calculated by the Calculation Agent equal to:
  - (i) the product of:
    - (A) each Note's pro rata share of the Aggregate Principal Amount of the Notes then outstanding; and
    - (B)  $100\% + \text{Leverage} \times (100\% - \text{Final Price})$ ;

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less

(ii) any Unwind Costs.

Where:

"**Leverage**" means the amount specified as such in the relevant Pricing Supplement; and

(b) in respect of all other Credit Linked Notes, an amount calculated by the Calculation Agent equal to:

$$(RENA \times FP) - UC - E.$$

Expressed in words, this is (1) the product of each Note's *pro rata* share of the Reference Entity Notional Amount and the Final Price or Auction Final Price, as applicable (which, in either case, may never be greater than 100 per cent), minus (2) the Unwind Costs, minus (3) if Credit Linked Condition 2(a)(ii) applies, Expenses, if any.

Where:

"**RENA**" is each Note's *pro rata* share of the Reference Entity Notional Amount;

"**FP**" is the Final Price or the Auction Final Price, as applicable (which, in either case, may never be greater than 100 per cent.);

"**UC**" is Unwind Costs; and

"**E**" is the Expenses, if any and if Credit Linked Condition 2(a)(ii) applies,

**provided that**, in no event shall the Credit Event Redemption Amount be less than zero. The Credit Event Redemption Amount will be rounded to the nearest sub-unit of the Settlement Currency (half a sub-unit being rounded upwards).

"**Credit Event Portion**" means, following the occurrence of a Credit Event Determination Date in respect of any Reference Entity, a nominal amount of Notes equal to each Note's *pro rata* share of the Reference Entity Notional Amount in respect of such Reference Entity.

"**Credit Event Redemption Date**" means, subject to Credit Linked Condition 14:

- (a) subject to paragraph (c) below, the day falling five Business Days, or such other number of Business Days specified in the relevant Pricing Supplement, after (i) the calculation of the Final Price or (ii) the Auction Settlement Date, as applicable, in each case in respect of the Reference Entity in respect of which the relevant Credit Event Determination Date has occurred; or
- (b) in the case of Fixed Recovery Single Reference Entity Credit Linked Notes and subject to paragraph (c) below, either:
  - (x) the day falling the number of Business Days specified in the relevant Pricing Supplement (or, if a number of Business Days is not so specified, five Business Days) following:
    - (i) if a Credit Event Determination Date is determined pursuant to paragraph (a) of the definition of "Non-Standard Credit Event Determination Date" below, the third Business Day following such Credit Event Determination Date; **provided that** no Credit Event Resolution Request Date occurs on or before such third Business Day;
    - (ii) subject to sub-paragraph (i) above, if a DC Credit Event Question Dismissal occurs, the later of (A) the Credit Event Determination Date and (B) the date of such DC Credit Event Question Dismissal;

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- (iii) subject to paragraph (y) below, if a Credit Event Determination Date occurs and an Auction Cancellation Date occurs or one or more Parallel Auction Cancellation Dates occur, the last such Auction Cancellation Date or Parallel Auction Cancellation Date;
- (iv) subject to sub-paragraph (i) above, if the relevant Credit Event in respect of which the Credit Event Determination Date occurred is not an M(M)R Restructuring and a No Auction Announcement Date described in paragraphs (a) or (c) of the definition thereof occurs, such No Auction Announcement Date; or
- (v) subject to sub-paragraph (i) above, if the relevant Credit Event in respect of which the Credit Event Determination occurred is an M(M)R Restructuring and a No Auction Announcement Date described in paragraphs (a) or (c) of the definition thereof occurs, the Exercise Cut-off Date; or
- (y) if a Credit Event Determination Date occurs and an Auction Settlement Date or a Parallel Auction Settlement Date occurs, the first such Auction Settlement Date or Parallel Auction Settlement Date to occur; or
- (c) where Credit Event Maturity Settlement is specified to be applicable in the relevant Pricing Supplement, if later than the date otherwise determined pursuant to paragraph (a) or paragraph (b) above (as applicable), the Scheduled Maturity Date.

**"Credit Event Resolution Request Date"** means, with respect to a DC Credit Event Question, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

**"Credit Settlement Currency"** means the currency specified as such in the relevant Pricing Supplement, or if no currency is specified in the relevant Pricing Supplement, the Settlement Currency of the Credit Linked Notes.

**"Credit Settlement Date"** means the last day of the longest Physical Settlement Period following the relevant PSN Cut-off Date (the **"Scheduled Credit Settlement Date"**) **provided that** if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Credit Settlement Date, the Credit Settlement Date shall be the second Business Day following the date on which no Hedge Disruption Event subsists or such earlier date (if any) on which the Calculation Agent determines that in its opinion such Hedge Disruption Event is unlikely to cease.

**"Currency Amount"** means, with respect to (a) a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the Credit Settlement Currency, an amount converted to the Credit Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, an amount converted to the Credit Settlement Currency (or, if applicable, back into the Credit Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each Physical Settlement Amendment Notice with respect to that portion of the relevant Credit Linked Notes into the currency of denomination of the relevant Replacement Deliverable Obligation.

**"Currency Rate"** means, with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, the rate of conversion between the Credit Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

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**"Currency Rate Source"** means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee or, if no such successor rate source is approved by the relevant Credit Derivatives Determinations Committee where relevant, any successor rate source selected by the Calculation Agent.

**"Cut-off Date"** has the meaning given to that term in Credit Linked Condition 7.

**"DC Announcement Coverage Cut-off Date"** means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable.

**"DC Credit Event Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, **provided that** if the Credit Event occurred after the Scheduled Maturity Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

**"DC Credit Event Meeting Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

**"DC Credit Event Question"** means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

**"DC Credit Event Question Dismissal"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

**"DC Determination Cut-off Date"** has the meaning given to that term in Credit Linked Condition 11.

**"DC Determination Postponed Date"** has the meaning given to that term in Credit Linked Condition 11.

**"DC No Credit Event Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

**"DC Party"** has the meaning given to that term in the DC Rules.

**"DC Resolution"** has the meaning given to that term in the DC Rules.

**"DC Rules"** means the Credit Derivatives Determinations Committees Rules, as published on <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

**"DC Secretary"** has the meaning given to that term in the DC Rules.

**"Default Requirement"** means the amount specified as such in the relevant Pricing Supplement or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the relevant Pricing Supplement, USD10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

**"Deliver"** means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement

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of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Entitlement to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor) **provided that** (i) if all or a portion of the Entitlement consists of Direct Loan Participations, "**Deliver**" means to create (or procure the creation of) a participation in favour of the relevant Noteholder and (ii) if a Deliverable Obligation is a Guarantee, "**Deliver**" means to Deliver both the Underlying Obligation and the Guarantee, **provided further that** if the Guarantee has a Fixed Cap, "**Deliver**" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. "**Delivery**" and "**Delivered**" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) the preceding paragraph above shall be deemed to apply to each Asset in the Asset Package **provided that** if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Issuer has notified the Noteholders in accordance with Credit Linked Condition 4 or Credit Linked Condition 6(a)(3), as applicable, of the detailed description of the Asset Package that it intends to Deliver, (iv) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value and the term Asset Package shall be construed accordingly.

"**Deliverable Obligation**" means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "(i) Method for Determining Deliverable Obligations" below;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation;
- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the relevant Pricing Supplement, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond; and
- (e) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) received by the Issuer and/or any of its Affiliates in relation to the settlement of any credit derivative Hedging Arrangements in connection with the relevant Credit Event,

in each case, (i) other than in the case of paragraph (e) above, unless it is an Excluded Deliverable Obligation and (ii) **provided that** the obligation has an Outstanding Principal Balance or Due and

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Payable Amount that is greater than zero (determined for purposes of paragraph (d) above, immediately prior to the relevant Asset Package Credit Event).

- (i) **Method for Determining Deliverable Obligations.** For the purposes of this definition of "Deliverable Obligation", the term "**Deliverable Obligation**" may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in the relevant Pricing Supplement, and, subject to paragraph (ii) (*Interpretation of Provisions*) below, having each of, the Deliverable Obligation Characteristics, if any, specified in the relevant Pricing Supplement, in each case, as of each such date the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, both the relevant PSN Effective Date and the relevant Delivery Date (unless otherwise specified). The following terms shall have the following meanings:
- (A) "**Deliverable Obligation Category**" means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" below, except that, for the purpose of determining Deliverable Obligations, the definition of "Reference Obligation Only" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).
- (B) "**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer;
- (1) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;
- (2) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;
- (3) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (4) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, **provided that** none of the following shall be considered contractual, statutory or regulatory restrictions:



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- (I) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
  - (II) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - (III) restrictions in respect of blocked periods on or around payment dates or voting periods;
- (5) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than the period specified in the relevant Pricing Supplement (or if no such period is specified, thirty years);
  - (6) "**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
  - (7) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream International or any other internationally recognised clearing system.
- (ii) **Interpretation of Provisions**
    - (A) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
    - (B) If (i) any of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans; or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.
    - (C) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics in the relevant Pricing Supplement, the Deliverable Obligations may include any Loan that satisfies any one of such

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Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

- (D) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:
- (1) for purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (2) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the relevant Pricing Supplement from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
  - (3) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the relevant Pricing Supplement from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured" and "Not Bearer"; and
  - (4) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (E) For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.
- (F) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the relevant Pricing Supplement, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic.
- (G) For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in the paragraphs commencing "If "Mod R" ..." and "If "Mod Mod R" ..." in Credit Linked Condition 4 or Credit Linked Condition 6(a)(3), as applicable, to a Prior Deliverable Obligation or a Package Observable Bond, any such

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.

- (H) If "Subordinated European Insurance Terms" is specified as applicable in the relevant Pricing Supplement, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

For the avoidance of doubt the provisions of this paragraph (ii) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

**"Deliverable Obligation Terms"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**"Delivery Agent"** has the meaning give to that term in Credit Linked Condition 7.

**"Delivery Date"** means, with respect to a Deliverable Obligation or an Asset Package, the date such Deliverable Obligation is Delivered (or deemed to be Delivered pursuant to the definition of "Deliver" above).

**"Domestic Currency"** means the currency specified as such in the relevant Pricing Supplement and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

**"Domestic Law"** means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign.

**"Downstream Affiliate"** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than fifty per cent. owned, directly or indirectly, by the Reference Entity. As used herein, **"Voting Shares"** means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**"Due and Payable Amount"** means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on either (A) the relevant PSN Effective Date (or if the terms of the obligation are amended after such date but on or prior to the relevant Delivery Date, the Delivery Date), or (B) the relevant Valuation Date, as applicable.

**"Effective Date"** means, in respect of an Index:

- (a) in the case of an iTraxx Index, the Roll Date in respect of such Index as set out and defined in the relevant Index Annex; or
- (b) in the case of a CDX Index, the Effective Date in respect of such Index as set out and defined in the relevant Index Annex.

**"Eligible Information"** means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

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"Eligible Transferee" means:

- (a) any:
  - (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;
  - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in sub-paragraph (c) below); and
  - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),provided, however, in each case that such entity has total assets of at least US\$500 million;
- (b) an Affiliate of an entity specified in sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least US\$100 million or (B) is one of a group of investment vehicles under common control or management having, in aggregate, total assets of at least US\$100 million; or
  - (ii) that has total assets of at least US\$500 million; or
  - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(i) or (d); or
- (d) any Sovereign; or
- (e) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to US\$ include equivalent amounts in other currencies in each case as determined by the Calculation Agent.

"Entitlement" means, following the occurrence of a Credit Event Determination Date in respect of a Reference Entity and in respect of the related Credit Event Portion of a Note, Deliverable Obligations, as selected by the Calculation Agent, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance; or
- (b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the relevant Credit Event Portion (the "**Initial Deliverable Obligations**"); less

- (i) Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date (the "**Market Value Determination Date**") equal to Unwind Costs; and

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

- (ii) to the extent that the Issuer in its sole and absolute discretion determines that it is not satisfied that any Expenses have been or will be paid in full by the relevant Noteholder on or prior to the relevant Credit Settlement Date, an amount of Deliverable Obligations with a market value determined by the Calculation Agent at the time of calculation of the Entitlement in aggregate at least equal to such Expenses.

**"Excluded Deliverable Obligation"** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the relevant Pricing Supplement;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**"Excluded Obligation"** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the relevant Pricing Supplement;
- (b) if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement and (i) the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement and the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**"Excluded Valuation Obligation"** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the relevant Pricing Supplement;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**"Exercise Cut-off Date"** means either:

- (a) with respect to an M(M)R Restructuring and any Note (x) to which paragraph (a) of the definition of Credit Event Determination Date above applies or (y) to which Credit Linked Condition 2(a)(ii) or Credit Linked Condition 6(1)(y) applies:
  - (i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
  - (ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date; or

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- (b) with respect to a Credit Event where paragraph (a) of the definition of Credit Event Determination Date does not apply, unless paragraph (a)(y) above applies, the relevant Non-Standard Exercise Cut-off Date,

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves.

**"Expenses"** means all costs, taxes, duties and/or expenses including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery or attempted Delivery of the Entitlement in respect of a Note and any related receipt of or attempt to receive the Deliverable Obligations that comprise or would or may comprise the Entitlement, as applicable, by the Issuer and/or its Affiliates, as applicable, under any Hedging Arrangements.

**"Extension Date"** means the latest of:

- (a) the Scheduled Maturity Date;
- (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applying in the relevant Pricing Supplement, and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Maturity Date; and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in the relevant Pricing Supplement, as applicable.

**"Failure to Pay"** means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure **provided that**, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Fallback Settlement Method"** means Cash Settlement. For the avoidance of doubt, the Fallback Settlement only applies in respect of Credit Linked Notes for which the Settlement Method is Auction Settlement.

**"Final List"** has the meaning given in the DC Rules.

**"Final Price"** means:

- (a)
- (i) if there is more than one Valuation Obligation, the weighted average of the prices of each such Valuation Obligation, each expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable; or
- (ii) otherwise, the price of the relevant Valuation Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable,

in either case determined in accordance with the Valuation Method specified in the relevant Pricing Supplement or, where applicable, Credit Linked Condition 13; or

- (b) in the case of Fixed Recovery Basket Credit Linked Notes and Fixed Recovery Single Reference Entity Credit Linked Notes, the percentage specified as such in the relevant

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Pricing Supplement (and, for the avoidance of doubt, no Valuation Date will arise in respect of such Credit Linked Notes).

Notwithstanding the foregoing in paragraph (a) above and anything to the contrary herein (including, without limitation, that the Settlement Method is not Physical Settlement), if Asset Package Delivery is applicable and a Prior Deliverable Obligation or a Package Observable Bond is specified in the Valuation Obligation Notification, (i) the related Asset Package may be treated as the Valuation Obligation in lieu of such Prior Deliverable Obligation or Package Observable Bond, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) if such Asset Package is zero, its price shall be deemed to be zero per cent. on the relevant Valuation Date and (iii) if the Calculation Agent determines that a price cannot reasonably be determined in accordance with the Valuation Method, then the price of the Asset Package will be calculated by the Calculation Agent as equal to the fair market value of the Asset Package, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable.

The Calculation Agent shall make available for inspection by Noteholders on request (i) each Quotation for a Valuation Date that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

**"First Interest Payment Date"** means the date specified in the relevant Pricing Supplement.

**"Fixed Cap"** means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, **provided that** a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

**"Fixed Recovery Basket Credit Linked Notes"** means Basket Credit Linked Notes indicated as such in the relevant Pricing Supplement.

**"Fixed Recovery Single Reference Entity Credit Linked Notes"** means Single Reference Entity Credit Linked Notes indicated as such in the relevant Pricing Supplement.

**"Full Quotation"** means, in accordance with the Quotation Method each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

**"Fully Transferable Obligation"** means a Deliverable Obligation or Valuation Obligation, as applicable, that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation or Valuation Obligation other than Bonds, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, both the relevant PSN Effective Date and the relevant Delivery Date or the date of delivery of the Valuation Obligation Notification, as applicable. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation or Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation or Valuation Obligation shall not be considered as a requirement for consent for purposes of this definition of **"Fully Transferable Obligation"**.

**"Further Subordinated Obligation"** means, in respect of a Reference Entity, if the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto. If "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, a Traditional Subordinated Obligation shall constitute a Further Subordinated Obligation.

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

**"Governmental Authority"** means:

- (a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

**"Governmental Intervention"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in paragraphs (a) to (c).

For purposes of this definition of Governmental Intervention, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

**"Grace Period"** means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if "Grace Period Extension" is specified as applying in the relevant Pricing Supplement, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the relevant Pricing Supplement or, if no period is specified in the relevant Pricing Supplement, thirty (30) calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace



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Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; **provided that**, unless Grace Period Extension is specified as applying in the relevant Pricing Supplement, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

**"Grace Period Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified (a) if the Obligation Currency is the euro, a day on which the T2 is open, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**"Grace Period Extension Date"** means, if:

- (a) "Grace Period Extension" is specified as applying in the relevant Pricing Supplement; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date,

the date falling the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in the relevant Pricing Supplement, Grace Period Extension shall not apply.

**"Guarantee"** means a Relevant Guarantee or a guarantee which is the Reference Obligation.

**"Hedging Arrangements"** means any Representative Auction-Settled Transaction (the **"Hedging Representative Auction-Settled Transaction"**) that is to be entered into by the Issuer and/or any of its Affiliates or agents pursuant to the Transaction Auction Settlement Terms (if any) relating to any relevant Credit Event (the **"Hedging Transaction Auction Settlement Terms"**) in order that the Issuer may satisfy any of its physical settlement obligations under the Credit Linked Notes, and (without duplication) any underlying or related transaction(s), swap(s), asset(s), financing or other arrangement(s) or trading position(s) the Issuer and/or any of its Affiliates or agents may enter into or hold from time to time (including, if applicable, on a portfolio basis) to hedge directly or indirectly and whether in whole or in part the credit or other price risk or funding of the Issuer issuing and performing its obligations with respect to the Credit Linked Notes.

**"Hedging Auction"** means the "Auction" as such term shall be defined in the relevant Hedging Transaction Auction Settlement Terms.

**"Hedging Auction Final Price"** shall have the meaning as shall be set forth in the relevant Hedging Transaction Auction Settlement Terms.

**"Hedge Disruption Event"** means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of the Hedging Arrangements (if any).

**"Hedge Disruption Obligation"** means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

**"Index"** has the meaning given to it in the relevant Pricing Supplement.

**"Index Annex"** means, in respect of an Index:

- (a) in the case of an iTraxx Index, the list for the relevant Index with the relevant Annex Date, as published by the relevant Index Publisher (which can be accessed at <https://ihsmarkit.com/products/indices.html> or any successor website thereto) and subject as provided in Credit Linked Condition 25; or
- (b) in the case of a CDX Index, the list for the relevant Index with the relevant Annex Date, as published by the relevant Index Publisher (which can be accessed at <https://ihsmarkit.com/products/indices.html> or any successor website thereto).

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**"Index Basket Credit Linked Notes"** means Basket Credit Linked Notes indicated as such in the relevant Pricing Supplement, which relate to one or more Indices.

**"Index Notional Amount"** means, in respect of an Index, the Index Weighting in respect of such Index multiplied by the Original Notional Amount as of the Issue Date.

**"Index Publisher"** means, in respect of an Index, Markit Group Limited, or any replacement therefor appointed by the relevant Index Sponsor for purposes of officially publishing the relevant Index.

**"Index Sponsor"** means, in respect of an Index:

- (a) in the case of an iTraxx Index, Markit Indices Limited, or any successor thereto; or
- (b) in the case of a CDX Index, Markit North America, Inc. or any successor sponsor of such Index.

**"Index Weighting"**, in respect of an Index, has the meaning given to it in the relevant Pricing Supplement.

**"Interest Credit Outstanding Nominal Amount"** has the meaning given to that term in Credit Linked Condition 6.

**"Intervening Period"** means such period of time as any person other than the relevant Noteholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Entitlement.

**"ISDA"** means the International Swaps and Derivatives Association, Inc.

**"iTraxx Index"** has the meaning given to it in the relevant Pricing Supplement.

**"Largest Asset Package"** means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realizable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee or, if none, as determined by the Calculation Agent by reference to such source(s) as it determines appropriate.

**"Latest Maturity Restructured Bond or Loan"** has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date".

**"Limitation Date"** means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the "**2.5-year Limitation Date**"), 5 years, 7.5 years, 10 years (the "**10-year Limitation Date**"), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.

**"M(M)R Restructuring"** means a Restructuring Credit Event in respect of which either Mod R or Mod Mod R is specified as applicable in the relevant Pricing Supplement.

**"Market Value"** means, with respect to the Valuation Obligation on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full

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Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount the Calculation Agent shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**"Minimum Quotation Amount"** means the amount specified as such in the relevant Pricing Supplement (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

**"Modified Eligible Transferee"** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**"Modified Restructuring Maturity Limitation Date"** means, with respect to a Deliverable Obligation or Valuation Obligation, as applicable, the Limitation Date occurring on or immediately following the Scheduled Maturity Date. Subject to the foregoing, if the Scheduled Maturity Date is later than the 10 year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

**"Movement Option"** means, with respect to an M(M)R Restructuring for which a No Auction Announcement Date has occurred pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Issuer in its sole and absolute discretion to apply to the Credit Linked Notes, for purposes of settlement, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that could apply in respect of the Reference Transaction (**provided that** if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). If no Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, the Credit Linked Notes will be settled in accordance with the Fallback Settlement Method. If a Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, such event will be notified to Noteholders in accordance with Condition 14 (*Notices*). For the avoidance of doubt any failure to provide such a notice to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the foregoing provisions.

**"Movement Option Cut-off Date"** means the date that is one Relevant City Business Day following the Exercise Cut-off Date, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

**"Next Currency Fixing Time"** means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant Physical Settlement Amendment Notice or relevant Partial Cash Settlement Notice, as applicable, is

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effective. For the purposes of determining the Next Currency Fixing Time, "**London Business Day**" means a day on which banks and foreign exchange markets are generally open to settle payments in London.

"**No Auction Announcement Date**" means, with respect to a Credit Event, the date on which the DC Secretary first publicly announces that:

- (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published;
- (b) following the occurrence of an M(M)R Restructuring no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either:
  - (i) no Parallel Auction will be held; or
  - (ii) one or more Parallel Auctions will be held.

"**Non-Conforming Reference Obligation**" means a Reference Obligation which is not a Conforming Reference Obligation.

"**Non-Conforming Substitute Reference Obligation**" means an obligation which would be a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

"**Non-Financial Instrument**" means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

"**Non-Standard Credit Event Determination Date**" means with respect to a Credit Event:

- (a) subject to paragraph (b) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, **provided that** neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) notwithstanding paragraph (a) of this definition, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:
  - (i) the Credit Event Resolution Request Date, if either:
    - (A)
      - (1) "Auction Settlement" is not the applicable Settlement Method;
      - (2) the relevant Credit Event is not an M(M)R Restructuring; and
      - (3) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or
    - (B)
      - (1) the relevant Credit Event is an M(M)R Restructuring; and

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- (2) a Credit Event Notice is delivered and is effective on or prior to the fifth Business Day following the Non-Standard Exercise Cut-off Date, or
- (ii) the first date on which a Credit Event Notice is delivered and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the fifth Business Day following the date that is fourteen calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:
  - (A)
    - (1) "Auction Settlement" is not the applicable Settlement Method;
    - (2) the relevant Credit Event is not an M(M)R Restructuring; and
    - (3) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date; or
  - (B) the Calculation Agent determines this is otherwise consistent with the Hedging Arrangements (if any at the relevant time),

**provided that** no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered (I) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date or (II) unless the Calculation Agent determines this is otherwise consistent with the Hedging Arrangements or, if none at the relevant time, (x) unless, and to the extent that, the Partial Redemption Amount specified in any such Credit Event Notice was less than the relevant Reference Entity Notional Amount or (y) unless the Deliverable Obligations set out on the Final List applicable to the Transaction Auction Settlement Terms are identical to the Permissible Deliverable Obligations.

**"Non-Standard Exercise Cut-off Date"** means, with respect to a Credit Event to which paragraph (a) of the definition of Credit Event Determination Date does not apply:

- (a) if such Credit Event is not an M(M)R Restructuring, either:
  - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;
  - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
  - (iii) the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable; or
- (b) if such Credit Event is an M(M)R Restructuring and:
  - (i) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
  - (ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.

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**"Non-Standard Reference Obligation"** means, in respect of the Reference Entity, the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

**"Non-Transferable Instrument"** means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

**"Notice Delivery Date"** means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the relevant Pricing Supplement, an effective Notice of Publicly Available Information, have been delivered by the Calculation Agent.

**"Notice Delivery Period"** means the period from and including the Trade Date to and including the fifth Business Day following the date that is fourteen (14) calendar days after the Extension Date.

**"Notice of Physical Settlement"** has the meaning given to that term in Credit Linked Condition 4 or Credit Linked Condition 6(a)(3), as applicable.

**"Notice of Publicly Available Information"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is specified as applicable in the relevant Pricing Supplement and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Credit Linked Condition 19.

**"Notice to Exercise Movement Option"** means, with respect to Notes for which (a) M(M)R Restructuring is applicable and (b) the Fallback Settlement Method would otherwise be applicable pursuant to the Auction Settlement provisions, a notice from the Issuer to the Calculation Agent that (i) specifies the Parallel Auction Settlement Terms applicable in accordance with the definition of Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date.

**"Number of Valuation Business Days"** means:

- (a) if Fixed Valuation Date is specified as applicable in the relevant Pricing Supplement, the number of Business Days specified therein (or, if the number of Business Days is not specified, five Business Days); or
- (b) otherwise, the number of Business Days selected by the Issuer.

**"Obligation"** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "Method for Determining Obligations" below); and
- (b) the Reference Obligation,

in each case unless it is an Excluded Obligation.

*Method for Determining Obligations.* For the purposes of paragraph (a) of this definition of "Obligation", the term "Obligation" may be defined as the obligation of each Reference Entity described by the Obligation Category specified in the relevant Pricing Supplement, and having each of the Obligation Characteristics (if any) specified in the relevant Pricing Supplement, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (i) **"Obligation Category"** means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the relevant Pricing Supplement, where:
  - (a) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (b) **"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
  - (c) **"Reference Obligation Only"** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
  - (d) **"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
  - (e) **"Loan"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
  - (f) **"Bond or Loan"** means any obligation that is either a Bond or a Loan.
- (ii) **"Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the relevant Pricing Supplement, where:
  - (a) **"Not Subordinated"** means an obligation that is not Subordinated to (1) the Reference Obligation or, (2) the Prior Reference Obligation, if applicable;
  - (b) **"Subordination"** means, with respect to an obligation (the **"Second Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"First Obligation"**), a contractual, trust or other similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. "Subordinated" will be construed accordingly and if "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, the term "Subordination" shall be applied in the assessment of any Obligation without regard to how the Obligation is described by the laws of any relevant jurisdiction, including any characterisation of the Obligation as senior or unsubordinated by the laws of any relevant jurisdiction. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken

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into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date;

- (c) **"Prior Reference Obligation"** means, in circumstances where there is no Reference Obligation applicable to the relevant Notes, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the relevant Pricing Supplement as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;
- (d) **"Specified Currency"** means an obligation that is payable in the currency or currencies specified as such in the relevant Pricing Supplement (or, if Specified Currency is specified in the relevant Pricing Supplement and no currency is so specified, any Standard Specified Currency) **provided that** if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (e) **"Not Sovereign Lender"** means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";
- (f) **"Not Domestic Currency"** means any obligation that is payable in any currency other than applicable Domestic Currency **provided that** a Standard Specified Currency shall not constitute the Domestic Currency;
- (g) **"Not Domestic Law"** means any obligation that is not governed by applicable Domestic Law, **provided that** the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (h) **"Listed"** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (i) **"Not Domestic Issuance"** means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

**"Obligation Acceleration"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event or default or



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other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**"Obligation Currency"** means the currency or currencies in which the Obligation is denominated.

**"Obligation Default"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**"Original Non-Standard Reference Obligation"** means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in respect of such Reference Entity in the relevant Pricing Supplement (if any is so specified) **provided that** if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant Notes (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless the relevant Notes are Reference Obligation Only Notes.

**"Original Notional Amount"** has the meaning given to it in the relevant Pricing Supplement, subject to adjustment as provided in these Credit Linked Conditions.

**"Outstanding Amount"** (a) in the case of a Deliverable Obligation, has the meaning given to that term in Credit Linked Condition 4 or Credit Linked Condition 6(a)(3), as applicable, or (b) in the case of a Valuation Obligation, means the Quotation Amount specified in the relevant Valuation Obligation Notification.

**"Outstanding Principal Balance"** means the outstanding principal balance of an obligation which will be calculated as follows:

- (a) *first*, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);
- (b) *second*, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the "**Non-Contingent Amount**"); and
- (c) *third*, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (i) unless otherwise specified, in accordance with the terms of the obligation in effect on either (A) the relevant PSN Effective Date (or if the terms of the obligation are amended after such date but on or prior to the relevant Delivery Date, the Delivery Date), or (B) the relevant Valuation Date; and
- (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

**"Package Observable Bond"** means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published on <https://ihsmarkit.com/index.html> from

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time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within paragraphs (a) or (b) of the definition of Deliverable Obligation (above) or, as applicable, Valuation Obligation (below), in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**"Parallel Auction"** means "Auction" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**"Parallel Auction Cancellation Date"** means "Auction Cancellation Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**"Parallel Auction Settlement Terms"** means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published with respect to such M(M)R Restructuring, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction **provided that** if no such Credit Derivatives Auction Settlement Terms are published, the Calculation Agent may select the applicable Credit Derivatives Auction Settlement Terms.

**"Parallel Notice of Physical Settlement Date"** means "Notice of Physical Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

**"Payment Requirement"** means the amount specified as such in the relevant Pricing Supplement or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the relevant Pricing Supplement, USD1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**"Permissible Deliverable Obligations"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included in the Final List pursuant to the Deliverable Obligation Terms applicable to the relevant Auction.

**"Permitted Contingency"** means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

- (a) as a result of the application of:
  - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
  - (ii) provisions implementing the Subordination of the obligation;
  - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
  - (iv) if "Subordinated European Insurance Terms" are specified as applicable in the relevant Pricing Supplement, any Solvency Capital Provisions; or
  - (v) if "Financial Reference Entity Terms" are specified as applicable in the relevant Pricing Supplement, provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**"Permitted Transfer"** means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in

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circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

**"Physical Settlement Amendment Notice"** has the meaning given to that term in Credit Linked Condition 4 or Credit Linked Condition 6(a)(3), as applicable.

**"Physical Settlement Period"** means, subject to Credit Linked Condition 14, the number of Business Days specified as such in the relevant Pricing Supplement or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Entitlement, the longest number of Business Days for settlement in accordance with the current market practice of such Deliverable Obligation, as determined by the Calculation Agent **provided that** if the Issuer has notified the Noteholders in accordance with Credit Linked Condition 4 or Credit Linked Condition 6(a)(3), as applicable, that it will Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be 35 Business Days.

**"Post Dismissal Additional Period"** means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is five Business Days following the fourteenth calendar day thereafter (**provided that** the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

**"Postponed Cut-off Date"** has the meaning given to that term in Credit Linked Condition 12.

**"Postponed Maturity Date"** has the meaning given to that term in Credit Linked Condition 12.

**"Potential Credit Event"** means a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity), a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity) or if a Credit Event Resolution Request Date has occurred and the relevant Credit Derivatives Determinations Committee has not made its determination, such event will be deemed to be a Potential Credit Event. A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred.

**"Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

**"Potential Repudiation/Moratorium"** means the occurrence of an event described in paragraph (a) of the definition of Repudiation/Moratorium.

**"Prior Deliverable Obligation"** means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within paragraphs (a) or (b) of the definition of Deliverable Obligation above or, as applicable, Valuation Obligation below, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

**"Private-side Loan"** means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

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**"Prohibited Action"** means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in (a) to (d) of the definition of Credit Event above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

**"PSN Cut-off Date"** means, following the occurrence of a Credit Event Determination Date in respect of a Reference Entity and subject, where applicable, to Credit Linked Condition 14, the later of:

- (a) the later of:
  - (i) the thirtieth calendar day after the Credit Event Determination Date; and
  - (ii) the tenth calendar day after either the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal, if any (or, if the relevant Credit Event is an M(M)R Restructuring, the tenth calendar day after the Non-Standard Exercise Cut-off Date),  
**provided that** in the case of paragraph (ii) above, the relevant Credit Event Resolution Request Date, if any, occurred on or prior to the date described in paragraph (i) above; and
- (b) the fifth Business Day after the date on which the "Notice of Physical Settlement" is required to be delivered under the relevant Hedging Representative Auction-Settled Transaction (if any).

**"PSN Effective Date"** means the date on which an effective Notice of Physical Settlement or Physical Settlement Amendment Notice, as the case may be, is delivered by the Issuer in accordance with Credit Linked Condition 4 or Credit Linked Condition 6(a)(3), as applicable.

**"Public Source"** means each source of Publicly Available Information specified as such in the relevant Pricing Supplement (or if no such source is specified in the relevant Pricing Supplement, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**"Publicly Available Information"** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:

- (a) has been published in or on not less than the Specified Number of Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);
- (b) is information received from or published by (i) the Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (c) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body;

**provided that** where any information of the type described in paragraphs (b) or (c) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in paragraphs (b) or (c) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and

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that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Without limitation, Publicly Available Information need not state:

- (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned by the Reference Entity; and
- (ii) that the relevant occurrence:
  - (A) has met the Payment Requirement or Default Requirement;
  - (B) is the result of exceeding any applicable Grace Period; or
  - (C) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs (a) and (b) of the definition of Repudiation/Moratorium below.

**"Qualifying Affiliate Guarantee"** means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

**"Qualifying Guarantee"** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
  - (i) by payment;
  - (ii) by way of Permitted Transfer;
  - (iii) by operation of law;
  - (iv) due to the existence of a Fixed Cap; or
  - (v) due to:
    - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement; or
    - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the relevant Pricing Supplement.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time

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of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy above in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- I. the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- II. if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

**"Qualifying Participation Seller"** means any participation seller that meets the requirements specified in the relevant Pricing Supplement. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**"Quantum of the Claim"** means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, **provided that** the Quantum of the Claim cannot exceed the Non-Contingent Amount.

**"Quotation"** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**"Quotation Amount"** means:

- (a) the amount specified as such in the relevant Pricing Supplement (which may be specified by reference to an amount in a currency or by reference to a Representative Amount); or
- (b) if no amount is specified in the relevant Pricing Supplement, as specified in the Valuation Obligation Notification,

or, in each case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained.

**"Quotation Dealer"** means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in the relevant Pricing Supplement. If no Quotation Dealers are specified in the relevant Pricing Supplement, the Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in

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existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

**"Quotation Method"** means the applicable Quotation Method specified in the relevant Pricing Supplement by reference to one of the following terms:

- (a) **"Bid"** means that only bid quotations shall be requested from Quotation Dealers;
- (b) **"Offer"** means that only offer quotations shall be requested from Quotation Dealers; or
- (c) **"Mid-market"** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the relevant Pricing Supplement, Bid shall apply.

**"Reference Entity"** means:

- (a) the entity specified as such in the relevant Pricing Supplement. Any Successor to the Reference Entity either (i) identified pursuant to the definition of "Successor" on or following the Trade Date or (ii) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant Series; or
- (b) in the case of Index Basket Credit Linked Notes:
  - (i) each relevant Reference Entity contained in any iTraxx Index and listed in the relevant Index Annex, and any Successor to any such Reference Entity either (i) in respect of which ISDA publicly announces on or following the earlier of the relevant Effective Date and the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Successor Resolution Request Date, a Successor in accordance with the DC Rules or (ii) in the event that ISDA does not make such an announcement, identified by the relevant Index Sponsor on or following the earlier of the relevant Effective Date and the Trade Date; and
  - (ii) subject to Credit Linked Condition 26 below, the applicable Reference Entities contained in any CDX Index and listed in the relevant Index Annex, and any Successor to any such Reference Entity either (i) identified by the Calculation Agent on or following the Trade Date pursuant to these Credit Linked Conditions or (ii) unless already reflected in the relevant Index Annex, identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the relevant Effective Date of the relevant Index, as set forth in the relevant Index Annex.

**"Reference Entity Notional Amount"**, in respect of a Reference Entity, means:

- (a) the amount specified as such in the relevant Pricing Supplement (or, if no such amount is so specified, the Aggregate Principal Amount of the Notes as of the Issue Date divided by the number of Reference Entities as of the Issue Date); or
- (b) in the case of Index Basket Credit Linked Notes, an amount equal to (i) the Index Weighting in respect of the relevant Index multiplied by (ii) the Original Notional Amount multiplied by (iii) the Reference Entity Weighting for such Reference Entity multiplied by (iv) the Aggregate Adjusted Reference Entity Weighting in respect of the relevant Index,

in each case subject to adjustment as provided in "Successor" and pursuant to Credit Linked Condition 17 and as otherwise provided in these Credit Linked Conditions.

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**"Reference Entity Weighting"** means the percentage set out opposite the relevant Reference Entity in the Index Annex in respect of the relevant Index.

**"Reference Obligation"** means the Standard Reference Obligation, if any, unless:

- (a) "Standard Reference Obligation" is specified as not applicable in the relevant Pricing Supplement, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; **provided that** if "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, irrespective of any Original Non-Standard Reference Obligation specified in the relevant Pricing Supplement, if (i) a Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List, such Standard Reference Obligation shall be deemed to constitute the Reference Obligation, or (ii) no such Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List but such Standard Reference Obligation has previously been specified on the SRO List, there shall be deemed to be no Reference Obligation and such previously specified Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity shall be deemed to constitute the Prior Reference Obligation; or
- (b) (i) "Standard Reference Obligation" is specified as applicable in the relevant Pricing Supplement (or no election is specified in the relevant Pricing Supplement), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the relevant Pricing Supplement, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, **provided that** the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic or Valuation Obligation Characteristic, as applicable) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation.

Without prejudice to the previous paragraphs:

- (i) for a Reference Entity contained in a CDX Index, the Reference Obligation(s) will be the Reference Obligation(s) (if any) specified in the relevant Index and set out opposite the Reference Entity in the relevant Index Annex, subject to Credit Linked Condition 26 below and the Substitute Reference Obligation provisions herein; and
- (ii) for a Reference Entity contained in an iTraxx Index, the Reference Obligation will be the Reference Obligation (if any) set out opposite the relevant Reference Entity in the relevant Index Annex, subject to the definition of Substitute Reference Obligation below and the following paragraph:

If there is no Standard Reference Obligation and the relevant Index Sponsor publishes a replacement Reference Obligation for a Reference Entity, the Calculation Agent will select such Reference Obligation as the Reference Obligation hereunder for such Reference Entity rather than applying the provisions of the definition of Substitute Reference Obligation below.

**"Reference Obligation Only Notes"** means any Notes in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category, the Deliverable Obligation Category and (as applicable) Valuation Obligation Category in the relevant Pricing Supplement and (b) "Standard Reference Obligation" is specified as not applicable in the relevant Pricing Supplement.

**"Reference Transaction"** means a hypothetical credit derivative transaction:

- (a) for which the Deliverable Obligation Terms, the Reference Obligation and the Reference Entity are (i) the same as in respect of the Credit Linked Notes (if Deliverable Obligation



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terms and a Reference Obligation are specified in the relevant Pricing Supplement) or (ii) if and to the extent Deliverable Obligation terms and/or a Reference Obligation are not specified, the Deliverable Obligation Terms and Reference Obligation determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;

- (b) with a scheduled termination date matching the Scheduled Maturity Date of the Credit Linked Notes; and
- (c) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Issuer's hedging arrangements (if any at the relevant time) and/or any credit derivative elections made in relation to the Credit Linked Notes (if applicable disregarding that the Settlement Method is Cash Settlement, Zero Recovery or Physical Settlement, in each case for the purposes of the Transaction Auction Settlement Terms and Parallel Auction Settlement Terms).

**"Relevant City Business Day"** has the meaning given in the DC Rules.

**"Relevant Guarantee"** means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the relevant Pricing Supplement, a Qualifying Guarantee.

**"Relevant Holder"** means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Notice of Physical Settlement or Physical Settlement Amendment Notice or Valuation Obligation Notification, as applicable.

**"Relevant Obligations"** means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), **provided that**:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor below, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and
- (d) if "Financial Reference Entity Terms" is specified as applicable in the relevant Pricing Supplement, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", **provided that** if no such Relevant Obligations exist, "Relevant Obligations" shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

**"Replaced Deliverable Obligation Outstanding Amount"** has the meaning given to that term in Credit Linked Condition 4 or Credit Linked Condition 6(a)(3), as applicable.

**"Replacement Deliverable Obligation"** has the meaning given to that term in Credit Linked Condition 4 or Credit Linked Condition 6(a)(3), as applicable.

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**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market and at the relevant time, which amount will be determined by the Calculation Agent.

**"Representative Auction-Settled Transaction"** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**"Repudiation/Moratorium"** means the occurrence of both of the following events:

- (a) an authorised officer of the Reference Entity or a Governmental Authority:
  - (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**"Repudiation/Moratorium Evaluation Date"** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium **provided that**, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

**"Repudiation/Moratorium Extension Condition"** will be satisfied:

- (a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen (14) calendar days after the Scheduled Maturity Date that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date; or
- (b) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the relevant Pricing Supplement, a Notice of Publicly Available Information that are each effective on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 12(y) applies, the Postponed Cut-off Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Scheduled Maturity Date.

**"Repudiation/Moratorium Extension Notice"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

"**Resolve**" has the meaning set out in the DC Rules, and "**Resolved**" and "**Resolves**" shall be construed accordingly.

"**Restructured Bond or Loan**" means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

"**Restructuring**" means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to the relevant Credit Linked Notes and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest, or (ii) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (i) the payment in euro of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (iii) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (iv) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a) to (e) above in circumstances where such event does not directly

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, **provided that** in respect of paragraph (e) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition of Restructuring and Credit Linked Condition 18, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of Restructuring and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (i) to (iv) of this definition of Restructuring shall continue to be deemed to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a) to (e) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**"Restructuring Date"** means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Restructuring Maturity Limitation Date"** means with respect to a Deliverable Obligation or Valuation Obligation, as applicable, the Limitation Date occurring on or immediately following the Scheduled Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

**"Reverse Credit Linked Notes"** means Credit Linked Notes indicated as such in the relevant Pricing Supplement, where the Issuer sells credit protection to the Noteholders in respect of only one Reference Entity.

**"Revised Currency Rate"** means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent.

**"Scheduled Maturity Date"** has the meaning given to it in the relevant Pricing Supplement.

**"Seniority Level"** means, with respect to an obligation of the Reference Entity:

- (a) "Senior Level" or "Subordinated Level" as specified in the relevant Pricing Supplement,
- (b) if no such seniority level is specified in the relevant Pricing Supplement, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which "Senior Level"; or
- (c) if "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, "Senior Non-Preferred Level".

**"Senior Non-Preferred Obligation"** means any obligation of the Reference Entity which is Subordinated only to any unsubordinated Borrowed Money Obligations of the Reference Entity but not further or otherwise, or which would be so Subordinated if any unsubordinated Borrowed Money Obligations of the Reference Entity existed, and which ranks above Traditional

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Subordinated Obligations of the Reference Entity or which would so rank if any Traditional Subordinated Obligations of the Reference Entity existed.

**"Senior Obligation"** means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the relevant Reference Entity.

**"Settlement Method"** means, subject as provided herein, if (a) Auction Settlement is specified as the applicable Settlement Method in the relevant Pricing Supplement, Auction Settlement; (b) Physical Settlement is specified as the applicable Settlement Method in the relevant Pricing Supplement, Physical Settlement; (c) Zero Recovery is specified as the applicable Settlement Method in the relevant Pricing Supplement, Zero Recovery or (d) Cash Settlement is specified as the applicable Settlement Method in the relevant Pricing Supplement, Cash Settlement.

**"Settlement Notice"** has the meaning given to that term in Credit Linked Condition 6.

**"Shortfall Amount"** has the meaning given to that term in Credit Linked Condition 6.

**"Single Reference Entity Credit Linked Notes"** means Credit Linked Notes indicated as such in the relevant Pricing Supplement, where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity.

**"Solvency Capital Provisions"** means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

**"Sovereign"** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including without limiting the foregoing, the central bank) thereof.

**"Sovereign Restructured Deliverable Obligation"** means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of Deliverable Obligation above immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Sovereign Restructured Valuation Obligation"** means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within paragraph (a) of the definition of Valuation Obligation below immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Sovereign Succession Event"** means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or, other similar event.

**"Specified Number"** means the number of Public Source(s) specified in the relevant Pricing Supplement, or if no such number is specified in the relevant Pricing Supplement, two.

**"SRO List"** means the list of Standard Reference Obligations as published on <https://ihsmarkit.com/index.html> from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

**"Standard Reference Obligation"** means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

**"Standard Specified Currency"** means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

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**"Steps Plan"** means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

**"Subordinated Obligation"** means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the relevant Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of that Reference Entity existed. If "Additional Provisions for Senior Non-Preferred Reference Obligations" is specified as applicable in the relevant Pricing Supplement, a Senior Non-Preferred Obligation shall constitute a Subordinated Obligation for the purposes of these Credit Linked Conditions and it shall be deemed that there is a relevant Reference Obligation which is a Subordinated Obligation for the purposes of the definitions of "Excluded Obligation" and "Relevant Obligation" in this Credit Linked Condition 16.

**"Substitute Reference Obligation"** means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; **provided that** the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii)). If the event set forth in paragraph (b)(i) of the definition of Substitution Event below has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event below occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
  - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
  - (ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
  - (iii)
    - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
      - I. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
      - II. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above;

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- (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
  - I. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
  - II. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
  - III. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
  - IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or
- (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
  - I. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
  - II. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
  - III. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
  - IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the Notes as determined by the Calculation Agent. The Calculation Agent will notify the Noteholders in accordance with Condition 14 (*Notices*) of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation. For the avoidance of doubt any failure to provide such a notice to the Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the foregoing provisions.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.
- (f) For the avoidance of doubt, no Substitute Reference Obligation shall be determined in respect of any Credit Linked Notes that are Reference Obligation Only Notes.

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**"Substitution Date"** means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the Issuer of the Substitute Reference Obligation that it has identified in accordance with the definition of Substitute Reference Obligation above.

**"Substitution Event"** means, with respect to the Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole; or
- (b) **provided that** the Credit Linked Notes to which the Non-Standard Reference Obligation relates are not Reference Obligation Only Notes:
  - (i) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
  - (ii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event. If an event described in paragraphs (a) or (b)(i) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraphs (a) or (b)(i) above as the case may be, on the Trade Date.

**"Substitution Event Date"** means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; **provided that** if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (a) of the definition of Successor below would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

**"Successor"** means:

- (a) subject to paragraph (b) below, the entity or entities, if any, determined as follows:
  - (i) subject to paragraph (vii), if one entity succeeds, either directly or indirectly, as a provider of a Relevant Guarantee, to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
  - (ii) if only one entity succeeds directly as a provider of a Relevant Guarantee, to more than twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor;
  - (iii) if more than one entity each succeeds directly as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and the Base Conditions and/or the relevant Pricing Supplement will be adjusted as provided below;



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- (iv) if one or more entity each succeed directly as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the Base Conditions and/or the relevant Pricing Supplement will be adjusted as provided below;
  - (v) if one or more entities succeed directly as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
  - (vi) if one or more entities succeed, either directly or indirectly, as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (**provided that** if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and the Base Conditions and/or the relevant Pricing Supplement will be adjusted as provided below); and
  - (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor; and
- (b) an entity may only be a Successor if:
- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
  - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
  - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a) above, **provided that** the Calculation Agent will not make any such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent may, if it determines appropriate, select an alternative Transaction Type for any Successor to a Reference Entity and adjust such of the Base Conditions and/or the relevant Pricing Supplement as it determines appropriate to reflect such new Transaction Type and determine the effective date of any such change and adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if any such Transaction Type and adjustment reflects any adjustment to any credit derivative transaction(s) related to or underlying the Credit Linked Notes incorporating the provisions of the 2014 ISDA Credit Derivatives Definitions (the "**2014 Definitions**"). Upon the Calculation Agent making such adjustment, the

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Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 14 (*Notices*) stating the new Transaction Type and the adjustment to the Base Conditions and/or the relevant Pricing Supplement (if any). For the avoidance of doubt any failure to provide such a notice to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the foregoing provisions.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information and will, as soon as practicable after such calculation or determination, make such calculation or determination available for inspection by Noteholders at the specified office of the Principal Paying Agent. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

Where pursuant to paragraph (iii) or (a)(iv) or (a)(vi) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Base Conditions and/or the relevant Pricing Supplement as it shall determine to be appropriate (including, without limitation, the Reference Entity Notional Amount and (if applicable) the Transaction Type) to reflect that the Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Base Conditions and/or the relevant Pricing Supplement in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Credit Linked Notes under the provisions of the 2014 Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 14 (*Notices*) stating the adjustment to the Base Conditions and/or the relevant Pricing Supplement and giving brief details of the relevant Successor event. For the avoidance of doubt any failure to provide such a notice to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the foregoing provisions.

If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "**Joint Relevant Obligation**") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

For the purposes of this definition of "Successor", "succeed" means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this definition of "Successor", "succeeded" and "succession" shall be construed accordingly. In the case of an exchange offer, the determinations required pursuant to paragraph (a) of this definition of "Successor" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

Where a single entity is a Reference Entity under the Credit Linked Notes more than once by virtue of the operation of these Successor provisions, such entity will continue to be treated as separate Reference Entities under the Credit Linked Notes and a Credit Event Determination Date, and settlement with respect thereto, may occur separately for each such Reference Entity.

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**"Successor Backstop Date"** means for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**"Successor Notice"** means an irrevocable notice from the Calculation Agent to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined.

A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph (a) of the definition of Successor above.

**"Successor Resolution Request Date"** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**"Tier 2 Subordinated Obligation"** means any obligation of the Reference Entity which means the conditions set out in Article 63 of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013, as such Article may be amended or replaced from time to time (the "CRR") or which are (or were at any time) otherwise eligible as a Tier 2 item in accordance with the CRR.

**"Trade Date"** means the date specified as such in the relevant Pricing Supplement.

**"Trading Terms Matrix"** means the terms for the relevant Index, as published by the relevant Index Publisher (which can be accessed at <https://ihsmarkit.com/products/indices.html> or any successor website thereto). In the event of any inconsistency between the Trading Terms Matrix and these Credit Linked Conditions, the Trading Terms Matrix will govern.

**"Traditional Subordinated Obligation"** means:

- (a) Tier 2 Subordinated Obligations of the Reference Entity;
- (b) any obligations of the Reference Entity which rank or are expressed to rank *pari passu* with any Tier 2 Subordinated Obligations of the Reference Entity; and
- (c) any obligations of the Reference Entity which are Subordinated to the obligations thereto described in paragraphs (a) and (b) above shall each (without limitation) constitute Traditional Subordinated Obligations in respect of a Senior Non-Preferred Obligation.

**"Transaction Auction Settlement Terms"** means the Credit Derivatives Auction Settlement Terms selected by the Calculation Agent in accordance with this provision. In relation to a Credit Event (and as set out in the definition of Credit Derivatives Auction Settlement Terms), one or more form(s) of Credit Derivatives Auction Settlement Terms may be published on <https://www.cdsdeterminationscommittees.org/> (or any successor website thereto) and such forms may be amended from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, *inter alia*, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the Credit Linked Notes shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms). The Reference Transaction (as set out in the definition thereof) is a hypothetical credit derivative transaction included in these Credit Linked

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Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Credit Linked Notes.

**"Transaction Type"** is:

- (a) as specified in the relevant Pricing Supplement, subject to adjustment as provided in "Successor";
- (b) for a Reference Entity contained in an iTraxx Index, as set out opposite the relevant Reference Entity in the relevant Index Annex, subject to adjustment as provided in "Successor" as applicable; or
- (c) for a Reference Entity contained in a CDX Index:
  - (i) Standard North American Corporate;
  - (ii) where such Index is a "Markit CDX.LatAm Corp", as specified in the Trading Terms Matrix for the Reference Entity, subject to adjustment as provided in "Successor" as applicable; or
  - (iii) where such Index is a "Markit CDX.EM", if the "Region" set out opposite the relevant Reference Entity in the relevant Index Annex is:
    - (x) Asia, Standard Asia Sovereign;
    - (y) EEMEA, Standard Emerging European & Middle Eastern Sovereign; or
    - (z) Latin America, Standard Latin America Sovereign,

subject to adjustment as provided in "Successor" as applicable.

**"Undeliverable Obligation"** means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order, contractual restrictions, statutory restrictions or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans or non-delivery of an Asset Transfer Notice or any relevant information by a holder) it is impossible or illegal or impractical to Deliver on the Credit Settlement Date.

**"Underlying Obligation"** means, with respect to a guarantee, the obligation which is the subject of the guarantee.

**"Underlying Obligor"** means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

**"Unwind Costs"** means:

- (a) the amount specified in the relevant Pricing Supplement;
- (b) if "Standard Unwind Costs" are specified in the relevant Pricing Supplement, an amount determined by the Calculation Agent equal to the aggregate sum of (without duplication) all costs (including loss of funding), fees, charges, expenses, tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption or credit settlement of the Credit Linked Notes and the related termination, liquidation, settlement or re-establishment (whether in whole or in part) of any Hedging Arrangements, such amount to be apportioned *pro rata* amongst each nominal amount of Notes equal to the Calculation Amount; or
- (c) if "Zero Unwind Costs" are specified in the relevant Pricing Supplement, zero.

**"Valuation Date"** means:

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- (a) if "Single Valuation Date" is specified in the relevant Pricing Supplement and subject to Credit Linked Condition 14:
  - (i) in respect of Reverse Credit Linked Notes, a Business Day as selected by the Issuer in its sole and absolute discretion following the Credit Event Determination Date; and
  - (ii) in all other cases, the date that is the Number of Valuation Business Days following the Credit Event Determination Date or, if any and as applicable, the Calculation Agent Fallback Settlement Determination Date, the Auction Cancellation Date or the relevant No Auction Announcement Date; and
- (b) if "Multiple Valuation Dates" is specified in the relevant Pricing Supplement, each of the following dates:
  - (i) subject to Credit Linked Condition 14, the date that is the Number of Valuation Business Days following the Credit Event Determination Date or, if any and as applicable, the Calculation Agent Fallback Settlement Determination Date, the Auction Cancellation Date or the relevant No Auction Announcement Date; and
  - (ii) each successive date that is the Number of Valuation Business Days after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "**Multiple Valuation Dates**" is specified in the relevant Pricing Supplement, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the relevant Pricing Supplement (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the relevant Pricing Supplement, Single Valuation Date shall apply.

### "Valuation Method":

- (a) The following Valuation Methods may be specified in the relevant Pricing Supplement with only one Valuation Date:
  - (i) "**Market**" means the Market Value determined by the Calculation Agent with respect to the Valuation Date;
  - (ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date; or
  - (iii) "**Lowest**" means the lowest Quotation obtained by the Calculation Agent with respect to the Valuation Date.
- (b) If no such Valuation Method is specified in the relevant Pricing Supplement, the Valuation Method shall be Highest.
- (c) The following Valuation Methods may be specified in the relevant Pricing Supplement with more than one Valuation Date:
  - (i) "**Average Market**" means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
  - (ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
  - (iii) "**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.
- (d) If no such Valuation Method is specified in the relevant Pricing Supplement, the Valuation Method shall be Average Highest.

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Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Calculation Agent may at its option determine that the Valuation Method shall be Market or Average Market, as the case may be.

Where applicable, the relevant Pricing Supplement may specify an alternative Valuation Method which shall be applicable in respect of the relevant Credit Linked Notes.

**"Valuation Obligation"** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "(A) Method for Determining Valuation Obligations" below;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Valuation Obligation; and
- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the relevant Pricing Supplement, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond,

in each case, as selected by the Issuer in its sole and absolute discretion and notified to the Calculation Agent (a **"Valuation Obligation Notification"**) on or prior to the Valuation Date and (i) unless it is an Excluded Valuation Obligation and (ii) **provided that** the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d) above, immediately prior to the relevant Asset Package Credit Event).

- (i) *Method for Determining Valuation Obligations.* For the purposes of this definition of "Valuation Obligation", the term "Valuation Obligation" may be defined as each obligation of the Reference Entity described by the Valuation Obligation Category specified in the relevant Pricing Supplement, and, subject to paragraph (ii) (*Interpretation of Provisions*) below, having each of, the Valuation Obligation Characteristics, if any, specified in the relevant Pricing Supplement, in each case, as of each such date the Issuer determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, the date of delivery of the Valuation Obligation Notification. The following terms shall have the following meanings:

- (A) **"Valuation Obligation Category"** means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" above, except that, for the purpose of determining Valuation Obligations, the definition of "Reference Obligation Only" shall be amended to state that no Valuation Obligation Characteristics shall be applicable to Reference Obligation Only).

- (B) **"Valuation Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" above), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer;

- (1) **"Assignable Loan"** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the

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consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;

- (2) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;
- (3) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (4) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, **provided that** none of the following shall be considered contractual, statutory or regulatory restrictions:
  - I contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
  - II restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - III restrictions in respect of blocked periods on or around payment dates or voting periods;
- (5) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than the period specified in the relevant Pricing Supplement (or if no such period is specified, thirty years);
- (6) "**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (7) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream International or any other internationally recognised clearing system.

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- (ii) *Interpretation of Provisions*
- (A) If (i) any of the Valuation Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Bonds; (ii) the Valuation Obligation Characteristic "Transferable" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans; or (iii) any of the Valuation Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans.
- (B) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Valuation Obligation Characteristics in the relevant Pricing Supplement, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics.
- (C) If a Valuation Obligation is a Relevant Guarantee, the following will apply:
- (1) for purposes of the application of the Valuation Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (2) for purposes of the application of the Valuation Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Valuation Obligation Characteristics, if any, specified in the relevant Pricing Supplement from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
  - (3) for purposes of the application of the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Valuation Obligation Characteristics, if any, specified in the relevant Pricing Supplement from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured" and "Not Bearer"; and
  - (4) for purposes of the application of the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (D) For purposes of the application of the Valuation Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the remaining maturity shall be zero.



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- (E) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the relevant Pricing Supplement, if an obligation would otherwise satisfy a particular Valuation Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Valuation Obligation Characteristic.
- (F) For purposes of determining the applicability of Valuation Obligation Characteristics and the requirements specified in the paragraphs commencing "If "Mod R"..." and "If "Mod Mod R"..." below to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (G) If "Subordinated European Insurance Terms" is specified as applicable in the relevant Pricing Supplement, if an obligation would otherwise satisfy the "Maximum Maturity" Valuation Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Valuation Obligation Characteristic.

If "Mod R" is specified as applicable in the relevant Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Valuation Obligation may be specified in a Valuation Obligation Notification only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, the date of delivery of the Valuation Obligation Notification.

If "Mod Mod R" is specified as applicable in the relevant Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Valuation Obligation may be specified in a Valuation Obligation Notification only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements or, if none at the relevant time, the date of delivery of the Valuation Obligation Notification. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

For the purposes of making a determination pursuant to the two prior paragraphs or the definition of Restructuring Maturity Limitation Date, the final maturity date shall, subject as provided in the prior paragraph, be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if Sovereign No Asset Package Delivery is specified as applicable in the relevant Pricing Supplement, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published) and accordingly, Asset Package Delivery shall not apply thereto.

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The Valuation Obligation Notification shall describe the selected Valuation Obligation(s) in reasonable detail and shall specify the relevant title(s) or designation(s), maturity date(s) and coupon rate(s) and, unless the Quotation Amount is specified in the relevant Pricing Supplement, the applicable Quotation Amount in respect of each such Valuation Obligation (**Provided That** the aggregate of the Quotation Amounts in respect of the Valuation Obligations shall not exceed the relevant Reference Entity Notional Amount). The Issuer may at any time after delivering a Valuation Obligation Notification but prior to the Valuation Time on the Valuation Date deliver a further Valuation Obligation Notification which shall replace all prior Valuation Obligation Notifications in relation to any additional or replacement Valuation Obligation(s) specified therein.

For the avoidance of doubt the Issuer shall be entitled to select any Valuation Obligations for the purposes of calculating the Final Price irrespective of their market value and, **provided that** (in the case of a Valuation Obligation selected pursuant to sub-paragraph (a) above) the selected obligation satisfies the applicable Valuation Obligation Category and Valuation Obligation Characteristics on the relevant date, such obligation(s) may constitute the Valuation Obligation(s) for the purposes hereof notwithstanding that this is not the case subsequent to such date.

**"Valuation Time"** means the time specified as such in the relevant Pricing Supplement or, if no time is so specified, 11.00 a.m. in the principal trading market for the Valuation Obligation.

**"Weighted Average Quotation"** means in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but, of a size at least equal to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

**"Zero Recovery Basket Credit Linked Notes"** means Basket Credit Linked Notes for which the Settlement Method is Zero Recovery.

**"Zero Recovery Credit Linked Notes"** means Zero Recovery Basket Credit Linked Notes and Zero Recovery Single Reference Entity Credit Linked Notes.

**"Zero Recovery Single Reference Entity Credit Linked Notes"** means Single Reference Entity Credit Linked Notes for which the Settlement Method is Zero Recovery.

### 17. **Credit Event Notice after Restructuring Credit Event**

Notwithstanding anything to the contrary in these Credit Linked Conditions, upon the occurrence of an M(M)R Restructuring:

- (a) The Calculation Agent may deliver multiple Credit Event Notices in respect of such M(M)R Restructuring, each such Credit Event Notice setting forth an amount of the relevant Reference Entity Notional Amount to which such Restructuring Credit Event applies (the **"Partial Redemption Amount"**) that may be less than such Reference Entity Notional Amount immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Redemption Amount only and each such Credit Linked Note shall be redeemed in part (such redeemed part being equal to such Note's *pro rata* share of the Partial Redemption Amount).
- (b) For the avoidance of doubt (A) the nominal amount of each Credit Linked Note not so redeemed in part shall remain outstanding, the Reference Entity Notional Amount shall be reduced by the Partial Redemption Amount and interest shall accrue in respect of each Credit Linked Note as provided in Condition 4 (*Fixed Rate Note Provisions*) or Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*), and Credit Linked Condition 6(b), as applicable, (adjusted in such manner as the Calculation Agent determines to be appropriate), (B) the Credit Linked Conditions and related provisions shall apply to such Credit Linked Note in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event,

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different Credit Event Determination Dates have been determined with respect to different portions of amounts payable or deliverable to Noteholders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to the Base Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 17 and (y) the effective date of such adjustment(s).

- (c) If the provisions of this Credit Linked Condition 17 apply in respect of the Credit Linked Notes, on redemption of part of each such Credit Linked Note the relevant Credit Linked Note or, if the Credit Linked Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such part redemption.

### 18. Provisions relating to Multiple Holder Obligation

Unless this Credit Linked Condition 18 is specified as not applicable in the relevant Pricing Supplement, then, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a) to (e) of the definition of "Restructuring" shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**"Multiple Holder Obligation"** means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event, **provided that** any Obligation that is a Bond shall be deemed to satisfy the requirement in paragraph (ii).

### 19. Calculation Agent, Calculation Agent Notices and Timings

- (a) Whenever any state of affairs, circumstance, event or other matter falls to be determined, considered or otherwise decided upon, or any discretion is required to be exercised, by the Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon, or that discretion shall be exercised, (i) where by the Calculation Agent, acting in good faith and in a commercially reasonable manner or (ii) where by such other person, acting in its sole and absolute discretion and in each case shall in the absence of manifest error be final and binding on the Issuer and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion. Neither the Calculation Agent nor the Issuer shall be liable for any loss, liability, cost, claim, action, demand or expense (including without limitation, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) arising out of or in relation to or in connection with the Calculation Agent's appointment or the exercise of its functions (including, without limitation, any such delay, deferral or forbearance), except in the case of the Calculation Agent such as may result from its own wilful default, negligence or bad faith or that of its officers or agents.
- (b) Any notice to be delivered by the Calculation Agent to the Issuer pursuant to these Credit Linked Conditions may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice will be effective when given, regardless of the form in which it is delivered. A notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.

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- (c) Any notice to be delivered by the Issuer to the Calculation Agent pursuant to these Credit Linked Conditions may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice will be effective when given, regardless of the form in which it is delivered. A notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.
- (d) For the purposes of determining the day on which an event occurs for purposes of these Credit Linked Conditions, the Calculation Agent will determine the demarcation of days by reference to Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time) irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.
- (e) In addition, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone of its place of payment.

### 20. **Amendment of Credit Linked Conditions**

The Calculation Agent may from time to time amend any provision of these Credit Linked Conditions in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable from the perspective of the Issuer, the Calculation Agent or a party to the Hedging Arrangements (i) to incorporate and/or reflect further or alternative documents or protocols from time to time published by or on behalf of ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by Credit Derivatives Determinations Committees, including without limitation, in relation to settlement, credit events and successors and/or (ii) to reflect or account for market practice for credit derivative transactions and/or reflect or account for a Hedge Disruption Event. Any amendment made in accordance with this Credit Linked Condition 20 shall be notified to the Noteholders in accordance with Condition 14 (*Notices*). Any failure to provide notice of any such amendment to Noteholders will not constitute an Event of Default under the Notes and will not affect the validity of any of the foregoing provisions.

### 21. **Early redemption of Reference Obligation Only Notes following a Substitution Event**

If the Notes are Reference Obligation Only Notes relating to a single Reference Entity and the event set out in paragraph (a) of the definition of Substitution Event above occurs with respect to the Reference Obligation, then:

- (a) interest (if any) shall cease to accrue on the Credit Linked Notes from and including the Interest Payment Date immediately preceding the relevant Substitution Event Date or, if no Interest Payment Date has occurred, no interest will accrue on the Credit Linked Notes; and
- (b) each Credit Linked Note will be redeemed by the Issuer at its relevant Reference Obligation Only Early Termination Amount specified in, or determined in the manner specified in, the relevant Pricing Supplement on the Maturity Date, which for the purposes of this Credit Linked Condition 21 shall be the day falling five Business Days following the relevant Substitution Event Date.

This Credit Linked Condition 21 shall not apply to Reverse Credit Linked Notes.

### 22. **DC Resolution Adjustment Events**

If following the publication of a DC Resolution (the "**Prior DC Resolution**"), a further DC Resolution (the relevant "**Further DC Resolution**") is published the effect of which would be to reverse all or part of the Prior DC Resolution or if any DC Resolution would reverse any

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

determination made by the Calculation Agent and/or the occurrence of a Credit Event Determination Date, notwithstanding any other provisions of these Credit Linked Conditions the Calculation Agent may make any adjustment(s) that the Calculation Agent determines is necessary or desirable to the Conditions or these Credit Linked Conditions to reflect the publication of such Further DC Resolution or DC Resolution, including, without limitation, as a result of the impact or effect of such Further DC Resolution or DC Resolution on the Hedging Arrangements (if any at the relevant time).

### 23. **Payments**

Condition 9(d) (*Payments – General Provisions*) shall be amended by including the following sentence as the last sentence therein:

"Notwithstanding anything contained in these Conditions, if any relevant Condition requires any amounts in relation to a Note to be rounded as part of any calculations or determinations, then in the case of Notes which are for the time being represented by a Global Note, such calculation or determination shall be carried out in relation to the aggregate principal amount of the Notes so represented. Any rounding shall be carried out to the result thereof and the rounding shall not be carried out in relation to any calculations or determinations made on a *pro rata* or per Note basis."

### 24. **Meetings of Noteholders, Modification and Substitution**

Condition 16 (*Meetings of Noteholders, Modification and Substitution*) shall be amended by inserting "; or" after the reference to "Notes" in the last line of sub paragraph (b)(iii) and inserting thereafter the following as a new sub paragraph (b)(iv):

"(iv) any modification of the Notes after the Issue Date required in connection with the listing of the Notes on any stock exchange."

### 25. **Amendments to an Index Annex for an iTraxx Index**

The relevant Index Annex in respect of an iTraxx Index will be deemed amended from time to time to reflect any modifications resulting from the application of the definitions of Reference Entity, Reference Obligation, Standard Reference Obligation and/or Substitute Reference Obligation above.

### 26. **Inconsistency between Index Annex and a CDX Index**

In the event of any inconsistency between the relevant Index Annex in respect of a CDX Index and the corresponding Index published by the relevant Index Sponsor, the relevant Index Annex shall govern.

### 27. **2019 Narrowly Tailored Credit Event Provisions**

If "2019 Narrowly Tailored Credit Event Provisions" are specified as applicable in the relevant Pricing Supplement, the following provisions shall apply for the purpose of the Notes.

#### (a) **Outstanding Principal Balance**

The definition of "**Outstanding Principal Balance**" in Credit Linked Condition 16 is hereby deleted in its entirety and replaced with the following:

"**Outstanding Principal Balance**" means the outstanding principal balance of an obligation which will be calculated as follows:

- (a) *first*, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);

- (b) *second*, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph 16(a) above less any amounts subtracted in accordance with this paragraph (b), the "**Non Contingent Amount**"); and
- (c) *third*, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (i) unless otherwise specified, in accordance with the terms of the obligation in effect on either (A) the relevant PSN Effective Date (or if the terms of the obligation are amended after such date but on or prior to the relevant Delivery Date, the Delivery Date), or (B) the relevant Valuation Date; and
- (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

For the purposes of paragraph (ii) above, "**applicable laws**" shall include any bankruptcy or insolvency law or other law affecting creditors' rights to which the relevant obligation is, or may become, subject.

If "Fallback Discounting" is specified as applicable in the relevant Pricing Supplement, then notwithstanding the above, if (i) the Outstanding Principal Balance of an obligation is not reduced or discounted under paragraph (ii) above, (ii) that obligation is either a Bond that has an issue price less than ninety-five per cent of the principal redemption amount or a Loan where the amount advanced is less than ninety-five per cent of the principal repayment amount, and (iii) such Bond or Loan does not include provisions relating to the accretion over time of the amount which would be payable on an early redemption or repayment of such Bond or Loan that are customary for the applicable type of Bond or Loan as the case may be, then the Outstanding Principal Balance of such Bond or Loan shall be the lesser of (a) the Non-Contingent Amount; and (b) an amount determined by straight line interpolation between the issue price of the Bond or the amount advanced under the Loan and the principal redemption amount or principal repayment amount, as applicable.

For the purposes of determining whether the issue price of a Bond or the amount advanced under a Loan is less than ninety-five per cent of the principal redemption amount or principal repayment amount (as applicable) or, where applicable, for applying straight line interpolation:

- (x) where such Bond or Loan was issued as a result of an exchange offer, the issue price or amount advanced of the new Bond or Loan resulting from the exchange shall be deemed to be equal to the aggregate Outstanding Principal Balance of the original obligation(s) that were tendered or exchanged (the "**Original Obligation(s)**") at the time of such exchange (determined without regard to market or trading value of the Original Obligation(s)); and
- (y) in the case of a Bond or Loan that is fungible with a prior debt obligation previously issued by the Reference Entity, such Bond or Loan shall be treated as having the same issue price or amount advanced as the prior debt obligation.

In circumstances where a holder would have received more than one obligation in exchange for the Original Obligation(s), the Calculation Agent will determine the allocation of the aggregate Outstanding Principal Balance of the Original Obligation(s)

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

amongst each of the resulting obligations for the purpose of determining the issue price or amount advanced of the relevant Bond or Loan. Such allocation will take into account the interest rate, maturity, level of subordination and other terms of the obligations that resulted from the exchange and shall be made by the Calculation Agent in accordance with the methodology (if any) determined by the relevant Credit Derivatives Determinations Committee or, if none, as determined by the Calculation Agent in such manner and by reference to such source(s) as it determines appropriate."

(b) **Failure to Pay**

The definition of "**Failure to Pay**" in Credit Linked Condition 16 is hereby deleted in its entirety and replaced with the following:

"**Failure to Pay**" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure **provided that**, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination. If "Credit Deterioration Requirement" is specified as applicable in the relevant Pricing Supplement, then, notwithstanding the foregoing, it shall not constitute a Failure to Pay if such failure does not directly or indirectly either result from, or result in, a deterioration in the creditworthiness or financial condition of the Reference Entity, as determined by the Calculation Agent. In making such determination, the Calculation Agent may take into account the guidance note set out in paragraph 3 (Interpretive Guidance) of the ISDA 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (published on July 15, 2019).

28. **2020 Limited Recourse Additional Provisions**

If "2020 Limited Recourse Additional Provisions" are specified as applicable in the relevant Pricing Supplement, the following provisions shall apply for the purpose of the Notes.

- (a) Paragraph (a) of the definition of "Permitted Contingency" in Credit Linked Condition 16 is amended by (x) deleting the word "or" at the end of sub-paragraph (iv) thereof; and (y) inserting the following sub-paragraph at the end of the existing provision:

"(vi) provisions which (A) limit recourse in respect of the obligation to the proceeds of specified assets or the proceeds resulting from the enforcement of security or collateral arrangements and/or (B) extinguish any obligation that remains outstanding following the disposal of specified assets and/or the enforcement of the security or collateral arrangements and in each case the application of the resulting proceeds (any such provisions, "**Limited Recourse Provisions**"); or".

- (b) If an obligation includes Limited Recourse Provisions, then for the purpose of determining whether such obligation is an Obligation or a Deliverable Obligation such obligation is deemed to satisfy "Not Subordinated".
- (c) For the avoidance of doubt, in the event of any inconsistency between this Credit Linked Condition 28 and any other Credit Linked Conditions, this Credit Linked Condition 28 will govern.

29. **Additional Provisions for Certain Russian Entities: Excluded Obligations and Excluded Deliverable Obligations**

## Part G - Additional Terms and Conditions Relating to Credit-Linked Notes

If "Additional Provisions for Certain Russian Entities: Excluded Obligations and Excluded Deliverable Obligations" are specified as applicable in the relevant Pricing Supplement, the following provisions shall apply for the purpose of the Notes.

- (a) Unless and until the Restricted Period has ended, notwithstanding the definition of "Obligation", any obligation that is Restricted Debt shall be an "Excluded Obligation".
- (b) Unless and until the Restricted Period has ended, notwithstanding the definition of "Deliverable Obligation", any obligation that is Restricted Debt shall be an "Excluded Deliverable Obligation".
- (c) Unless and until the Restricted Period has ended, notwithstanding the definition of "Valuation Obligation", any obligation that is Restricted Debt shall be an "Excluded Valuation Obligation".
- (d) The relevant Credit Derivatives Determinations Committee may determine whether the Restricted Period has ended in respect of any Covered Reference Entity.
- (e) For the purpose of this Credit Linked Condition 29:
  - (i) "**Covered Reference Entity**" means each of the Russian Federation (this includes any government ministry, agency or instrumentality of the Russian Federation, including the Ministry of Finance of the Russian Federation) and Gazprom Public Joint Stock Company.
  - (ii) "**Relevant Sanctions**" means any economic or financial sanctions, trade embargoes or other similar prohibitions or restrictions on activity pursuant to any laws, regulations, orders or licenses imposed, administered or enforced from time to time by a Sanctions Authority. In respect of the European Union, the Relevant Sanctions are limited to those imposed by the European Union itself and not sanctions imposed by an individual member state.
  - (iii) "**Restricted Debt**" means any debt that is issued or incurred on or after the Restricted Debt Start Date of the applicable Covered Reference Entity (either directly or as provider of a Relevant Guarantee).
  - (iv) "**Restricted Debt End Date**" means, in respect of a Covered Reference Entity, the first day on which no Relevant Sanctions on Secondary Trading apply in respect of debt issued or incurred by the applicable Covered Reference Entity on or after the Restricted Debt Start Date.
  - (v) "**Restricted Debt Start Date**" means, in respect of a Covered Reference Entity, 24 February 2022.
  - (vi) "**Restricted Period**" means, in respect of a Covered Reference Entity, the period from, and including, the Restricted Debt Start Date to, but excluding, the Restricted Debt End Date.
  - (vii) "**Sanctions Authority**" means any authority responsible for the imposition, administration and/or enforcement of sanctions in Canada, the European Union, Japan, Switzerland, the United Kingdom and the United States of America.
  - (viii) "**Secondary Trading**" means the purchase, sale or dealing in debt issued or incurred by the applicable Covered Reference Entity (either directly or as provider of a Relevant Guarantee) (other than such activities that occur solely within the primary market at the time the debt is issued or incurred).
- (f) For the avoidance of doubt, in the event of any inconsistency between this Credit Linked Condition 29 and any other Credit Linked Conditions, this Credit Linked Condition 29 will prevail.



## Part G - Pro Forma Pricing Supplement for Credit-Linked Notes

### PART G – PRO FORMA PRICING SUPPLEMENT FOR CREDIT-LINKED NOTES

*(When completing any pricing supplement, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.)*

The terms and conditions of Credit-Linked Notes shall consist of the "Part B1 – Terms and Conditions of the Notes" set out in "Part B1 – Terms and Conditions of the Notes" and "Part G – Additional Terms and Conditions relating to Credit-Linked Notes" of the Offering Memorandum (together the "Base Conditions") as amended or supplemented by the terms set out in this Pricing Supplement (including the Schedule hereto) (the "Pricing Supplement"), (terms used herein shall be deemed to be defined as such for the purposes of the Base Conditions).

#### PRICING SUPPLEMENT

Pricing Supplement dated: [•]

[HSBC Bank plc

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*  
/ HSBC Bank Middle East Limited / HSBC Continental Europe]

as Issuer

Programme for the Issuance of Notes and Warrants

[Further] Issue of

[Aggregate Principal Amount of Tranche] [Credit Linked Notes] [Reverse Credit Linked Notes] due [•] linked to [name of Reference Entity] [a basket of [number of Reference Entities] Reference Entities] [the Reference Entities in the Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia] [index name] Series [•] Version [•]] [the Reference Entities in the Markit CDX™ [NA.[IG/HY/XO].[ ]].EM] [.LatAm Corp] [specify sector, if any] [specify series, if any] [specify version, if any]] [(Subordinated)]

[(to be consolidated and form a single series with the existing [Insert details of existing Tranche(s)] issued pursuant to the Programme for the Issuance of Notes and Warrants]

#### PART A - CONTRACTUAL TERMS

This document constitutes the pricing supplement (the "Pricing Supplement") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin")] and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "Offering Memorandum") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes, including the Part G – Additional Terms and Conditions Relating to Credit-Linked Notes (the "Conditions") set forth in the Offering Memorandum.] The Alternative Note General Conditions do not apply.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Continental Europe, 38, avenue Kléber, 75116, Paris, France and [www.about.hsbc.fr/investor-relations/debt-issuance](http://www.about.hsbc.fr/investor-relations/debt-issuance)].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act**

2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).

*[Specify target market, if required. For example:*

***EU MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.*

***UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]*

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or

## Part G - Pro Forma Pricing Supplement for Credit-Linked Notes

selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("**FinSA**") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("**FinSO**"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).] OR

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Notes which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2021 Amended/2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2021 Amended/2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2005/2006/2007/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2021 Amended/2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

*[For Notes offered and sold in the United States of America include:*

### IMPORTANT NOTICES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S) IN OFFSHORE TRANSACTIONS IN RELIANCE ON

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REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, the Issuer will promptly furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*[For Index Basket Credit Linked Notes linked to one Index, insert (ensure up to date as at the Issue Date):*

The Notes are linked to the Index.

The Index referenced herein is the property of the Index Sponsor and has been licensed for use in connection with the Notes. The Issuer acknowledges and agrees that the Notes are not sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a Credit Event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein.

The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of investing in the Notes, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. The Index Sponsor shall not have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Index.

*[For iTraxx Index, insert:*

"iTraxx®", "Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia]" and "Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia] [Index name]" are service marks of Markit Indices Limited and have been licensed for use by the Issuer.]

*[For CDX Index, insert:*

"CDX™", "Markit CDX™ [North American [IG/HY/XO]] [EM] [LatAm Corp]" and "Markit CDX.[NA.[IG/HY/XO].[ ]][EM][LatAm Corp] [specify sector, if any] [specify series, if any] [specify version, if any]" are service marks of Markit North America, Inc. and have been licensed for use by the Issuer.]]

## Part G - Pro Forma Pricing Supplement for Credit-Linked Notes

*[For Index Basket Credit Linked Notes linked to more than one Index, insert (ensure up to date as at the Issue Date):*

The Notes are linked to each Index.

Each Index referenced herein is the property of the relevant Index Sponsor and has been licensed for use in connection with the Notes. The Issuer acknowledges and agrees that the Notes are not sponsored, endorsed or promoted by any Index Sponsor. The relevant Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the relevant Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to quality, accuracy and/or completeness of the relevant Index or any data included therein, the results obtained from the use of the relevant Index and/or the composition of the relevant Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a Credit Event or similar event (however defined) with respect to an obligation, in the relevant Index at any particular time on any particular date or otherwise. The relevant Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the relevant Index, and the relevant Index Sponsor is under no obligation to advise the parties or any person of any error therein.

The relevant Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of investing in the Notes, the ability of the relevant Index to track relevant markets' performances, or otherwise relating to the relevant Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The relevant Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the relevant Index. The relevant Index Sponsor shall not have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the relevant Index.

*[For iTraxx Index, insert:*

"iTraxx®", "Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia]" and "Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia] [*Index name*]" are service marks of Markit Indices Limited and have been licensed for use by the Issuer. *(Repeat as applicable depending upon the Indices)]*

*[For CDX Index, insert:*

"CDX™", "Markit CDX™ [North American [IG/HY/XO]] [EM] [LatAm Corp]" and "Markit CDX.[NA.[IG/HY/XO].[ ]] [EM/LatAm Corp] [*specify sector, if any*] [*specify series, if any*] [*specify version, if any*]" are service marks of Markit North America, Inc. and have been licensed for use by the Issuer. *(Repeat as applicable depending upon the Indices)]*

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.] / [HSBC Continental Europe]
2. Tranche number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*
3. Currency:

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

- (i) Settlement Currency: [ ] [subject to Condition 9(j) (*Payments- Conversion*)]
- (ii) Denomination Currency: [*specify*/Settlement Currency]
4. Aggregate Principal Amount [of Notes admitted to trading]<sup>1</sup>:
- [(i) Series:] [ ]
- [(ii) Tranche:] [ ]
5. (i) Issue Price: [ ] per cent. of each Note's *pro rata* share of the Aggregate Principal Amount [plus accrued interest from [*interest date*][*In the case of fungible interest-bearing issues only, if applicable*]. [An amount as determined by the Calculation Agent equal to [ ] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [ ].]
6. (i) Denomination(s): [ ]<sup>2</sup>  
     (*Condition 2*) [*In respect of HBCE Notes, there should be one denomination only*]
- (ii) Calculation Amount<sup>3</sup>: [ ]
- (iii) Aggregate Outstanding [Applicable] [Not applicable]  
         Nominal Amount  
         Rounding:
7. (i) Issue Date: [ ]
- (ii) Interest Commencement [*specify*/Issue Date/Not applicable]  
         Date:
- (iii) Trade Date: [ ]
8. Maturity Date: [[*insert date*] (the "**Scheduled Maturity Date**"), subject as provided in the Credit Linked Conditions [and to adjustment in accordance with the [*insert*] Business Day Convention].]

[*For Basket Credit Linked Notes other than Zero Recovery Basket Credit Linked Notes and Fixed Recovery Basket Credit Linked Notes, insert:*

The later of:

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<sup>1</sup> Delete for debt securities with a denomination per unit of less than EUR 100,000.

<sup>2</sup> If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange (i) the Permanent Global Note for definitive Notes in paragraph (c) of the Permanent Global Note - see item 22(iii) below or (ii) the Global Registered Note for Definitive Notes in paragraph (d) of the Global Registered Note – see item 24(ii) below (as applicable) - should not apply.

<sup>3</sup> The applicable Calculation Amount (which is used for the calculation of the redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

(a) *[Insert for Auction Settlement Notes:*

the day falling [five] *[specify]* Business Days following (i) the calculation of the Final Price or (ii) the Auction Final Price Determination Date (or, if later, the related Auction Settlement Date) in respect of each Reference Entity for which a Credit Event Determination Date has occurred; and]

*[Insert for Physical Settlement Notes:*

the day falling [five] *[specify]* Business Days following:

- (i) the last Credit Settlement Date or Partial Cash Settlement Date capable of occurring; or
- (ii) if Credit Linked Condition 6(a)(1)(y) applies, (x) the calculation of the Final Price or (y) the Auction Final Price Determination Date (or, if later, the related Auction Settlement Date),

in respect of each Reference Entity for which a Credit Event Determination Date has occurred; and]

(b) *[insert date]* (the "**Scheduled Maturity Date**"), subject as provided in the Credit Linked Conditions [and to adjustment in accordance with the *[insert]* Business Day Convention].]

*[For Zero Recovery Basket Credit Linked Notes, insert:*

The later of:

- (a) the day falling [five] *[specify]* Business Days following the date as of which a Credit Event Determination Date has occurred or is determined not to have occurred in respect of each Reference Entity which is relevant for the determination of the Final Redemption Amount; and
- (b) *[insert date]* (the "**Scheduled Maturity Date**"), subject as provided in the Credit Linked Conditions [and to adjustment in accordance with the *[insert]* Business Day Convention].]

*[For Fixed Recovery Basket Credit Linked Notes, insert:*

The later of:

- (a) the later of (i) the last occurring Fixed Credit Event Payment Date in respect of each Reference Entity for which a Credit Event Determination Date has occurred and (ii) the day falling [five] *[specify]* Business Days following the last date as of which a Credit Event Determination Date is determined not to

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

have occurred in respect of any other Reference Entity which is relevant for the determination of the Final Redemption Amount; and

- (b) [insert date] (the "**Scheduled Maturity Date**"), subject as provided in the Credit Linked Conditions [and to adjustment in accordance with the [insert] Business Day Convention].]

9. Change of interest or redemption basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis].

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

10. Fixed Rate Note provisions: [Applicable] [Not applicable]

*(If not applicable, delete the remaining sub paragraphs of this paragraph.)*

*(Condition 4)*

- (i) Rate(s) of Interest: [ ] per cent. [per annum] [ ] [payable [annually/semi - annually/quarterly/monthly] in arrear] [ ]

- (ii) Interest Payment Date(s): [specify payment dates] in each year, commencing on and including [specify date] and ending on the Scheduled Maturity Date[, in each case subject to adjustment in accordance with the [specify] Business Day Convention] / [, not adjusted] and in each case **provided that** payment of interest is subject as provided in the Credit Linked Conditions.

- (iii) Fixed Coupon Amount(s): [[ ] per Calculation Amount] [Not applicable]

- (iv) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/360/ other (specify)] [Not applicable] [other (specify)]

- (v) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]

- (vi) Business Centre(s): [Not applicable/give details] [See also the Schedule hereto]

- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not applicable/give details] *(Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)*

11. Floating Rate Note Provisions: [Applicable] [Not applicable]

*(Condition 5)*  
*(If not applicable, delete the remaining sub paragraphs of this paragraph.)*



**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

- (i) [Interest Period(s)] / [Specify] [provided that for the purposes of Interest Periods, the Interest Payment Dates shall not be subject to the [insert] Business Day Convention].
- (ii) Interest Payment Dates: [Not applicable – Floating Rate Convention applies] [specify payment dates] in each year, commencing on and including [specify date] and ending on the Scheduled Maturity Date[, in each case subject to adjustment in accordance with the [specify] Business Day Convention] / [, not adjusted] and in each case **provided that** payment of interest is subject as provided in the Credit Linked Conditions
- [If Interest Payment Dates adjust in accordance with a Business Day Convention, insert: For the avoidance of doubt, as each such date is subject to adjustment in accordance with the Business Day Convention, the end of the relevant Interest Period is also subject to adjustment]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iv) Business Centre(s): [Not applicable/give details] [See also the Schedule hereto]
- (v) Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA (Condition 5(c)): [Applicable] [Not applicable]
- (1) Reference Rate: [[•] month] [specify rate]
- (2) Interest Determination Date(s): [ ]
- (3) Relevant Screen Page: [ ]
- (4) Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
- (5) Relevant Financial Centre: [ ]
- (6) Relevant Time: [ ]
- (7) Relevant Currency: [ ]
- (vi) ISDA Determination (Condition 5(d)): [Applicable] [Not applicable]
- (1) ISDA Definitions: 2021 ISDA Definitions

<sup>4</sup> Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

- (2) Floating Option: Rate  / CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index
- (The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (as defined in the ISDA Definitions). These are the only options envisaged by the terms and conditions.)*
- (3) Designated Maturity:
- (Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- (4) Reset Date:  / as specified in the ISDA Definitions / the first day of the relevant Interest Period]
- (5) Compounding: [Applicable][Not applicable]
- (i) Compounding Method:  Compounding with Lookback
- Lookback:  Applicable Business Days]
- Compounding with Observation Period Shift
- Observation Period Shift:  Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: /[Not applicable]]
- Compounding with Lockout
- Lockout:  Lockout Period Business Days
- Lockout Period Business Days: /Applicable Business Days]
- (6) Averaging: [Applicable][Not applicable]
- (i) Averaging Method:  Averaging with Lookback
- Lookback:  Applicable Business Days]
- Averaging with Observation Period Shift
- Observation Period Shift:  Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: /[Not applicable]]
- Averaging with Lockout
- Lockout:  Lockout Period Business Days

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

- Lockout Period Business Days: [•]/Applicable Business Days]
- (7) Index Provisions: [Applicable][Not applicable]
- (i) Index Method: Compounding Index Method with Observation Period Shift
- Observation Period Shift: [•] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: [•]/[Not applicable]
- (5) Applicable Benchmark: [ ] [Not applicable]
- (6) Fixing Day: [ ] [Not applicable]
- (7) Fixing Time: [ ] [Not applicable]
- (8) Any other terms relating to the ISDA Definitions: [ ] [Not applicable]
- (9) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (vii) Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA (*Condition 5(e)*): [Applicable] [Not applicable]
- (1) Reference Rate: [SONIA] [SOFR] [€STR] [SORA] [TONA]
- (2) Relevant Screen Page [ ] [Not applicable] - *This is only required if SONIA is the Reference Rate*
- (3) Interest Determination Date(s): [•] [[ ] [prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (*Payments*)) – use for Payment Delay only]
- (4) Determination Method: [Compounded Daily Rate][Weighted Average Rate]
- (5) Observation Method: [Observation Shift][Lag][Lock-Out][Payment Delay]
- (6) Y: [360 – likely to be specified for USD][365 -likely to be specified for GBP][•]
- (7) "p": [*Specify if Observation Shift (Standard Shift) or Lag are applicable*][Not applicable]

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

- (8) ARRC Fallbacks: [Applicable][Not applicable] – *May be applicable if SOFR is the Reference Rate only*
- (9) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days][•] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes. – *include if Payment Delay is specified*][Not applicable]
- (10) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*][Not applicable]
- (viii) Linear Interpolation: [Not applicable] [Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [ ] shall be calculated using Linear Interpolation]
- (ix) Margin(s): [[+/-][ ] per cent. [per annum]] [Not applicable]
- (x) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/360/ *other (specify)*]
- (xi) Minimum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xii) Maximum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xiii) Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
12. Variable Coupon Amount Note provisions [Applicable] [Not applicable]
- (Condition 5) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Payment Dates: [ ]
- (ii) Method of calculating interest: [ ]
- (iii) Business Centre(s): [Not applicable/*give details*] [See also the Schedule hereto]
13. Zero Coupon Note provisions: [Applicable] [Not applicable]
- (Condition 6) (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
- (i) Accrual Yield: [ ] per cent. [per annum]
- (ii) Zero Coupon Note Reference Price: [ ]
- (iii) Day Count Fraction in relation to Early Redemption Amounts (if

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

- applicable) and late payments
14. Equity/Index-Linked Interest Note and other variable-linked Interest Note provisions [Applicable] [Not applicable]  
*(If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (i) Index/formula/other variable: [give or annex details]
- (ii) Provisions for determining interest where calculated by reference to Equity/Index and/or formula and/or other variable: [ ]
- (iii) Provisions for determining interest where calculation by reference to Equity/Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]  
*[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Interest or calculation period(s): [ ]
- (v) Interest Payment Dates: [ ]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (give details)]
- (vii) Business Centre(s): [ ]
- (viii) Minimum Interest Rate: [[ ] per cent. [per annum]]
- (ix) Maximum Interest Rate: [[ ] per cent. [per annum]]
- (x) Day Count Fraction: [ ]
- (x) Day Count Fraction: [ ]

**PROVISIONS RELATING TO REDEMPTION**

15. Issuer's optional redemption (Call Option): [Applicable] [Not applicable]  
*(If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (Condition 7(c))*
- (i) Redemption Amount (Call Option): [[ ] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value]
- (ii) Series redeemable in part: [[ ] per Calculation Amount (*specify — otherwise redemption will only be permitted of entire Series*)] [Fair Market Value]

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- (iii) Optional Redemption Date (Call Option): [ ]
- (iv) Minimum Redemption Amount (Call Option): [[ ] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
- (v) Maximum Redemption Amount (Call Option): [[ ] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
16. Noteholder's optional redemption (Put Option): [Applicable] [Not applicable]  
*(Condition 7(d))*
17. Final Redemption Amount: [[ ] per Calculation Amount] [Each Note's *pro rata* share of the Aggregate Principal Amount] [As set out in Credit Linked Condition 6 (*Include for Basket Credit Linked Notes*)] [*specify – if not par, also specify details of any formula*]
18. Final Redemption Amount in cases where the final Redemption Amount is Index-linked to other variable linked: Not applicable
19. Instalment Notes: [Not applicable]  
*[For Basket Credit Linked Notes other than Zero Recovery Basket Credit Linked Notes, insert:  
See Credit Linked Condition 6]*
20. Early Redemption: Yes
- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): [[100] per cent. of the Calculation Amount] [Fair Market Value] [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes] [*other (specify details)*]  
*(Condition 7(b) or 7(f))*
- (ii) Early Redemption Amount (upon redemption following an Event of Default) (Condition 11): [[100] per cent. of the Calculation Amount] [Fair Market Value] [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes] [*other (specify details)*]
- (iii) Early Redemption Amount (upon redemption following an FX Disruption Event or a Benchmark Trigger Event): (Condition 9(f)(Y) or 15A) [[100] per cent. of the Calculation Amount] [Fair Market Value] [*other (specify details)*]
- (iv) Other redemption provisions: [*Specify*] [Not applicable] [*If the Notes are rated, specify: Early Redemption for Impracticability is not applicable*]
21. Credit Linked Redemption:

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

- (i) Part G – Product Supplement for Credit Linked Notes: Applicable
- (ii) Type of Credit Linked Notes [Single Reference Entity Credit Linked Notes [which are Fixed Recovery Single Reference Entity Credit Linked Notes]] [Reverse Credit Linked Notes] [Basket Credit Linked Notes [which are [Index Basket Credit Linked Notes] [and] [Fixed Recovery Basket Credit Linked Notes]]]
- (iii) Unwind Costs: [Applicable: [Standard Unwind Costs][Zero Unwind Costs][specify]][Not applicable]
- (iv) Settlement Method: [Auction Settlement][Physical Settlement] (*Note, consider whether for Physical Settlement Notes the Series should be restricted to comprise one Note of the entire issue size and Condition 18 (Further Issues) should then be disapplied*) [Zero Recovery] [Cash Settlement] (*Note, for fixed recovery Notes and Reverse Credit Linked Note, only Cash Settlement can apply as the Settlement Method*)
- (v) Basket Credit Linked Terms: [Applicable] [Not applicable]

*[If applicable, insert:*

*[Unless Zero Recovery Basket Credit Linked Notes, insert:*

Credit Event Amount: *[specify]* [As set out in the Credit Linked Conditions]

Credit Event Payment Date: *[specify]* [[\*] Business Days] [As set out in the Credit Linked Conditions]

Average Interest Calculation: [Applicable] [Not applicable]

*[For Index Basket Credit Linked Notes, insert:*

Index: [Each of] [Markit iTraxx® [Europe/Asia ex-Japan/Japan/Australia] *[index name]* Series *[specify]* Version *[specify]*] [Markit CDX.[NA.[IG/HY/XO].[ ] [EM] [LatAm Corp] *[specify sector, if any]* *[specify series, if any]* *[specify version, if any]*].

iTraxx Index: [Each of] *[specify]*.

CDX Index: [Each of] *[specify]*.

Annex Date: *[specify per Index]*.

Index Weighting: *[specify per Index]*.

Original Notional Amount: *[specify]*.

*[For Fixed Recovery Basket Credit Linked Notes, insert:*

Final Price: *[specify per cent.]*]]

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- (vi) Trade Date: [specify]
- (vii) Calculation Agent City: [specify]
- (viii) Reference Entity(ies): [specify] [See the Schedule hereto] [*For Index Basket Credit Linked Notes: As set out in the Credit Linked Conditions*]
- (ix) Transaction Type: [Not applicable] [specify] [See the Schedule hereto] [*For Index Basket Credit Linked Notes: As set out in the Credit Linked Conditions*]

*[If a Transaction Type and Standard Terms applies, insert:*

The "**Standard Terms**" in respect of a Reference Entity will be the standard terms set out in the Credit Derivatives Physical Settlement Matrix dated [*insert date*] as published by ISDA on its website at www.isda.org, in relation to the Transaction Type for such Reference Entity

*(Note, in the case of Index Basket Credit Linked Notes, the Standard Terms Supplements as at the date of the Offering Memorandum apply the Physical Settlement Matrix as at the later of the Effective Date and 22 September 2014)*

- (x) Reference Entity Notional Amount: [specify in respect of each Reference Entity] [See the Schedule hereto] [*For Index Basket Credit Linked Notes: As set out in the Credit Linked Conditions*]
- (xi) Reference Obligation(s): [*For Index Basket Credit Linked Notes: As set out in the Credit Linked Conditions*] [See the Schedule hereto]

Standard Reference Obligation: [Applicable][Not applicable] (*Note, Standard Reference Obligation is applicable for Index Basket Credit Linked Notes*)

*[If Standard Reference Obligation is applicable and "Additional Provisions for Senior Non-Preferred Reference Obligations" is not applicable, insert:*

[Seniority Level: Senior Level/Subordinated Level]]

[Seniority Level: See the Schedule hereto]

*[If there is a Non-Standard Reference Obligation, insert:*

Non-Standard Reference Obligation:

Primary Obligor: [specify]

Guarantor: [specify]

Maturity: [specify]

Coupon: [specify]



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- CUSIP/ISIN: *[specify] (Note, only include if Standard Reference Obligation does not apply or Standard Reference Obligation applies but one has not yet been published and an Initial Non-Standard Reference Obligation is required until publication)*
- (xii) All Guarantees: [Applicable] [Not applicable] [As per the Standard Terms]
- (xiii) Credit Events: [As per the Standard Terms]
- [Bankruptcy]
- [Failure to Pay]
- [Grace Period Extension] [Applicable] [Not applicable]
- [If applicable: Grace Period: *[specify]* [As set out in the Credit Linked Conditions]
- [Obligation Default]
- [Obligation Acceleration]
- [Repudiation/Moratorium]
- [Restructuring]
- [Provisions relating to Restructuring Credit Event: [Mod R/Mod Mod R] applicable]]
- [Provisions relating to Multiple Holder Obligation: Credit Linked Condition 18: [Not applicable]]
- [Governmental Intervention]
- Default Requirement: *[specify]* [As set out in the Credit Linked Conditions]
- Payment Requirement: *[specify]*[As set out in the Credit Linked Conditions]
- (xiv) Financial Reference Entity Terms: [Applicable] [Not applicable] [As per the Standard Terms]
- (xv) Subordinated European Insurance Terms: [Applicable] [Not applicable] [As per the Standard Terms]
- (xvi) Additional Provisions for Senior Non-Preferred Reference Obligations [Applicable] [Not applicable] [As per the Standard Terms]
- (xvii) 2019 Narrowly Tailored Credit Event Provisions: [Applicable] [Not applicable] [As per the Standard Terms]
- [If the 2019 Narrowly Tailored Credit Event Provisions apply, insert:*
- Fallback Discounting: [Applicable] [Not applicable] [As per the Standard Terms]
- Credit Deterioration Requirement: [Applicable] [Not applicable] [As per the Standard Terms]]

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- (xviii) 2020 Limited Recourse Additional Provisions: [Applicable] [Not applicable]
- (xix) Additional Provisions for Certain Russian Entities: Excluded Obligations and Excluded Deliverable Obligations [Applicable] [Not applicable]
- (xx) Credit Event Determination Date: Notice of Publicly Available Information: [Applicable] [Not applicable]
- [If Applicable:*
- Public Source(s): *[specify]* [As set out in the Credit Linked Conditions]
- Specified Number: *[specify]* [As set out in the Credit Linked Conditions]]
- (xxi) Obligation(s):
- Obligation Category: [As per the Standard Terms]
- [Payment] [Borrowed Money] [Reference Obligation Only] [Bond] [Loan] [Bond or Loan]
- (select one only)*
- Obligation Characteristics: [As per the Standard Terms]
- [Not Subordinated] [Specified Currency: *[specify currency]*/Standard Specified Currency] [Not Sovereign Lender] [Not Domestic Currency: Domestic Currency means: *[specify currency]* [As set out in the Credit Linked Conditions]] [Not Domestic Law] [Listed] [Not Domestic Issuance] [Not applicable]
- (select all of which apply)*
- (xxii) Excluded Obligation(s): *[specify]* [As set out in Credit Linked Condition 29] [Not applicable]
- (xxiii) Accrual of Interest upon Credit Event: [Not applicable] [Applicable – Credit Event Determination Date *(Note not an option for Basket Credit Linked Notes)*] [Applicable – Scheduled Maturity Date]
- (xxiv) Potential Credit Event Interest Postponement: [Applicable *(Note not an option if "Accrual of Interest upon Credit Event" is specified as "Applicable – Scheduled Maturity Date")*] [Not applicable]
- (xxv) Reference Obligation Only Early Termination Amount: *[specify]*[Not applicable] *(Note, not applicable unless the Notes are Reference Obligation Only Notes)*

***Terms relating to Auction Settlement and Cash Settlement***

***(Note, (a) all items of this section should be not applicable for zero recovery Notes, (b) the Credit Event Redemption Amount and Credit Event Redemption Date should be***

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*not applicable for Basket Credit Linked Notes, (c) all items of this section should still be completed for physical settlement Notes (due to the potential that they are treated as auction/cash settlement Notes) and (d) the Valuation Date, Valuation Time, Quotation Method, Quotation Amount, Minimum Quotation Amount, Quotation Dealers, Accrued Interest, Valuation Method, Valuation Obligations and Excluded Valuation Obligations should be not applicable for fixed recovery Notes)*

(xxvi) Credit Event Redemption Amount: *[specify]*[As set out in the Credit Linked Conditions][Not applicable]

*[For Fixed Recovery Single Reference Entity Credit Linked Notes, insert:*

Final Price: *[specify]* per cent.]]

*[For Reverse Credit Linked Notes, insert:*

Leverage: *[specify]*]]

(xxvii) Credit Event Redemption Date: [As set out in the Credit Linked Conditions]*[specify]*[[*specify*] Business Days][Not applicable]

(xxviii) Valuation Date: [Applicable] [Not applicable]

[Single Valuation Date:

[Fixed Valuation Date: [Applicable] [Not applicable]

*[If applicable: [specify] Business Days]]]*

[Multiple Valuation Dates:

Fixed Valuation Date: [Applicable] [Not applicable]

*[If applicable: [specify] Business Days; and each [specify] Business Days thereafter; Number of Valuation Dates: [specify]]]*

(xxix) Valuation Time: *[specify]*[As set out in the Credit Linked Conditions][Not applicable]

(xxx) Quotation Method: [Bid][Offer][Mid-market][As set out in the Credit Linked Conditions][Not applicable]

(xxxi) Quotation Amount: *[specify]*[Representative Amount][As set out in the Credit Linked Conditions][Not applicable]

*[For Reverse Credit Linked Notes, insert: An amount equal to the product of (i) Leverage (as defined in "Credit Event Redemption Amount" above) and (ii) the*

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		Aggregate Principal Amount of the Notes then outstanding]
(xxxii) Minimum Amount:	Quotation	[specify] [As set out in the Credit Linked Conditions][Not applicable]
(xxxiii) Quotation Dealers:		[ABN Amro Bank NV Barclays Bank PLC BNP Paribas Citibank, N.A., London Branch Commerzbank AG Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc The Hongkong and Shanghai Banking Corporation Limited HSBC Bank Middle East Limited HSBC Bank USA, National Association J.P. Morgan Securities LLC Merrill Lynch International Morgan Stanley & Co. International plc Société Générale The Royal Bank of Scotland plc UBS Limited] [specify other] [As set out in the Credit Linked Conditions] [Not applicable]
(xxxiv) Accrued Interest:		[Include Accrued Interest][Exclude Accrued Interest] [As set out in the Credit Linked Conditions] [Not applicable]
(xxxv) Valuation Method:		[Market] [Highest] [Average Market] [Highest] [Average Highest] [Lowest] (Note, only applicable for Reverse Credit Linked Notes) [Not applicable]
(xxxvi) Valuation Obligations:		
	Valuation Obligation Category:	[The Deliverable Obligation Category under the Standard Terms]

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[Payment] [Borrowed Money] [Reference Obligation Only] [Bond] [Loan] [Bond or Loan] [Not applicable]

*(select one only)*

Valuation Obligation Characteristics: [The Deliverable Obligation Characteristics under the Standard Terms]

[Not Subordinated][Specified Currency: *[specify currency]*/Standard Specified Currency] [Not Sovereign Lender] [Not Domestic Currency: Domestic Currency means: *[specify currency]*] [As set out in the Credit Linked Conditions]] [Not Domestic Law] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Transferable] [Listed] *[specify]*] [Maximum Maturity: [ ] years] [Accelerated or Matured] [Not Bearer][Not applicable]

*(select all of which apply)*

(xxxvii) Excluded Valuation Obligation(s): *[specify]* [As set out in Credit Linked Condition 29] [Not applicable]

(xxxviii) Credit Event Maturity Settlement: [Applicable] [Not applicable] *(Note, this cannot apply for zero recovery or physical settlement Notes)*

***Terms relating to Physical Settlement***

***(Note, complete for physical settlement Notes and in relation to Deliverable Obligations for Substitute/Auction/Reference Transaction/Valuation Obligation purposes and elections regardless of the Settlement Method of the Notes. Otherwise specify items as not applicable)***

(xxxix) Physical Settlement Period: [*[specify]*] Business Days] [Not applicable]

(xxxx) Accrued Interest on Entitlement: [Include Accrued Interest][As set out in the Credit Linked Conditions] [Not applicable]

(xxxxi) Credit Settlement Currency: *[specify]*[As set out in the Credit Linked Conditions] [Not applicable]

(xxxxii) Deliverable Obligations:

Deliverable Obligation Category: [As per the Standard Terms]

[Payment] [Borrowed Money] [Reference Obligation Only] [Bond] [Loan] [Bond or Loan] [Not applicable]

*(select one only)*

Deliverable Obligation Characteristics: [As per the Standard Terms]

[Not Subordinated] [Specified Currency: *[specify currency]*/Standard Specified Currency] [Not Sovereign Lender] [Not Domestic Currency: Domestic Currency means: *[specify currency]*] [As set out in the Credit

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Linked Conditions]] [Not Domestic Law] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Transferable] [Listed] [specify]] [Maximum Maturity: [ ] years] [Accelerated or Matured] [Not Bearer][Not applicable]

*(select all of which apply)*

- (xxxxiii) Excluded Deliverable Obligation(s): [specify] [As set out in Credit Linked Condition 29] [Not applicable]
- (xxxxiv) Indicative Quotations: [Applicable] [Not applicable]
- (xxxxv) Valuation Time: [specify][As set out in the Credit Linked Conditions] [Not applicable]
- (xxxxvi) Delivery provisions for Entitlement if different from Credit Linked Conditions: [specify] [Not applicable]
- (xxxxvii) Qualifying Participation Seller: [insert] [Not applicable]
- (xxxxviii) Sovereign No Asset Package Delivery: [Applicable] [Not applicable]
- (xxxxviii) Sovereign No Asset Package Delivery: [Applicable] [Not applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 22. Form of Notes: *(The following elections apply in respect of Notes issued by HBEU or HBME:)*  
 [(Condition 2(a))] / [(Condition 2)]  
 [Bearer Notes/Registered Notes/ Uncertificated Registered Notes]  
*(The following applies in respect of Notes issued by HBCE only:)*  
 [Bearer Dematerialised Notes]
- 23. [New Global Note][delete if Registered Note]/[Issued under the new safekeeping structure][delete if Bearer Note] [Yes/No] [Not applicable]  
*(select "Not applicable" in case of Notes issued by HBCE only)*  
 If issued in bearer form: [Applicable] [Not applicable]  
*(select "Not applicable" and delete (i) to (v) below in case of Notes issued by HBCE only)*
  - (i) Initially represented by a Temporary Global Note or Permanent Global Note: [Temporary Global Note/Permanent Global Note]
  - (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes: [Yes] [No] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances set out in the Permanent Global Note]

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(Condition 2(a))

- |       |  |   |
|-------|--|---|
| (iii) | Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation:   | [Yes/No] [ <i>If no, specify:</i> Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.]   |
| (iv)  | Coupons to be attached to Definitive Notes <sup>5</sup> :  | [Yes] [No] [Not applicable] [ <i>N.B. this will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems – see provisions contained in Permanent Global Note</i> ]  |
| (v)   | Talons for future Coupons to be attached to Definitive Notes <sup>6</sup> :  | [Yes] [No] [Not applicable] [ <i>N.B. the above comment applies here</i> ]  |
| 24.   | Exchange Date for exchange of Temporary Global Note:   | [specify/Not earlier than 40 days following the Issue Date] [Not applicable]<br><br><i>(select "Not applicable" in case of Notes issued by HBCE)</i>  |
| 25.   | If issued in registered form (other than Uncertificated Registered Notes):   | [Applicable] [Not applicable]<br><br><i>(select "Not applicable" and delete sub paragraphs below in case of Notes issued by HBCE)</i>   |
| (i)   | Initially represented by:  | [Regulation S Global Registered Note] [Rule 144A Global Registered Note] [Unrestricted Global Registered Note and Restricted Global Registered Note] [Combined Global Registered Note] [Definitive Registered Notes]  |
| [(ii) | [Regulation S Global Registered Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] | [Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note] [Unrestricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Regulation S Global Registered Note] [Unrestricted Global Registered Note] for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note] [Unrestricted Global Registered Note]] |
| [(ii) | [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a  | [Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note] [Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note] [Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note] [Restricted Global Registered Note]]                          |

<sup>5</sup> Definitive Notes will typically have coupons attached to them if interest bearing.

<sup>6</sup> Talons will be needed if there are more than 27 coupons.

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material disadvantage following a change of law or regulation:]

[(iii) [Combined Global Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]

26. [Masse (Condition 15 of Part B3 – Terms and Conditions of the Notes issued by HBCE): Condition 15 applies. [Not applicable]

(i) Representative: [•] (*specify name and address*)

[(ii) Alternative Representative: [•] (*specify name and address*)]

(iii) Remuneration of Representative: [•]

27. Payments:

(*Condition 9*)

(i) Relevant Financial Centre Day: [*specify all places*]

(ii) Payment of Alternative Payment Currency Equivalent: [Applicable] [Not applicable]

(A) Cross Currency Exchange Rate: [Applicable] [Not applicable]

(B) Cross Currency: [ ] (*delete if Cross Currency Exchange Rate is not applicable*)

(C) Cross Currency Jurisdiction: [ ] (*delete if Cross Currency Exchange Rate is not applicable*)

(D) Settlement Currency Jurisdiction: [ ]

(E) Alternative Payment Currency: [ ]

(F) Alternative Payment Currency Jurisdiction: [ ]

(G) Alternative Payment Currency Fixing Page: [ ]



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- (H) Alternative Payment Currency Fixing Time: [ ]
- (I) Alternative Payment Currency Fixing Date: [ ] [Condition 1 applies] [The relevant [jurisdictions/places] for the purposes of the Alternative Payment Currency Fixing Date are [ ]]
- (J) Alternative Payment Currency Exchange Rate Fall Back provisions: [ ] [Not applicable]
- (K) Additional Alternative Payment Currency Event: [ ]
- (L) Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
- (M) Alternative Pre-nominated Index [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
28. Redenomination: [Applicable] [Not applicable]

(Condition 10)

29. Other terms: [*Specify*] [Not applicable]

**DISTRIBUTION**

30. (i) If syndicated, names of Relevant Dealer(s): [Not applicable/HSBC Bank plc/other – give name]
- (ii) If syndicated, names, addresses and underwriting commitments of other Dealers (if any): [Not applicable/other – give name]  
[Give addresses and underwriting commitments]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)*
31. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
32. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
33. Selling restrictions: [For Bearer Notes: TEFRA C Rules/TEFRA D Rules/TEFRA Not applicable]<sup>7</sup>

<sup>7</sup> *In relation to Bearer Notes with a maturity equal to or less than one year, specify that TEFRA is not applicable.*

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34. United States of America: [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
- [Notes may be offered or sold within the United States of America or to, or for the account or benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "*Transfer Restrictions*."]
- 40-day Distribution Compliance Period: [Applicable]  
[Not applicable]
35. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"):
- [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
36. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"):
- [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
37. Additional U.S. federal income tax considerations:
- [Not applicable/give details] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [ ]]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their

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custodians.] *[The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.]*

38. Additional selling restrictions: *[Specify any modifications of, or additions to, selling conditions contained in Dealer Agreement]*

### TRANSFER RESTRICTIONS

*[In offers of Credit-Linked Notes pursuant to Rule 144A insert: <sup>8</sup> <sup>9</sup>*

Because of the following restrictions, purchasers of Notes offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes sold in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes, Combined Global Registered Notes and any US Definitive Registered Notes or Combined Definitive Registered Notes (as defined in "*Part B4 – Summary of Provisions relating to the Notes while in Global Form*" in the Offering Memorandum) issued in

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<sup>8</sup> *Transfer Restrictions are only included for Notes offered in the United States in reliance on Rule 144A.*

<sup>9</sup> *Please note that the default selling restrictions are for Regulation S offers and sales only.*

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exchange for interests therein will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE [AND THE SECURITIES, IF ANY, TO BE DELIVERED UPON EXERCISE THEREOF]<sup>10</sup> HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER<sup>11</sup>*

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.]"

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<sup>10</sup> *To be included if the underlying securities have not been registered under the Securities Act.*

<sup>11</sup> *This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".*

OR<sup>12</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS NOTE OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975

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<sup>12</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

## Part G - Pro Forma Pricing Supplement for Credit-Linked Notes

OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interests in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A – Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Note or an interest therein will not be), and is not (and for so long as it holds such Note or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Note or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A – Certain ERISA Considerations*" in the Offering Memorandum.

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 – Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]

**CONFIRMED**

**[HSBC BANK PLC**

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By:.....  
*Authorised Signatory*

Date:.....

By:.....  
*Authorised Signatory*

Date:..... ]

**[HSBC CONTINENTAL EUROPE**

By: .....  
*Authorised Signatory*

Date: .....]

**PART B - OTHER INFORMATION**

1. **LISTING**

(i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin [on or around the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted] [Not applicable]

(ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(iii) Estimated total expenses of admission to trading: [*(specify amount)*]

2. **RATINGS**

Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]  
*[specify rating and rating agency]*

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]<sup>13</sup>**

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Dealer(s)/distributors in respect of the Notes [as of (or around the Issue Date)] (the "**Distributors**")/*[specify other]*], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Dealer(s)/Distributor(s)]/*[specify other]*] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.] [Not applicable]

4. **[Fixed Rate Notes only – YIELD]<sup>14</sup>**

Indication of yield: [[ ] per cent. per annum] [Calculated as *[include details of method of calculation in summary form]* on the Issue Date]

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price and the Rate of Interest. It is not an indication of future yield.

5. **[Index-Linked or other variable-linked Interest Notes only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>15</sup>**

<sup>13</sup> Only include if the Notes are listed; otherwise, delete.

<sup>14</sup> Only include if the Notes are listed; otherwise delete.

<sup>15</sup> Only include if the notes are listed; otherwise, delete.



## Part G - Pro Forma Pricing Supplement for Credit-Linked Notes

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.*

### 6. REASONS FOR THE OFFER

[The Notes are "Green Notes" and an amount equivalent to the net proceeds from the sale of the Notes will be used as described in "Part A – Green Notes" in the Offering Memorandum. The Applicable Framework is the [HSBC Green Bond Framework][Specify other].]

### OPERATIONAL INFORMATION

7. ISIN Code: [ ] [Not applicable]
8. Common Code: [ ] [Not applicable]
9. CUSIP: [ ] [Not applicable]
10. Valoren Number: [ ] [Not applicable]
11. SEDOL: [ ] [Not applicable]
12. WKN: [ ] [Not applicable]
13. Other identifier / code: [ ] [Not applicable]
14. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No] [Not applicable]<sup>16</sup>

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)[include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [include this text if "yes" selected]

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)[include this text for

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<sup>16</sup> Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB collateral eligibility requirements, in order to be eligible as collateral a security must, among other things, be denominated in Euro and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg EUR MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

- registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "no" selected]*
15. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST/ Euroclear France/ None/ *specify other*]
16. Central Depository: [Euroclear France] [Not Applicable]  
*(Select Euroclear France for Notes issued by HBCE)*
17. Delivery: Delivery [against/free of] payment
18. Settlement procedures: [Eurobond/Medium Term Note/ *other (specify)*]
19. Additional Paying Agent(s) (if any): [HSBC Bank plc] [*specify other*] [None]
20. Common Depository: [HSBC Bank plc] [Not applicable] [*specify*]
21. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] [*other (specify)*]
22. ERISA Considerations: [ERISA prohibited] [ERISA terms apply]
23. [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE:)] [Applicable]  
*(If the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE is contemplated, delete this paragraph)*

**Part G - Pro Forma Pricing Supplement for Credit-Linked Notes**

**SCHEDULE**

<b>Reference Entity</b>	<b>Reference Obligation (ISIN)</b>	<b>[Seniority Level (Note, not required if "Additional Provisions for Senior Non-Preferred Reference Obligations" is applicable to all Reference Entities)</b>	<b>Transaction Type</b>	<b>[Reference Entity Notional Amount</b>	<b>[Business Centre(s) (Note, reflect any Reference Entity specific Business Day centres on a per Index and/or name basis, as applicable to reflect the relevant Index/Indices, as required for Index Basket Credit Linked Notes)</b>
[ ]	[ ]	[ ] (Note, if "Additional Provisions for Senior Non-Preferred Reference Obligations" is applicable to some only of the Reference Entities, this should be specified as "As set out in the Credit Linked Conditions" for those Reference Entities)]	[ ]	[ ]	[ ]

**PART G –  
FORM OF ASSET TRANSFER NOTICE FOR CREDIT-LINKED NOTES**

[Aggregate Principal Amount of Tranche] Credit Linked Notes (the "Notes") due [•] linked to  
[name of Reference Entity] [(Subordinated)]

*When completed, this Asset Transfer Notice should be delivered (i) if the Notes are represented by a Global Note, to Euroclear or Clearstream, Luxembourg, in such manner is acceptable to them with a hardcopy to the Registrar (if the Notes are Registered Notes), the Principal Paying Agent, the Issuer and any Delivery Agent ("Global Note Notice") or (ii) if the Notes are represented by a definitive Note, in writing along with the relevant Notes\*\* to the Registrar (if the Notes are Registered Notes) or any Paying Agent (if the Notes are Bearer Notes) with a hardcopy to the Principal Paying Agent, the Issuer and any Delivery Agent ("Definitive Note Notice").*

[To:	Euroclear Bank SA/N.V.	or:	Clearstream, Luxembourg
	as operator of the Euroclear System		67 Boulevard Grande-Duchesse
	Boulevard du Roi Albert II, no 1		Charlotte
	B-1210 Brussels		Luxembourg-Ville
	Belgium		L-1010 Luxembourg] <sup>17</sup>
[To:	HSBC Bank plc (the "Registrar")	or:	HSBC Bank plc (the "Paying Agent")
	8 Canada Square		8 Canada Square
	London		London
	E14 5HQ		E14 5HQ
Tel:	[•]	Tel:	[•]
Fax:	[•]	Fax:	[•]
Attention:	[•]	Attention:	[•]

or:

[•]<sup>18</sup>

Copy: HSBC Bank plc (the "Issuer"[, "Registrar"] and "Principal Paying Agent")  
8 Canada Square  
London  
E14 5HQ

Tel: [•]  
Fax: [•]  
Attention: [•]

<sup>17</sup> Delete if completing Definitive Note Notice.

<sup>18</sup> Delete if completing Global Note Notice.

**Part G - Form of Asset Transfer Notice for Credit-Linked Notes**

Copy: [•] (the "**Delivery Agent**")  
[•]  
Tel: [•]  
Fax: [•]  
Attention: [•]

\*\* The Registrar or Paying Agent with whom any definitive Notes are deposited will not in any circumstances be liable to the depositing Noteholder or any other person for any loss or damage arising from any act, default or omission of such Registrar or Paying Agent in relation to the said definitive Notes or any of them unless such loss or damage was caused by the fraud or negligence of such Registrar or Paying Agent or its directors, officers or employees.

Expressions defined in the Conditions of the Notes (the "**Conditions**") shall bear the same meanings herein. Failure to properly complete and deliver this Asset Transfer Notice as provided in the Conditions may result in this Asset Transfer Notice being treated as null and void.

Reference is made to the [Notice of Physical Settlement Notice][Physical Settlement Amendment Notice]\* of [*insert date of notice*] and the Entitlement to be delivered pursuant to the Physical Settlement of [the Notes in part][the Notes]\*.

1. **Name(s) and Address(es) of [Accountholder<sup>19</sup>/Noteholder<sup>20</sup>]**

[*insert details*]

2. **Request and confirmation**

I/We\*, the [Accountholder<sup>3</sup>/Noteholder<sup>4</sup>] specified in 1 above, being the holder of [•] in aggregate nominal amount of the Note(s), hereby:

- (i) request that the Issuer delivers the Entitlement(s) to which I am/we are\* entitled in relation to such Note(s), all in accordance with the Conditions; and,
- (ii) confirm that I/we\* have requested [Euroclear/Clearstream, Luxembourg][other relevant clearing system]\* to block my/our\* account.

3. **[Instructions to [Euroclear][Clearstream, Luxembourg]\*]<sup>3</sup>**

[The Entitlement to be delivered comprises Deliverable Obligations that are deliverable through [Euroclear/Clearstream, Luxembourg]\* and I/we\* hereby irrevocably authorise and instruct [Euroclear][Clearstream, Luxembourg][other relevant clearing system]\* to deliver the Entitlement to the following account:

At: [•]  
Swift: [•]  
ABA: [•]  
Beneficiary: [•]  
Swift: [•]  
Account Number: [•]

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<sup>19</sup> Delete if completing *Definitive Note Notice*.

<sup>20</sup> Delete if completing *Global Note Notice*.

## Part G - Form of Asset Transfer Notice for Credit-Linked Notes

[The Entitlement to be delivered comprises Deliverable Obligations that are not deliverable through [Euroclear/Clearstream, Luxembourg]\* and I/we\* hereby irrevocably authorise and instruct the Issuer to deliver such Deliverable Obligations in accordance with the following instructions, subject to my/our\* production to the Issuer's satisfaction in its sole and absolute discretion of all necessary consents or authorisations (including but not limited to those requested or required by any applicable designee) with respect thereto as requested by the Issuer:

[insert alternative delivery instructions]]\*

4. **Name and address of person from whom details may be obtained for the delivery of the Entitlement**

[insert details]

5. **[Notes Account at relevant Clearing System]3**

My/Our\* Notes accounts with [insert name of relevant Clearing System, if applicable] is:

[Euroclear/Clearstream, Luxembourg]\*

No:

Name:

I/We\* hereby irrevocably authorise [Euroclear/Clearstream, Luxembourg]\* to debit the Notes referred to above from the account referred to above on or before the Credit Settlement Date if the Delivery of the relevant Entitlement represents the final settlement due in respect of the Notes.]

6. **Expenses**

I/We\* hereby irrevocably undertake to pay all Expenses in respect of the Entitlement [and irrevocably authorise Euroclear/Clearstream, Luxembourg\* to debit my/our\* specified account at Euroclear/Clearstream, Luxembourg\* in respect thereof and to pay such Expenses].

7. **Noteholders [Euroclear/Clearstream, Luxembourg]\* account for payment of any cash amount payable in accordance with the Conditions**

I/We\* hereby instruct that any cash amount payable to me/us\* in accordance with the Conditions shall be credited to the [Euroclear/Clearstream, Luxembourg]\* account referred to below:

Account:

No:

Name:

[Name and address of bank or institution at which such account is held:

[insert details]]4

8. **Authorisation of production in proceedings**

I/We\* hereby authorise the production of this Asset Transfer Notice in any administrative or legal proceedings instituted in connection with the Note(s) to which this Asset Transfer Notice relates.

9. **Governing law and jurisdiction**

This Asset Transfer Notice and any non-contractual obligations arising out of or in connection herewith shall be governed by and construed in accordance with English law. The courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes or any non-contractual obligation which may arise out of or

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\* Delete as applicable.

**Part G - Form of Asset Transfer Notice for Credit-Linked Notes**

in connection with this Asset Transfer Notice or the Note(s) and, for these purposes, each of the Noteholder and the Issuer irrevocably submits to the jurisdiction of the courts of England.

Date .....



**HSBC BANK PLC**

*(A company incorporated in England with registered number 14259; the liability of its members is limited)  
as Issuer*

**HSBC BANK MIDDLE EAST LIMITED**

*(a company limited by shares incorporated in the Dubai International Financial Centre)  
as Issuer*

**HSBC CONTINENTAL EUROPE**

*(a société anonyme registered in France)  
as Issuer*

**PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS**  
**Fund-Linked Notes and Warrants**

This product supplement in relation to Fund-Linked Notes and Warrants constitutes Part H ("**Part H**") of the offering memorandum dated 1 June 2023 (the "**Offering Memorandum**") prepared by HSBC Bank plc (the "**Bank**" or the "**Issuer**") in relation to the Programme for the Issuance of Notes and Warrants (the "**Programme**") described therein in connection with the application made for Notes or Warrants to be admitted to listing on the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), and to trading on its Global Exchange Market and applies in relation to Fund-Linked Notes for which "Part H – Product Supplement for Fund-Linked-Notes" is specified as applicable in the relevant Pricing Supplement and Fund-Linked Warrants for which "Part H – Product Supplement for Fund-Linked Warrants" is specified as applicable in the relevant Pricing Supplement.

**This Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of the Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes and Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

To the extent that there is any inconsistency between any statement in this Part H and any other statement in, or incorporated by reference in, other parts of this Offering Memorandum, the statements in this Part H will prevail for the purposes of Part H.

Notes and Warrants issued pursuant to the Programme may include "**Fund-Linked Notes and Warrants**" being Notes and Warrants in relation to which the interest rate and/or redemption amount or exercise amount (as applicable) payable at maturity or expiry or exercise (as applicable) is linked to a fund or a basket of funds. The purpose of this Part H is to provide information in relation to Fund-Linked Notes and Warrants. This Supplement should be read together with Parts A and B of this Offering Memorandum (in the case of Fund-Linked Notes) and Parts A and C of this Offering Memorandum (in the case of Fund-Linked Warrants).

**An investment in Fund-Linked Notes and Warrants involves risks. See Part A of this Offering Memorandum under the heading "Part A - Risk Factors" (beginning on page A-1).**

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Part H or any other information supplied in connection with the Fund-Linked Notes and Warrants and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Part H nor any further information supplied in connection with the Fund-Linked Notes and Warrants should be considered as a recommendation or as constituting an invitation or offer by the Issuer that any recipient of this Part H or any other information supplied in connection with the Fund-Linked Notes and Warrants should subscribe for or purchase the Fund-Linked Notes and Warrants. Each investor contemplating subscribing for or purchasing the Fund-Linked Notes and Warrants should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Part H nor any other information supplied in connection with the Fund-Linked Notes and Warrants constitutes an offer by or on behalf of the Issuer to subscribe for or purchase the Fund-Linked Notes and Warrants.

**EU PRIIPs REGULATION - IMPORTANT – EEA RETAIL INVESTORS** - If the Pricing Supplement in respect of any Notes or Warrants includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs REGULATION - IMPORTANT - UK RETAIL INVESTORS** – If the Pricing Supplement in respect of any Notes or Warrants includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The distribution of this Part H and the offer, distribution or sale of Fund-Linked Notes and Warrants may be restricted by law in certain jurisdictions. The Issuer does not represent that this document may be lawfully distributed, or that the Fund-Linked Notes or Warrants may be lawfully offered, or



## Part H - Product Supplement for Fund-Linked Notes and Warrants

assumes any responsibility for facilitating any such distribution or offering. In particular, action may be required to be taken to permit a public offering of the Fund-Linked Notes or Warrants or a distribution of this document in any jurisdiction. Accordingly, no Fund-Linked Notes or Warrants may be offered or sold, directly or indirectly, and neither this Part H nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Part H or the Fund-Linked Notes or Warrants come must inform themselves about, and observe, any such restrictions.

Fund-Linked Notes and Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the state securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In addition, unless the relevant Pricing Supplement specifies otherwise, Warrants may not be offered or sold to, or for the account or benefit of U.S. persons (as defined in the U.S. Commodity Futures Trading Commission regulation 23.23(a)(23)) at any time.

Programme Arranger  
**HSBC Bank plc**

Dealers and Managers  
**HSBC Bank plc**

**HSBC Continental Europe**

**The Hongkong and Shanghai Banking Corporation Limited**

1 June 2023

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**PART H1 –  
ADDITIONAL PROVISIONS RELATING TO FUND LINKED NOTES**

The following additional condition shall be deemed to be added as Condition 22 to the terms and conditions set out in the sections headed "*Part B1 – Terms and Conditions of the Notes*" or "*Part B3 – Terms and Conditions of the Notes issued by HBCE*" (as applicable) of this Offering Memorandum in respect of any issue of Fund-Linked Notes.

The terms and conditions of the Fund-Linked Notes (the "**Terms and Conditions of the Fund-Linked Notes**") shall consist of Condition 22 and the terms and conditions set out in the section headed "*Part B1 – Terms and Conditions of the Notes*" or "*Part B3 – Terms and Conditions of the Notes issued by HBCE*" (as applicable) of this Offering Memorandum, as amended or supplemented by the terms of each Tranche of Notes set out in the Pricing Supplement.

**22. Provisions relating to Fund-Linked Notes**

(a) ***Definitions***

As used in this Condition 22, and unless otherwise provided in the relevant Pricing Supplement, the following expressions shall have the following meanings:

**"Additional Disruption Event"** means a Change in Law, Hedging Disruption and/or an Increased Cost of Hedging, as further specified in the relevant Pricing Supplement;

**"Averaging Date"** means, in respect of the Final Valuation Date, each date specified as such or otherwise determined as provided in the relevant Pricing Supplement (or, if such date is not a Reference Fund Valuation Day, the next following Reference Fund Valuation Day), subject to the provisions of Condition 22(b);

**"Change in Law"** means, in relation to any Notes, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it will, or there is a substantial likelihood that it will, with the passing of time, or has become illegal for the Issuer or any of its designated affiliates to hold, acquire or dispose of or realise, recover or remit the proceeds of the sale of disposal of Reference Fund Units relating to such Notes or any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk including, without limitation, any currency risk, of the Issuer issuing and performing its obligations with respect to the Notes (y) it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Notes, or in relation to the Issuer's hedging activities in connection with the Notes or in relation to the hedging activities of the Issuer or any of its designated affiliates in connection with the Notes, (ii) stock loan transactions in relation to such Notes or (iii) other instruments or arrangements (howsoever described) held by the Issuer or any of its designated affiliates in order to hedge, individually or on a portfolio basis, such Notes or (z) the Issuer or any of its designated affiliates will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

**"Cut-off Date"** means the date specified as such in the relevant Pricing Supplement (or, if no such date is so specified, one calendar month following the Final Valuation Date);

**"Cut-Off Final Valuation Date"** means the date specified as such in the Pricing Supplement;

"**Extraordinary Fund Event**" means, in respect of a Reference Fund, the occurrence or existence of any of the following on or prior to the Final Valuation Date, as determined by the Calculation Agent:

- (a) any breach or violation of the provisions of the Reference Fund Prospectus or any other relevant fund document including, but not limited to: the constitutive and governing documents of the relevant Reference Fund, the subscription agreements and other agreements of the relevant Reference Fund, any (verbal or written) agreement with respect to the Reference Fund entered into by the Issuer with the Reference Fund and/or any of its service providers, any strategy or investment guidelines, and any agreement entered into by the relevant Reference Fund and/or its service providers that is reasonably likely to affect the relevant Reference Fund;
- (b) (i) the non-execution or partial execution by such Reference Fund for any reason of a subscription or redemption order in respect of any units in that Reference Fund given by a Hypothetical Investor (whether or not in accordance with the relevant Reference Fund Prospectus), (ii) the Reference Fund suspends or refuses transfers of any of its units (including, without limitation, if the Reference Fund applies any gating, deferral, suspension or other similar provisions permitting the Reference Fund to delay or refuse redemption or transfer of units), (iii) the Reference Fund imposes in whole or in part any restriction (including, without limitation, any redemption *in specie*), charge or fee in respect of a redemption or subscription of its units by the Issuer or exercises its right to claw back the proceeds already paid on redeemed units if in any case it could, in the determination of the Calculation Agent, have an adverse impact on the Issuer's or any of its designated affiliates', as applicable, rights or obligations in relation to its hedging activities in relation to the Notes, or (iv) a mandatory redemption, in whole or in part, of the units is imposed by the Reference Fund on any one or more holders of units at any time for any reason;
- (c) such Reference Fund or any Reference Fund Service Provider (i) ceases trading and/or, in the case of a Reference Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable); (ii) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vii) causes or is subject to any event with respect to it which, under

the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (v) above;

- (d) there exists any litigation against the Reference Fund or a Reference Fund Service Provider which in the determination of the Calculation Agent could materially affect the value of the Reference Fund Units or the rights or remedies of any investor in such Reference Fund Units;
- (e) (i) a Reference Fund Service Provider ceases to act in such capacity in relation to the Reference Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Reference Fund and/or any Reference Fund Service Provider to meet or maintain any obligation or undertaking under the Reference Fund Prospectus or any other relevant fund document which failure is reasonably likely to have an adverse impact on the value of the Reference Fund Units or on the rights or remedies of any investor in such Reference Fund Units;
- (f) a material modification, or any announcement regarding a potential future material modification, of the investment programme, investment objectives, investment policies, investment strategy, investment process or investment guidelines of such Reference Fund;
- (g) the failure by such Reference Fund to comply with its reporting obligations (including but not limited to, without limitation, any periodic reporting of the Net Asset Value of such Reference Fund, periodic statements thereof, return numbers and composition of such Reference Fund and the allocation of capital for such Reference Fund (where applicable)) in accordance with its agreements with the Issuer or any of its designated affiliates (as applicable);
- (h) a material modification (other than any modifications referred to in (e) above) of such Reference Fund (including but not limited to a modification of the Reference Fund Prospectus or the articles of association or other constitutional documents of such Reference Fund) or the occurrence of a change or any event materially affecting such Reference Fund (including, but not limited to, the interruption, breakdown or suspension of the calculation of the Net Asset Value of such Reference Fund unless such interruption, breakdown or suspension is cured within two Business Days);
- (i) a material modification of the type of assets in which such Reference Fund invests or the trading practices of the relevant Reference Fund (including but not limited to a material deviation from the investment policy and investment objectives set out in the Reference Fund Prospectus) which, in the determination of the Calculation Agent, has or is likely to have a material effect on any hedging arrangements entered into by the Issuer or any of its designated affiliates (as applicable) in respect of these Notes;
- (j) such Reference Fund or any Reference Fund Service Provider has its authorisation or registration cancelled by any applicable regulatory authority;
- (k) (i) an allegation of criminal or fraudulent activity is made in respect of the Reference Fund, or any Reference Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred or (ii) such Reference Fund or a Reference Fund Service Provider (A) becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund, investment adviser, manager or administration agent; (B) commits an act which constitutes fraud or criminal activity in the performance of its obligations in respect of such Reference Fund; (C) makes any material misrepresentation under any document

in respect of the relevant Reference Fund or (D) announces its intention to cease the business of investment management;

- (l) any relevant activities of or in relation to the Reference Fund or a Reference Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Reference Fund by any governmental, legal or regulatory entity with authority over the Reference Fund), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Reference Fund or a Reference Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Reference Fund is required by a competent authority to redeem any Reference Fund Units, (iv) the Issuer or any of its designated affiliates (as applicable) is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Reference Fund Units held in connection with any hedging arrangements relating to the Notes and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Reference Fund or any Reference Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Reference Fund Units or other activities or undertakings of the Reference Fund or on the rights or remedies of any investor in such Reference Fund Units, including the Issuer;
- (m) the creation by the Reference Fund of any illiquid share class or unit howsoever described;
- (n) the currency denomination of Reference Fund Units is amended from that set out in the Reference Fund Prospectus or any other relevant fund document so that the NAV per unit is no longer calculated in the same currency as it was as at the Trade Date;
- (o) if applicable, the Reference Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;
- (p) if the Reference Fund comprises multiple classes or series (howsoever described in the Reference Fund Prospectus or any other relevant fund document) of shares or units, and the Calculation Agent determines (in good faith and a commercially reasonable manner) at any time, taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Reference Fund Prospectus or any other relevant fund document), that such other class or series has or may have an adverse effect on the hedging activities of the Issuer or any of its designated affiliates (as applicable) in relation to the Notes;
- (q) (i) the Calculation Agent determines, at any time, that the NAV per unit is inaccurate, or (ii) the reported net asset value of the Reference Fund Units misrepresents the net asset value of the Reference Fund Units;
- (r) any material modification of the method of calculating the NAV per unit;
- (s) any change in the periodicity of the calculation or the publication of the NAV per unit;
- (t) any change in the length of notice periods for redemptions or transfers in relation to the Reference Fund;
- (u) a Reference Fund Disruption Event has occurred and is continuing for at least three consecutive Reference Fund Valuation Days;
- (v) the exposure (expressed as percentage) of the Reference Fund to securities with a credit quality (based upon the lowest credit ratings from S&P, Moody's and Fitch

when available) below B, B2 or B for S&P, Moody's and Fitch respectively exceeds 35%; the aggregated level of leverage (expressed as percentage) of the Reference Fund exceeds 20%;

- (w) the Calculation Agent determines that, over any period not exceeding twelve months, the total net value of the assets of the Reference Fund has decreased by 30 per cent. (either due to redemptions, a decrease in value of such assets or otherwise); or
- (x) the Calculation Agent determines that, over any period not exceeding twelve months (ending on the immediately preceding date on which the Reference Fund Adviser published the total value of the assets it managed), the total value of the assets managed by the Reference Fund Adviser (including the Reference Fund) has decreased by 50 per cent. (either due to redemptions, a decrease in value of such assets or otherwise);

**"Final Reference Fund Unit Value"** means, in relation to a Reference Fund Unit, subject to the occurrence of a Reference Fund Event,

- (a) the Reference Fund Unit Value of such Reference Fund Unit on the Final Valuation Date; or
- (b) if Averaging is specified as being applicable, the arithmetic mean of the Reference Fund Unit Values of such Reference Fund Unit on each Averaging Date;

in each case as calculated on the Redemption Calculation Date;

**"Final Valuation Date"** means, subject to Condition 22(b) below, the date specified as such in the Pricing Supplement (the **"Scheduled Final Valuation Date"**) **provided that** if such date is not a Reference Fund Valuation Day, the Final Valuation Date shall be the next following Reference Fund Valuation Day;

**"Final Value"** means:

- (a) in respect of a Fund-Linked Note relating to a single Reference Fund Unit, the Final Reference Fund Unit Value; and
- (b) in respect of a Fund-Linked Note relating to a basket of Reference Fund Units, the arithmetic mean of the Final Reference Fund Unit Values of each Reference Fund Unit comprising the basket (weighted or adjusted in relation to each Reference Fund Unit as provided in the relevant Pricing Supplement);

**"Hedging Disruption"** means that the Issuer or any of its designated affiliates is unable or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Issuer wholly or any of its designated affiliates or partially after using commercially reasonable efforts and acting in good faith, to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the equity or any other price risk (including but not limited to, any currency risk) of entering into and performing the Issuer's obligations in respect of the Notes or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s) or (C) without prejudice to (B) above, transfer amounts denominated in the Settlement Currency (1) from accounts inside the Settlement Currency Jurisdiction to accounts outside the Settlement Currency Jurisdiction (2) between accounts inside the Settlement Currency Jurisdiction or (3) to a party that is a non-resident of the Settlement Currency Jurisdiction or (D) without prejudice to (B) and (C) above, convert the Settlement Currency into an Alternative Payment Currency) and, for the avoidance of doubt "using commercially reasonable efforts and acting in good faith" to hedge the risks of the Issuer referred to herein does not include the value of any quota granted to the Issuer or any of its designated affiliates under the Qualified Foreign Institutional Investor ("QFII") or Renminbi Qualified Foreign Institutional Investor ("RQFII") Schemes;

**"Hypothetical Investor"** means a hypothetical investor in the Reference Fund Units of a Reference Fund;

**"Increased Cost of Hedging"** means that the Issuer or any of its designated affiliates would incur materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, the amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Issuer's obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or its designated affiliates, as applicable, shall not be deemed an Increased Cost of Hedging;

**"Initial Reference Fund Unit Value"** means, in respect of a Reference Fund Unit, the value specified as such in the applicable Pricing Supplement, or, if no Initial Reference Fund Unit Value is specified, the Reference Fund Unit Value on the Strike Date;

**"Initial Value"** means:

- (a) In respect of a Fund-Linked Note relating to a single Reference Fund, the Initial Reference Fund Unit Value; and
- (b) In respect of a Fund-Linked Note relating to a basket of Reference Funds, the arithmetic mean of the Initial Reference Fund Unit Values of each Reference Fund Unit comprising the basket (weighted or adjusted in relation to each Reference Fund Unit as provided in the relevant Pricing Supplement);

**"Merger Event"** means, in respect of the Reference Fund Units of a Reference Fund and as determined by the Calculation Agent, the occurrence on or prior to the Final Valuation Date of any (a) reclassification or change of such Reference Fund Units that results in a transfer of or an irrevocable commitment to transfer all of such units outstanding, (b) consolidation, amalgamation or merger of the Reference Fund with or into another entity (other than consolidation, amalgamation or merger in which the Reference Fund is the continuing entity and which does not result in any such reclassification or change of all of such units outstanding) or (c) other takeover offer for such Reference Fund Units that results in a transfer of or an irrevocable commitment to transfer all such Reference Fund Units (other than such units owned or controlled by the offeror);

**"Net Asset Value"** or **"NAV"** means, in respect of each Reference Fund Unit of a Reference Fund and a Reference Fund Valuation Date, the official net asset value, expressed in the relevant currency, for such Reference Fund Valuation Date, as published in accordance with the relevant Reference Fund Prospectus and as determined by the Calculation Agent;

**"Potential Adjustment Event"** means the occurrence, as determined by the Calculation Agent, at any time on or prior to the Final Valuation Date of any of the following events in relation to a Reference Fund:

- (a) a subdivision, reclassification, reorganisation or consolidation of the Reference Fund Units in the Reference Fund (other than that constituting a Merger Event), or a free distribution or dividend of any such Reference Fund Units to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Reference Fund Units of (i) an additional amount of such Reference Fund Units, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Reference Fund Units, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund as a result of a spin-off or other similar transaction or (iv) any



other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- (c) an extraordinary dividend;
- (d) a repurchase by the Reference Fund of such Reference Fund Units whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Reference Fund Units initiated by an investor in such Reference Fund Units that is consistent with the Reference Fund Prospectus; or
- (e) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Fund Units.

**"Redemption Calculation Date"** means the earlier of (i) the Cut-off Date and (ii) the date on which the Hypothetical Investor actually receives all of the redemption proceeds assuming it had submitted a timely notice for redemption in respect of the Final Valuation Date, as determined by the Calculation Agent;

**"Reference Fund(s)"** means the fund(s) specified as such in the relevant Pricing Supplement;

**"Reference Fund Adviser"** means, with respect to a Reference Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment manager (including a non-discretionary investment manager to a discretionary investment manager or to another non-discretionary investment manager), as provided in the related Reference Fund Documents;

**"Reference Fund Disrupted Day Related Payment Date"** means any payment date on the Notes on which the amount payable is calculated by reference to the Reference Fund Unit Value of a Reference Fund determined on the related Final Valuation Date or Cut-Off Final Valuation Date;

**"Reference Fund Disruption Event"** means, in respect of a Reference Fund, the occurrence or existence on any day of, as determined by the Calculation Agent:

- (a) a postponement of the date as of which the relevant Reference Fund is scheduled, according to the documentation governing such Reference Fund, to determine the Net Asset Value of such Reference Fund for the purposes of calculating the redemption proceeds to be paid to or number of units to be subscribed by a Hypothetical Investor assuming it had submitted a timely and valid notice for redemption or subscription; and/or
- (b) the occurrence or continuation of a postponement of the reporting by the relevant Reference Fund to its investors or, if applicable, the publishing by the relevant Reference Fund or the relevant publishing service, in each case of the Net Asset Value of the relevant Reference Fund; and/or
- (c) the occurrence or continuation of a postponement in the payment of any or all of the redemption proceeds relating to such Reference Fund Units (whether or not in accordance with the Reference Fund Prospectus);

**"Reference Fund Documents"** means, in relation to any Reference Fund, the constitutive and governing documents, subscription agreements and other agreements of such Reference Fund specifying the terms and conditions relating to such Reference Fund, in each case as amended and supplemented from time to time;

**"Reference Fund Event"** means each of a Potential Adjustment Event, an Extraordinary Fund Event, an Additional Disruption Event, a Merger Event or a Technical Constraints Event.

**"Reference Fund Prospectus"** means, in respect of a Reference Fund, the most recently published offering document relating to that Reference Fund, as amended, restated or supplemented from time to time;

**"Reference Fund Service Provider"** means any person who is appointed to provide services, directly or indirectly, in respect of a Reference Fund, whether or not specified in the Reference Fund Prospectus or any other relevant fund document, including any adviser, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner;

**"Reference Fund Unit"** means, in respect of a Reference Fund, a share or a notional unit of ownership in respect of that Reference Fund in the relevant (or related) share classes, as designated by the Calculation Agent;

**"Reference Fund Unit Value"** means, as determined by the Calculation Agent, in respect of a Reference Fund and a Reference Fund Valuation Day, the Net Asset Value per share for the Relevant Reference Fund Unit as published in accordance with the Reference Fund Prospectus for such Reference Fund Valuation Day (or as otherwise specified in the relevant Pricing Supplement).

Notwithstanding the provisions of Condition 22(b), if the Reference Fund Unit Value is not available in a timely fashion on any Reference Fund Valuation Day, the Calculation Agent may, at its the discretion acting in good faith, in order to calculate the relevant Reference Fund Unit Value calculate an estimated Reference Fund Unit Value in respect of such Reference Fund Valuation Day.

**"Reference Fund Valuation Day"** means, in respect of a Reference Fund, any Business Day in respect of which such Reference Fund is scheduled to publish its Net Asset Value;

**"Strike Date"** means the date specified as such in the relevant Pricing Supplement (or if such date is not a Reference Fund Valuation Day, the next following Reference Fund Valuation Day);

**"Technical Constraints Event"** means the occurrence or existence of a constraint in respect of the Issuer in performing adequately the hedging of its exposure to the Reference Fund(s) and/or relevant currency exchange rates (if applicable) due to any of the following reasons, as determined by the Calculation Agent:

- (a) any internal risk limits existing as of the Trade Date or at any time thereafter;
- (b) internal approvals, whether required as of the Trade Date or at any time thereafter;
- (c) reputational risks; or
- (d) compliance with laws in relevant jurisdictions, including local regulations, whether required as of the Trade Date or at any time thereafter; and

**"Valid Date"** means, in respect of a Reference Fund, a Reference Fund Valuation Day on which a Reference Fund Disruption does not occur and on which another Averaging Date does not or is not deemed to occur.

(b) ***Occurrence of a Reference Fund Disruption Event***

If a Reference Fund Disruption Event occurs in relation to a Reference Fund (but no Reference Fund Event has occurred or is subsisting) on:

- (i) the Final Valuation Date, then the Calculation Agent may, acting in good faith and in a commercially reasonable manner, postpone the Final Valuation Date in relation to such relevant Reference Fund Unit until the earlier of (i) the first Reference Fund Valuation Day on which the Calculation Agent determines that any one or more Reference Fund Disruption Events are no longer continuing, or

- (ii) Cut-off Final Valuation Date. If a Reference Fund Disruption Event continues on such Cut-off Final Valuation Date, the Calculation Agent shall determine the Reference Fund Unit Value for such Cut-off Final Valuation Date acting in good faith and in a commercially reasonable manner;
- (ii) any Averaging Date, then the Calculation Agent may, acting in good faith and in a commercially reasonable manner, if the consequence specified in the relevant Pricing Supplement in relation to Averaging Date Disruption is:
- (1) "**Omission**", deem such Averaging Date not to be a relevant Averaging Date for purposes of determining the Final Value of any Reference Fund Unit, **provided that**, if through the operation of this provision no Averaging Date would occur, then Condition 22(b)(i) will apply for purposes of determining the relevant Reference Fund Unit Value on the final Averaging Date as if such final Averaging Date were the Final Valuation Date;
  - (2) "**Postponement**", determine that Condition 22(b)(i) shall apply for purposes of determining the relevant Reference Fund Unit Value as if such Averaging Date were the Final Valuation Date irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes; or
  - (3) "**Modified Postponement**", then:
    - (aa) in the case of a Fund-Linked Note which relates to a single Reference Fund, determine that the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Cut-off Final Valuation Date then the Cut-off Final Valuation Date shall be deemed to be the Averaging Date, notwithstanding the fact that a Reference Fund Disruption occurs or is continuing on such day (irrespective of whether that Cut-off Final Valuation Date is already an Averaging Date) and the Calculation Agent shall determine the Reference Fund Unit Value for that Averaging Date in accordance with Condition 22(b)(i); and
    - (bb) in the case of a Fund-Linked Note which relates to a basket of Reference Funds, the Averaging Date for each Reference Fund in respect of which no Reference Fund Disruption Event has occurred or is continuing shall be the day specified in the relevant Pricing Supplement as an Averaging Date and the Averaging Date for a Reference Fund affected by the occurrence of a Reference Fund Disruption Event shall be the first succeeding Valid Date in relation to such Reference Fund. If the first succeeding Valid Date in relation to such Reference Fund has not occurred as of Cut-off Final Valuation Date, then the Cut-off Final Valuation Date shall be deemed to be the Averaging Date (irrespective of whether that Cut-off Final Valuation Date is already an Averaging Date) and the Calculation Agent shall determine the relevant Reference Fund Unit Value for that Averaging Date in accordance with Condition 22(b)(i).

If any Averaging Date in relation to the Final Valuation Date occurs after the Final Valuation Date as a result of the occurrence of a Reference Fund Disruption Event, then (i) the Redemption Calculation Date, Maturity Date, an Optional Redemption Date (Call Option), an Optional Redemption Date (Put Option) or other early redemption date, as the case may be, or (ii) the occurrence of an Extraordinary Fund Event, Merger Event or Potential Adjustment Event shall be

determined by reference to the last such Averaging Date as though it were that Final Valuation Date.

If a Final Valuation Date is postponed pursuant to this Condition 22(b) (*Occurrence of a Reference Fund Disruption Event*), the Scheduled FX Fixing Date in respect of the Final Valuation Date shall, in the Calculation Agent's discretion, be postponed to the Final Valuation Date as postponed, **provided that**, if the postponed Scheduled FX Fixing Date would, as a result of this paragraph, occur on a day which is not a Relevant Currency Business Day, it will be postponed to the immediately following Relevant Currency Business Day, and **provided further that**, the Scheduled FX Fixing Date is subject to Condition 9(f) (*Price Source Disruption and FX Disruption*).

If a Final Valuation Date is postponed in accordance with this Condition 22(b) (*Occurrence of a Reference Fund Disruption Event*), any Reference Fund Disrupted Day Related Payment Date will also be postponed, if needed, such that the Reference Fund Disrupted Day Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the Pricing Supplement) following the later of (i) the postponed Final Valuation Date or, if later, the Cut-off Final Valuation Date, as applicable and (ii) the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable.

Unless Reference Fund Disruption Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 22(b) (*Occurrence of a Reference Fund Disruption Event*) (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Reference Fund Disrupted Day Related Payment Date which is so postponed shall be calculated as if such Reference Fund Disrupted Day Related Payment Date had not been postponed pursuant to this Condition 22(b)).

(c) ***Effect of Reference Fund Events***

Following the occurrence of a Reference Fund Event, the Calculation Agent may, acting in good faith and in a commercially reasonable manner, either:

- (i) designate a date as an early redemption date (the "**Early Redemption Date**") and the Noteholders will receive the Early Redemption Amount on such designated Early Redemption Date (the "**Original Early Redemption Date**"), **provided that** if the Calculation Agent determines, in its sole discretion, that a Hypothetical Investor would experience a delay in receiving all of the relevant redemption proceeds assuming it had submitted a timely notice for the redemption of its fund holdings in respect of the Original Early Redemption Date (or any earlier date designated by the Calculation Agent), then the Early Redemption Date shall occur 10 Relevant Financial Centre Days after the earlier of (A) the date on which a Hypothetical Investor would have received all relevant redemption proceeds and (B) the Cut-Off Date; or
- (ii) make any temporary or permanent adjustments to any of the following:
  - (A) any relevant Reference Fund (including a substitution of such Reference Fund);
  - (B) any relevant Reference Fund Unit;
  - (C) any relevant Reference Fund Unit Values; and/or
  - (D) any other terms of the Notes as the Calculation Agent determines appropriate

and it shall determine the time as of which any such adjustments become effective;

- (iii) in respect of a Merger Event, where consideration for the relevant Reference Fund Units of the relevant Reference Fund consists solely of units of a fund in which the Hypothetical Investor could invest (the "**New Units**"), references to a Reference Fund Unit of the relevant Reference Fund shall be replaced by references to the number of New Units to which a holder of a Reference Fund Unit would be entitled upon consummation of the Merger Event and the New Units and their issuer will be deemed to be the Reference Fund Units and the Reference Fund, respectively, and, if necessary, the Calculation Agent will make adjustments to the relevant Reference Fund Unit Value and/or any other terms of the Notes in such manner as it considers appropriate; or
- (iv) in respect of any Reference Fund Event occurring or subsisting on the Final Valuation Date or the Final Averaging Date (as applicable), the Calculation Agent may determine the Final Redemption Amount. In doing so, it may take into account the redemption proceeds (if any) which a Hypothetical Investor would have received by not later than the Cut-off Date assuming that it had submitted a timely notice for redemption of all relevant fund holdings in respect of the Final Valuation Date.

(d) ***Early Redemption Amount on Early Redemption by Issuer***

With respect to any Early Redemption Date designated by the Issuer upon the occurrence of a Reference Fund Event, the amount payable on such Early Redemption Date (the "**Early Redemption Amount**") shall be the Fair Market Value of the Notes immediately prior to the date on which such early redemption occurs. When determining the Early Redemption Amount, the Calculation Agent may take into account the redemption proceeds (if any) which a Hypothetical Investor would have received by not later than the Cut-off Date assuming that it had submitted a timely notice for redemption of all relevant fund holdings in respect of the Original Early Redemption Date (or any earlier date designated by the Calculation Agent).

**PART H1 –  
PRO FORMA PRICING SUPPLEMENT FOR FUND LINKED NOTES**

*[When completing any Pricing Supplement, or adding any other additional terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated: [•]

**[HSBC Bank plc**

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*  
**/ HSBC Bank Middle East Limited / HSBC Continental Europe]**

**Programme for the Issuance of Notes and Warrants**

**[Further] Issue of**

**[Aggregate Principal Amount of Tranche]**

**[Title of Notes]**

**[(to be consolidated and form a single series with the existing *[Insert details of existing Tranche(s)]* issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A - CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes, including the Terms and Conditions of the Fund Linked Notes (the "**Conditions**") set forth in the Offering Memorandum.] Part H (Fund-Linked Notes and Warrants) of the Offering Memorandum applies. The Alternative Note General Conditions do not apply.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Continental Europe, 38, avenue Kléber, 75116, Paris, France and [www.about.hsbc.fr/investor-relations/debt-issuance](http://www.about.hsbc.fr/investor-relations/debt-issuance)].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Notes which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum (including the Additional Terms and Conditions relating to Fund Linked Notes), and which are applicable to the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

[For Notes offered and sold in the United States of America include:

### IMPORTANT NOTICES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") AND (B) TO NON U.S. PERSONS (AS DEFINED IN REGULATION S) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, the Issuer will promptly furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.] / [HSBC Continental Europe]

2. Tranche number: [ ]

*[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*



3. Currency:
- (i) Settlement Currency: [ ] [subject to Condition 9(j) (*Payments – Conversion*)]
- (ii) Denomination Currency: [*specify*]/Settlement Currency]
4. Aggregate Principal Amount:
- [(i) Series:] [ ]
- [(ii) Tranche:] [ ]
5. Issue Price: [[ ] per cent. of the Aggregate Principal Amount] [plus accrued interest from [*insert date*] (*in the case of fungible interest-bearing issues only, if applicable*)] [An amount as determined by the Calculation Agent equal to [ ] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [ ].]
6. (i) Denomination(s) (Condition 2): [ ]<sup>1</sup>  
[*In respect of HBCE Notes, there should be one denomination only*]
- (ii) Calculation Amount<sup>2</sup>: [ ]
- (iii) Aggregate Outstanding Nominal Amount Rounding: [Applicable] [Not applicable]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [*specify*] [Issue Date] [Not applicable ]
- (iii) Trade Date: [ ]
8. Maturity Date: (Condition 7(a)) [Subject to the occurrence of an Early Redemption Date, the Maturity Date shall fall on the [•] Relevant Financial Centre Day following the Redemption Calculation Date. The Maturity Date is scheduled to be [•].]
9. Change of interest or redemption basis: [*Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis*]

<sup>1</sup> If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange (i) the Permanent Global Note for definitive Notes in paragraph (c) of the Permanent Global Note - see item 22(iii) below or (ii) the Global Registered Note for Definitive Notes in paragraph (d) of the Global Registered Note – see item 24(ii) below (as applicable) - should not apply.

<sup>2</sup> The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

10. Fixed Rate Note provisions: [Applicable] [Not applicable]  
 (Condition 4)
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. [per annum] [ ] [payable [annually/semi-annually/quarterly/ monthly] in arrear] [ ]
- (ii) Interest Payment Date(s): [dd/mm, dd/mm, dd/mm and dd/mm] [in each year]
- [adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "**Business Day**" / [not adjusted]
- (iii) Fixed Coupon Amount(s): [[ ] per Calculation Amount] [Not applicable]
- (iv) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)][Not applicable] [other (specify)]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not applicable / other (give details)]
- (vi) Business Centre(s): [Not applicable/give details]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not applicable/give details] (Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)
11. Floating Rate Note provisions: [Applicable] [Not applicable]  
 (Condition 5)
- (If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) [Interest Period(s)] / [specify]  
 [Specified Period]<sup>3</sup>:
- (ii) Interest Payment Dates: [Not applicable – Floating Rate Convention applies] [specify payment dates]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (iv) Business Centre(s): [Not applicable/give details]
- (v) Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR, SORA or TONA (Condition 5(c)):
- (1) Reference Rate: [[•] month] [specify rate]

<sup>3</sup> Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

- (2) Interest Determination Date(s): [ ]
- (3) Relevant Screen Page: [ ]
- (4) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (5) Relevant Financial Centre: [ ]
- (6) Relevant Time: [ ]
- (7) Relevant Currency: [ ]
- (vi) ISDA Determination (*Condition 5(d)*): [Applicable] [Not applicable]
- (1) ISDA Definitions: 2021 ISDA Definitions
- (2) Floating Rate Option: [[•] / CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index]
- (The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP-SONIA / GBP-SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (as defined in the ISDA Definitions). These are the only options envisaged by the terms and conditions.)*
- (3) Designated Maturity: [•]
- (Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- (4) Reset Date: [[•] / as specified in the ISDA Definitions / the first day of the relevant Interest Period]
- (5) Compounding: [Applicable] [Not applicable]
- (i) Compounding Method [Compounding with Lookback
- Lookback: [•] Applicable Business Days
- [Compounding with Observation Period Shift
- Observation Period Shift: [•] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: [•]/[Not applicable]]
- [Compounding with Lockout
- Lockout: [•] Lockout Period Business Days

- Lockout Period Business Days: []/Applicable Business Days]
- (6) Averaging: [Applicable] [Not applicable]
- (i) Averaging Method [Averaging with Lookback
- Lookback: [] Applicable Business Days]
- [Averaging with Observation Period Shift
- Observation Period Shift: [] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: []/[Not applicable]]
- [Averaging with Lockout
- Lockout: [] Lockout Period Business Days
- Lockout Period Business Days: []/Applicable Business Days]
- (7) Index Provisions: [Applicable] [Not applicable]
- (i) Index Method: Compounding Index Method with Observation Period Shift
- Observation Period Shift: [] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: []/[Not applicable]
- (8) Applicable Benchmark: [  ] [Not applicable]
- (9) Fixing Day: [  ] [Not applicable]
- (10) Fixing Time: [  ] [Not applicable]
- (11) Any other terms relating to the ISDA Definitions: [  ] [Not applicable]
- (12) Alternative Pre-nominated Index: [  ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (vii) Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR, SORA or TONA (*Condition 5(e)*): [Applicable] [Not applicable]
- (1) Reference Rate: [SONIA] [SOFR] [€STR] [SORA] [TONA]
- (2) Relevant Screen Page: [  ] [Not applicable] - *This is only required if SONIA is the Reference Rate*

- (3) Interest Determination Date(s): [•] [[ ]][prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day][•] falling prior to Interest Payment Date][Each Interest Payment Date, **provided that** in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 9 (*Payments*)) – *use for Payment Delay only*]
- (4) Determination Method: [Compounded Daily Rate][Weighted Average Rate]
- (5) Observation Method: [Observation Shift][Lag][Lock-Out][Payment Delay]
- (6) Y: [360 – likely to be specified for USD][365 -likely to be specified for GBP][•]
- (7) "p": [*Specify if Observation Shift (Standard Shift) or Lag are applicable*][Not applicable]
- (8) ARRC Fallbacks: [Applicable][Not applicable] – *May be applicable if SOFR is the Reference Rate only*
- (9) Effective Interest Payment Dates: [In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days][•] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes. – *include if Payment Delay is specified*][Not applicable]
- (10) Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*][Not applicable]
- (viii) Linear Interpolation: [Not applicable] [Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [ ] shall be calculated using Linear Interpolation]
- (ix) Margin(s): [[+/-][ ] per cent. [per annum]] [Not applicable]
- (x) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/360/ other (*specify*)]
- (xi) Minimum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xii) Maximum Interest Rate: [[ ] per cent. [ ] [per annum]] [Not applicable]
- (xiii) Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- Zero Coupon Note provisions: [Applicable] [Not applicable]  
(Condition 6) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

12. (i) Accrual Yield:  per cent [per annum]]
- (ii) Zero Coupon Note Reference Price:
- (iii) Day Count Fraction in relation to Early Redemption Amounts (if applicable) and late payments:
- Fund-Linked Interest Note:  [Applicable]  [Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
13. (i) Formula:  *[give or annex details – if appropriate, cross-refer to the definition of Valuation Date in paragraph 31 below]*
- (ii) Provisions for determining interest where calculated by reference to Reference Fund and/or formula:
- (iii) Provisions for determining interest where calculation by reference to Reference Fund and/or formula is impossible or impracticable or otherwise disrupted:  *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Interest or calculation period(s):
- (v) Interest Payment Dates:
- (vi) Business Day Convention:  [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other *(give details)*]
- (vii) Business Centre(s):
- (viii) Minimum Interest Rate:  per cent. [per annum]]
- (ix) Maximum Interest Rate:  per cent. [per annum]]
- (x) Day Count Fraction:
- (x) Day Count Fraction:

**PROVISIONS RELATING TO REDEMPTION**

14. Issuer's optional redemption (Call Option):  [Applicable]  [Not applicable]  
*(Condition 7(c)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Redemption Amount (Call Option):  per Calculation Amount *(specify — if not par, also specify details of any formula)* [Fair Market Value]
- (ii) Series redeemable in part:  per Calculation Amount *(specify — otherwise redemption will only be permitted of entire Series)* [Fair Market Value]

- (iii) Optional Redemption Date (Call Option): [ ]
- (iv) Minimum Redemption Amount (Call Option): [[ ] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
- (v) Maximum Redemption Amount (Call Option): [[ ] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
- Noteholder's optional redemption (Put Option): [Applicable] [Not applicable]  
(Condition 7(d)) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
15. (i) Redemption Amount (Put Option): [[ ] per Calculation Amount / (*specify — if not par, also specify details of any formula*)] [Fair Market Value]
- (ii) Optional Redemption Date (Put Option): [ ]
- (iii) Minimum Redemption Amount (Put Option): [[ ] per Calculation Amount / (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
- (iv) Maximum Redemption Amount (Put Option): [[ ] per Calculation Amount / (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
- Final Redemption Amount of each Note: [ ] per Calculation Amount (*specify — if not par, also specify details of any formula*)  
(Condition 7(a))
16. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Fund-Linked: [Applicable] [Not applicable]
17. (i) Reference Fund/formula: [*give annex details*]
- (ii) Provisions for determining Final Redemption Amount where calculated by reference to Reference Fund and/or formula: [ ]
- (iii) Provisions for determining Final Redemption Amount where calculation by reference to a Reference Fund and/or formula is impossible or impracticable or otherwise disrupted: [*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (iv) Minimum Final Redemption Amount: [ ]
- (v) Maximum Final Redemption Amount: [ ]

Instalment Notes: [Not applicable] [Applicable]  
 (Condition 7(a)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)

18. Instalment Date(s) and corresponding Instalment:	<i>Instalment Date</i>	<i>Instalment Amount</i>
	[ ]	[ ]

Early Redemption:

19. (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): (Conditions 7(b) or 7(f)) [100] per cent. of the Calculation Amount [Fair Market Value] [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes] [other (specify details)]
- (ii) Early Redemption Amount (upon redemption following an Event of Default): (Condition 11) [100] per cent. of the Calculation Amount [Fair Market Value] [Condition 7(e) (*Early Redemption of Zero Coupon Notes*) applies to the Notes] [other (specify details)]
- (iii) Early Redemption Amount (upon redemption following an FX Disruption Event or a Benchmark Trigger Event): (Condition 9(f)(Y) or 15A) [[100] per cent. of the Calculation Amount] [Fair Market Value] [other (specify details)]
- (iv) Other redemption provisions: [Specify] [Not applicable] [If the Notes are rated, specify: Early Redemption for Impracticability is not applicable]
- (iv) Other redemption provisions: [Specify] [Not applicable] [If the Notes are rated, specify: Early Redemption for Impracticability is not applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes: ((Condition 2(a)) / [(Condition 2)]) (The following elections apply in respect of Notes issued by HBEU or HBME:)
- [Bearer Notes/Registered Notes/ Uncertificated Registered Notes]
- (The following applies in respect of Notes issued by HBCE only:)
- [Bearer Dematerialised Notes]
21. [New Global Note] [(delete if Registered Note)]/ Issued under the new safekeeping structure [(delete if Bearer Note)]: [Yes/No] [Not applicable] (select "Not applicable" in case of Notes issued by HBCE only)
22. If issued in bearer form: [Applicable] [Not applicable] (select "Not applicable" and delete (i) to (v) below in case of Notes issued by HBCE only)



23. (i) Initially represented by a [Temporary] [Permanent] Global Note  
Temporary Global Note or Permanent  
Global Note:
- (ii) Temporary Global Note [Yes] [No] [Temporary Global Note exchangeable for  
exchangeable for Permanent a Permanent Global Note which is exchangeable for  
Global Note and/or Definitive Definitive Notes only in limited circumstances  
Notes: specified in the Permanent Global Note] [(specify)]  
(Condition 2(a))
- (iii) Permanent Global [Yes] [No] [If no, specify: Paragraph (c) of the  
Note exchangeable at the Permanent Global Note does not apply. The Issuer  
option of the Issuer in may not elect to exchange a Permanent Global Note  
circumstances where the for Definitive Notes in the circumstances described in  
Issuer would suffer material paragraph (c) of the Permanent Global Note.]  
disadvantage following a  
change of law or regulation:
- (iv) Coupons to be attached to [Yes] [No] [Not applicable]  
Definitive Notes:<sup>4</sup> [N.B. This will need to be considered even if  
Permanent Global Notes are not exchangeable at the  
bearer's option into Definitive Notes because of  
exchangeability upon "melt down" of clearing  
systems - see provisions contained in Permanent  
Global Note]
- (v) Talons for future Coupons to [Yes] [No] [Not applicable]  
be attached to Definitive [N.B. The above comment also applies here]  
Notes:<sup>5</sup>
- Exchange Date for exchange of [Not earlier than 40 days after the Issue Date]  
Temporary Global Note: [(specify)] [Not applicable]  
  
(select "Not applicable" in case of Notes issued by  
HBCE)
24. If issued in registered form (other than [Applicable] [Not applicable]  
Uncertificated Registered Notes):  
  
(select "Not applicable" and delete sub paragraphs  
below in case of Notes issued by HBCE)
25. (i) Initially represented by: [Regulation S Global Registered Note][Rule 144A  
Global Registered Note][Unrestricted Global  
Registered Note and Restricted Global Registered  
Note][Combined Global Registered Note][Definitive  
Registered Notes]
- [(ii) [Regulation S Global [Yes] [No. Paragraph (d) of the [Regulation S Global  
Registered Note][Unrestricted Global Registered  
Global Registered Note] Note] does not apply. The Issuer may not elect to  
exchangeable at the option of exchange a [Regulation S Global Registered  
the Issuer in circumstances [Unrestricted Global Registered  
where the Issuer would suffer Note] for  
a material disadvantage Regulation S Definitive Registered Notes in the  
following a change of law or circumstances described in paragraph (d) of the  
regulation:] [Regulation S Global Registered Note][Unrestricted  
Global Registered Note]]

<sup>4</sup> Definitive Notes will typically have coupons attached to them if interest bearing.

<sup>5</sup> Talons will be needed if there are more than 27 coupons.

- [(ii) [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note][Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note]]
- [(iii) [Combined Global Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]
- [Masse (Condition 15 of Part B3 – Terms and Conditions of the Notes issued by HBCE): Condition 15 applies. [Not applicable]
26. (i) Representative: [•] (*specify name and address*)
- (ii) Alternative Representative: [•] (*specify name and address*)
- (iii) Remuneration of Representative: [•]
- Payments:  
(Condition 9)
27. (i) Relevant Financial Centre Day: [*specify all places*]
- (ii) Payment of Alternative Payment Currency Equivalent: [Applicable] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
- Cross Currency: [ ] (*delete if Cross Currency Exchange Rate is not applicable*)
  - Cross Currency Jurisdiction: [ ] (*delete if Cross Currency Exchange Rate is not applicable*)
  - Settlement Currency Jurisdiction: [ ]
  - Alternative Payment Currency: [ ]
  - Alternative Payment Currency Jurisdiction: [ ]
  - Alternative Payment Currency Fixing Page: [ ]

- Alternative Payment Currency Fixing Time: [ ]
- Alternative Payment Currency Fixing Date: [ ] [Condition 1 applies] [The relevant jurisdictions/places] for the purposes of the Alternative Payment Currency Fixing Date are [ ]
- Alternative Payment Currency Exchange Rate Fall-Back provisions: [ ] [Not applicable]
- Additional Alternative Payment Currency Event: [ ]
- Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
- Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (iii) Conversion provisions: [Applicable in respect of [[interest payments under the Notes][Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount][*other*]] [the Conversion Rate is [ ] ] [*specify further Conversion provisions*] [Not applicable]

Conversion Rate Business Days: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] [ ] [Condition 1 applies]]

- Conversion Rate Fixing Date: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*][ ]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
- Cross Currency: [ ]
- Cross Currency Jurisdiction: [ ]
- Conversion Rate Fixing Page: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*][ ] [Condition 1 applies]]
- Conversion Rate Fixing Time: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)]

- [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]
- Denomination Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] [ ]]
  - Settlement Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other][ ]]
  - Conversion Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
  - (iv) Underlying Currency Pair provisions: [Applicable in respect of [[interest payments under the Notes] [Final Redemption Amount]] [The Initial Underlying Currency Pair Exchange Rate is [ ] ] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
- Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Reference Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Reference Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Specified Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Specified Currency Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [and [ ]]
  - Underlying Currency Pair Business Days: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Date: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ]]
  - Underlying Currency Pair Fixing Page: [in respect of [interest payments under the Notes] [Final Redemption Amount] [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Time: [in respect of [interest payments under the Notes] [Final Redemption Amount]]

- Underlying Currency Pair Exchange Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [ ] [Not applicable]
  - Alternative Pre-nominated Index: [ ] [specify Alternative Pre-nominated Index details] [Not applicable]
  - (v) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]
- Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9(f): [3] [ ]
  - Dealer Poll: [Applicable] [Not applicable]
  - Unscheduled Holiday and Deferral Period: [The number of Relevant Currency Business Days for the purposes of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purpose of the Deferral Period is [ ] [as per Condition 1]
  - Interest Adjustment: [Applicable] [Not applicable]
  - (vi) LBMA Physical Settlement Provisions: Not applicable
- (vii) Physical Settlement provisions: Not applicable
- Redenomination: (Condition 10) [Applicable] [Not applicable]
28. Other terms: [Not applicable/specify/See Annex]
- (When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)*
29. Other terms: [Not applicable/specify/See Annex]
- (When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)*

**PROVISIONS APPLICABLE TO FUND-LINKED NOTES**

30. Provisions for Fund-Linked Notes [Applicable] [Not applicable]
- (i) Reference Fund(s) (including information on where the net asset value is published): [ ]

		<b>Name of Fund</b>		
		<u>[ ]</u>	<b>Information</b>	
			<b>on where the</b>	
			<b>net asset</b>	
			<b>value is</b>	
			<b>published</b>	
			<b>Weighting</b>	
			<b>Weighting</b>	
(ii)	Initial Reference Fund Unit Value:	[ ] [The definition in Condition 22(a) applies]	[ ]	[ ]
(iii)	Strike Date:	[ ] [The definition in Condition 22(a) applies]		
(iv)	Final Value:	[ ] [The definition in Condition 22(a) applies]		
(v)	Additional Disruption Event:	[The following Additional Disruption Events apply: [Change in Law, Hedging Disruption, Increased Cost of Hedging] <i>[other - give details]</i> ] [Not applicable]		
	Additional provisions for Fund-Linked Notes:	[ ] [Not applicable]		
31.	Final Valuation Date:	[ ]		
32.	Cut-off Final Valuation Date:	[ ] [The [ ] Reference Fund Valuation Day following the Scheduled Final Valuation Date]		
33.	Cut-off Date:	[ ] [The date which is [ ] [calendar [days][months][Business Days] following the Final Valuation Date]		
34.	Number of local banking days for the purpose of postponing Reference Fund Disrupted Day Related Payment Date pursuant to Condition 22(b):	[3][ ]		
35.	Reference Fund Disruption Interest Adjustment:	[Applicable] [Not applicable]		
36.	Averaging Dates:	[ ] [Not applicable]		
37.	(i) Averaging Date Market Disruption:	[Omission] [Postponement] [Modified Postponement] [Not applicable] <i>[other (specify)]</i>		
	(i) Averaging Date Market Disruption:	[Omission] [Postponement] [Modified Postponement] [Not applicable] <i>[other (specify)]</i>		

**DISTRIBUTION**

38. (i) If syndicated, names of Relevant Dealer(s): [Not applicable/HSBC Bank plc/*other - give name*]
- (ii) If syndicated, names [addresses and underwriting commitments] of other Dealers (if any): [Not applicable/*other - give name*]  
*[Give addresses and underwriting commitments]*  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best*

*efforts" basis if such entities are not the same as the Dealers.)*

- |  |   |
|--|---|
| Prohibition of Sales to EEA Retail Investors:  | [Applicable] [Not applicable]   |
| 39. Prohibition of Sales to UK Retail Investors:   | [Applicable] [Not applicable]   |
| 40. Selling restrictions:  | [For Bearer Notes: TEFRA C Rules/ TEFRA D Rules/TEFRA Not applicable]   |
| 41. United States of America:  | <p>[Notes may not be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S)]</p> <p>[Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "<i>Transfer Restrictions</i>"]</p> <p>40-day Distribution Compliance Period: [Applicable] [Not applicable]</p>   |
| Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the " <b>EU Prospectus Regulation</b> "):  | <p>[Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]</p> |
| 42. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the " <b>UK Prospectus Regulation</b> "): | <p>[Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]</p>         |
| 43. Additional U.S. federal income tax considerations:   | <p>[Not applicable/<i>give details</i>] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "<i>Taxation – United States Taxation – Withholding on Dividend Equivalent Payments</i>" in the Offering Memorandum. [The following dividend equivalent amounts are to be</p>  |

treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [ ]]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] *[The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.]*

44. Additional selling restrictions: *[specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]*

#### TRANSFER RESTRICTIONS

*[In offers of Notes pursuant to Rule 144A insert:<sup>6</sup>*

Because of the following restrictions, purchasers of Notes offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers", in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as the investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may

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<sup>6</sup> *Transfer Restrictions are only to be included for Notes offered in the United States in reliance on Rule 144A.*



not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.

- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes and any US Definitive Registered Notes (as defined in "Part B4 – Summary of Provisions relating to the Notes while in Global Form" in the Offering Memorandum) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

["THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "**QUALIFIED INSTITUTIONAL BUYERS**", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

***EITHER***<sup>7</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION

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<sup>7</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

**OR**<sup>8</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN

<sup>8</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

INVESTOR'S INVESTMENT IN THIS NOTE OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.]]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A – Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Note (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter, in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Note or an interest therein will not be), and is not (and for so long as it holds such Note or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to

invest in the Note or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A – Certain ERISA Considerations*" in the Offering Memorandum.

- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 – Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]

**CONFIRMED**

**[HSBC BANK PLC**

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By: .....  
*Authorised Signatory*

Date: .....

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK CONTINENTAL EUROPE**

By: .....  
*Authorised Signatory*

Date: ..... ]

**PART B - OTHER INFORMATION**

**1. LISTING**

- (i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin [on or around the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted] [Not applicable]
- (ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from [the Issue Date / *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)
- (iii) Estimated total expenses of admission to trading: [*specify amount*] [Not applicable]

**2. RATINGS**

- Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]
- [*specify rating and rating agency*]

**3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]**

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Dealer(s)/distributors in respect of the Notes [as of (or around the Issue Date)] (the "**Distributors**")/*[specify other]*], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Dealer(s)/Distributor(s)/*[specify other]*] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>9</sup>

**4. [*Fixed Rate Notes only – YIELD*] <sup>10</sup>**

- Indication of yield: [[ ] per cent. per annum] [Calculated as [*include details of method of calculation in summary form*] on the Issue Date]<sup>11</sup>
- [As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

<sup>9</sup> For unlisted Notes delete this paragraph.

<sup>10</sup> Only include if the Notes are listed; otherwise delete.

<sup>11</sup> For unlisted Notes delete this paragraph.

5. **[[Fund-Linked Interest Notes only - PERFORMANCE OF REFERENCE FUND/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING]<sup>12</sup>**

*(Need to include details of where past and future performance and volatility of the reference fund/formula can be obtained.)*

6. **REASONS FOR THE OFFER**

[The Notes are "Green Notes" and an amount equivalent to the net proceeds from the sale of the Notes will be used as described in "Part A - Green Notes" in the Offering Memorandum. The Applicable Framework is the [HSBC Green Bond Framework][Specify other].]

**OPERATIONAL INFORMATION**

- |     |   |                             |
|-----|---|-----------------------------|
| 7.  | ISIN Code:  | [ ] [Not applicable]        |
| 8.  | Common Code:  | [ ] [Not applicable]        |
| 9.  | CUSIP:  | [ ] [Not applicable]        |
| 10. | Valoren Number:   | [ ] [Not applicable]        |
| 11. | SEDOL:  | [ ] [Not applicable]        |
| 12. | WKN:  | [ ] [Not applicable]        |
| 13. | Other identifier / code:  | [ ] [Not applicable]        |
| 14. | Intended to be held in a manner which would allow Eurosystem eligibility: <sup>13</sup> | [Yes] [No] [Not applicable] |

[[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[include this text if "yes" selected]*

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may

<sup>12</sup> For unlisted Notes delete this paragraph.

<sup>13</sup> Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB requirements, in order to be eligible as collateral a security must, amongst other things, be denominated in Euros and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg EUR MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area – General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

(in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "no" selected]*

15. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST/ Euroclear France/ None/ *specify other*]
16. Central Depository: [Euroclear France] [Not applicable]  
*(Select Euroclear France for Notes issued by HBCE)*
17. Delivery: Delivery [against/free of] payment
18. Settlement procedures: [Eurobond]/[Medium Term Note]/*[other (specify)]*
19. Additional Paying Agent(s) (if any): [None]/*[specify]*
20. Common Depository: [HSBC Bank plc] [Not applicable]
21. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] *[specify]*
22. ERISA Considerations: [ERISA prohibited] [ERISA terms applicable]
23. [Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE:;]  
*[Applicable]*  
*(If the possibility to request identification information of the Noteholders as provided by Condition 2 of Part B3 – Terms and Conditions of the Notes issued by HBCE is contemplated, delete this paragraph)*



**PART H2 –  
ADDITIONAL PROVISIONS RELATING TO FUND LINKED WARRANTS**

The following additional condition shall be deemed to be added as Condition 18 to the terms and conditions set out in the section headed "*Part C1 - Terms and Conditions of the Warrants*" of this Offering Memorandum in respect of any issue of Fund-Linked Warrants.

The terms and conditions of the Fund-Linked Warrants (the "**Terms and Conditions of the Fund-Linked Warrants**") shall consist of Condition 18 and the terms and conditions set out in the section headed "*Part C1 – Terms and Conditions of the Warrants*" of this Offering Memorandum, as amended or supplemented by the terms of each Tranche of Warrants set out in the Pricing Supplement.

**18. Provisions relating to Fund-Linked Warrants**

(a) ***Definitions***

As used in this Condition 18, and unless otherwise provided in the relevant Pricing Supplement, the following expressions shall have the following meanings:

**"Additional Disruption Event"** means a Change in Law, Hedging Disruption and/or an Increased Cost of Hedging, as further specified in the relevant Pricing Supplement;

**"Averaging Date"** means, in respect of the Final Valuation Date, each date specified as such or otherwise determined as provided in the relevant Pricing Supplement (or, if such date is not a Reference Fund Valuation Day, the next following Reference Fund Valuation Day), subject to the provisions of Condition 18(b);

**"Change in Law"** means, in relation to any Warrants, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it will, or there is a substantial likelihood that it will, with the passing of time, or has become illegal for the Issuer or any of its designated affiliates to hold, acquire or dispose of or realise, recover or remit the proceeds of the sale of disposal of Reference Fund Units relating to such Warrants or any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk including, without limitation, any currency risk, of the Issuer issuing and performing its obligations with respect to the Warrants (y) it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Warrants, or in relation to the Issuer's hedging activities in connection with the Warrants or in relation to the hedging activities of the Issuer or any of its designated affiliates in connection with the Warrants, (ii) stock loan transactions in relation to such Warrants or (iii) other instruments or arrangements (howsoever described) held by the Issuer or any of its designated affiliates in order to hedge, individually or on a portfolio basis, such Warrants or (z) the Issuer or any of its designated affiliates will incur a materially increased cost in performing its obligations under the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

**"Cut-off Date"** means the date specified as such in the relevant Pricing Supplement (or, if no such date is so specified, one calendar month following the Final Valuation Date);

**"Cut-Off Final Valuation Date"** means the date specified as such in the Pricing Supplement;

"**Extraordinary Fund Event**" means, in respect of a Reference Fund, the occurrence or existence of any of the following on or prior to the Final Valuation Date, as determined by the Calculation Agent:

- (a) any breach or violation of the provisions of the Reference Fund Prospectus or any other relevant fund document including, but not limited to: the constitutive and governing documents of the relevant Reference Fund, the subscription agreements and other agreements of the relevant Reference Fund, any (verbal or written) agreement with respect to the Reference Fund entered into by the Issuer with the Reference Fund and/or any of its service providers, any strategy or investment guidelines, and any agreement entered into by the relevant Reference Fund and/or its service **providers that** is reasonably likely to affect the relevant Reference Fund;
- (b) (i) the non-execution or partial execution by such Reference Fund for any reason of a subscription or redemption order in respect of any units in that Reference Fund given by a Hypothetical Investor (whether or not in accordance with the relevant Reference Fund Prospectus), (ii) the Reference Fund suspends or refuses transfers of any of its units (including, without limitation, if the Reference Fund applies any gating, deferral, suspension or other similar provisions permitting the Reference Fund to delay or refuse redemption or transfer of units), (iii) the Reference Fund imposes in whole or in part any restriction (including, without limitation, any redemption *in specie*), charge or fee in respect of a redemption or subscription of its units by the Issuer or exercises its right to claw back the proceeds already paid on redeemed units if in any case it could, in the determination of the Calculation Agent, have an adverse impact on the Issuer's or any of its designated affiliates', as applicable, rights or obligations in relation to its hedging activities in relation to the Warrants, or (iv) a mandatory redemption, in whole or in part, of the units is imposed by the Reference Fund on any one or more holders of units at any time for any reason;
- (c) such Reference Fund or any Reference Fund Service Provider (i) ceases trading and/or, in the case of a Reference Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable); (ii) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vii) causes or is subject to any event with respect to it which, under

the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (v) above;

- (d) there exists any litigation against the Reference Fund or a Reference Fund Service Provider which in the determination of the Calculation Agent could materially affect the value of the Reference Fund Units or the rights or remedies of any investor in such Reference Fund Units;
- (e) (i) a Reference Fund Service Provider ceases to act in such capacity in relation to the Reference Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Reference Fund and/or any Reference Fund Service Provider to meet or maintain any obligation or undertaking under the Reference Fund Prospectus or any other relevant fund document which failure is reasonably likely to have an adverse impact on the value of the Reference Fund Units or on the rights or remedies of any investor in such Reference Fund Units;
- (f) a material modification, or any announcement regarding a potential future material modification, of the investment programme, investment objectives, investment policies, investment strategy, investment process or investment guidelines of such Reference Fund;
- (g) the failure by such Reference Fund to comply with its reporting obligations (including but not limited to, without limitation, any periodic reporting of the Net Asset Value of such Reference Fund, periodic statements thereof, return numbers and composition of such Reference Fund and the allocation of capital for such Reference Fund (where applicable)) in accordance with its agreements with the Issuer or any of its designated affiliates (as applicable);
- (h) a material modification (other than any modifications referred to in (e) above) of such Reference Fund (including but not limited to a modification of the Reference Fund Prospectus or the articles of association or other constitutional documents of such Reference Fund) or the occurrence of a change or any event materially affecting such Reference Fund (including, but not limited to, the interruption, breakdown or suspension of the calculation of the Net Asset Value of such Reference Fund unless such interruption, breakdown or suspension is cured within two Business Days);
- (i) a material modification of the type of assets in which such Reference Fund invests or the trading practices of the relevant Reference Fund (including but not limited to a material deviation from the investment policy and investment objectives set out in the Reference Fund Prospectus) which, in the determination of the Calculation Agent, has or is likely to have a material effect on any hedging arrangements entered into by the Issuer or any of its designated affiliates (as applicable) in respect of these Warrants;
- (j) such Reference Fund or any Reference Fund Service Provider has its authorisation or registration cancelled by any applicable regulatory authority;
- (k) (i) an allegation of criminal or fraudulent activity is made in respect of the Reference Fund, or any Reference Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred or (ii) such Reference Fund or a Reference Fund Service Provider (A) becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund, investment adviser, manager or administration agent; (B) commits an act which constitutes fraud or criminal activity in the performance of its obligations in respect of such Reference Fund; (C) makes any material misrepresentation under any document

in respect of the relevant Reference Fund or (D) announces its intention to cease the business of investment management;

- (l) any relevant activities of or in relation to the Reference Fund or a Reference Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Reference Fund by any governmental, legal or regulatory entity with authority over the Reference Fund), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Reference Fund or a Reference Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Reference Fund is required by a competent authority to redeem any Reference Fund Units, (iv) the Issuer or any of its designated affiliates (as applicable) is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Reference Fund Units held in connection with any hedging arrangements relating to the Warrants and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Reference Fund or any Reference Fund Service **Provider that** is reasonably likely to have an adverse impact on the value of the Reference Fund Units or other activities or undertakings of the Reference Fund or on the rights or remedies of any investor in such Reference Fund Units, including the Issuer;
- (m) the creation by the Reference Fund of any illiquid share class or unit howsoever described;
- (n) the currency denomination of Reference Fund Units is amended from that set out in the Reference Fund Prospectus or any other relevant fund document so that the NAV per unit is no longer calculated in the same currency as it was as at the Trade Date;
- (o) if applicable, the Reference Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;
- (p) if the Reference Fund comprises multiple classes or series (howsoever described in the Reference Fund Prospectus or any other relevant fund document) of shares or units, and the Calculation Agent determines (in good faith and a commercially reasonable manner) at any time, taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Reference Fund Prospectus or any other relevant fund document), that such other class or series has or may have an adverse effect on the hedging activities of the Issuer or any of its designated affiliates (as applicable) in relation to the Warrants;
- (q) (i) the Calculation Agent determines, at any time, that the NAV per unit is inaccurate, or (ii) the reported net asset value of the Reference Fund Units misrepresents the net asset value of the Reference Fund Units;
- (r) any material modification of the method of calculating the NAV per unit;
- (s) any change in the periodicity of the calculation or the publication of the NAV per unit;
- (t) any change in the length of notice periods for redemptions or transfers in relation to the Reference Fund;
- (u) a Reference Fund Disruption Event has occurred and is continuing for at least three consecutive Reference Fund Valuation Days;
- (v) the exposure (expressed as percentage) of the Reference Fund to securities with a credit quality (based upon the lowest credit ratings from S&P, Moody's and Fitch

when available) below B, B2 or B for S&P, Moody's and Fitch respectively exceeds 35%; the aggregated level of leverage (expressed as percentage) of the Reference Fund exceeds 20%;

- (w) the Calculation Agent determines that, over any period not exceeding twelve months, the total net value of the assets of the Reference Fund has decreased by 30 per cent. (either due to redemptions, a decrease in value of such assets or otherwise); or
- (x) the Calculation Agent determines that, over any period not exceeding twelve months (ending on the immediately preceding date on which the Reference Fund Adviser published the total value of the assets it managed), the total value of the assets managed by the Reference Fund Adviser (including the Reference Fund) has decreased by 50 per cent. (either due to redemptions, a decrease in value of such assets or otherwise);

**"Final Reference Fund Unit Value"** means, in relation to a Reference Fund Unit, subject to the occurrence of a Reference Fund Event,

- (a) the Reference Fund Unit Value of such Reference Fund Unit on the Final Valuation Date; or
- (b) if Averaging is specified as being applicable, the arithmetic mean of the Reference Fund Unit Values of such Reference Fund Unit on each Averaging Date;

in each case as calculated on the Termination Calculation Date;

**"Final Valuation Date"** means, subject to Condition 18(b) below, the date specified as such in the Pricing Supplement (the **"Scheduled Final Valuation Date"**) **provided that** if such date is not a Reference Fund Valuation Day, the Final Valuation Date shall be the next following Reference Fund Valuation Day;

**"Final Value"** means:

- (a) in respect of a Fund-Linked Warrant relating to a single Reference Fund Unit, the Final Reference Fund Unit Value; and
- (b) in respect of a Fund-Linked Warrant relating to a basket of Reference Fund Units, the arithmetic mean of the Final Reference Fund Unit Values of each Reference Fund Unit comprising the basket (weighted or adjusted in relation to each Reference Fund Unit as provided in the relevant Pricing Supplement);

**"Hedging Disruption"** means that the Issuer or any of its designated affiliates is unable or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Issuer wholly or any of its designated affiliates or partially after using commercially reasonable efforts and acting in good faith, to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the equity or any other price risk (including but not limited to, any currency risk) of entering into and performing the Issuer's obligations in respect of the Warrants or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s) or (C) without prejudice to (B) above, transfer amounts denominated in the Settlement Currency (1) from accounts inside the Settlement Currency Jurisdiction to accounts outside the Settlement Currency Jurisdiction (2) between accounts inside the Settlement Currency Jurisdiction or (3) to a party that is a non-resident of the Settlement Currency Jurisdiction or (D) without prejudice to (B) and (C) above, convert the Settlement Currency into an Alternative Payment Currency) and, for the avoidance of doubt "using commercially reasonable efforts and acting in good faith" to hedge the risks of the Issuer referred to herein does not include the value of any quota granted to the Issuer or any of its designated affiliates under the Qualified Foreign Institutional Investor ("QFII") or Renminbi Qualified Foreign Institutional Investor ("RQFII") Schemes;

**"Hypothetical Investor"** means a hypothetical investor in the Reference Fund Units of a Reference Fund;

**"Increased Cost of Hedging"** means that the Issuer or any of its designated affiliates would incur materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, the amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Issuer's obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or its designated affiliates, as applicable, shall not be deemed an Increased Cost of Hedging;

**"Initial Reference Fund Unit Value"** means, in respect of a Reference Fund Unit, the value specified as such in the applicable Pricing Supplement, or, if no Initial Reference Fund Unit Value is specified, the Reference Fund Unit Value on the Strike Date;

**"Initial Value"** means:

- (a) In respect of a Fund-Linked Warrant relating to a single Reference Fund, the Initial Reference Fund Unit Value; and
- (b) In respect of a Fund-Linked Warrant relating to a basket of Reference Funds, the arithmetic mean of the Initial Reference Fund Unit Values of each Reference Fund Unit comprising the basket (weighted or adjusted in relation to each Reference Fund Unit as provided in the relevant Pricing Supplement);

**"Merger Event"** means, in respect of the Reference Fund Units of a Reference Fund and as determined by the Calculation Agent, the occurrence on or prior to the Final Valuation Date of any (a) reclassification or change of such Reference Fund Units that results in a transfer of or an irrevocable commitment to transfer all of such units outstanding, (b) consolidation, amalgamation or merger of the Reference Fund with or into another entity (other than consolidation, amalgamation or merger in which the Reference Fund is the continuing entity and which does not result in any such reclassification or change of all of such units outstanding) or (c) other takeover offer for such Reference Fund Units that results in a transfer of or an irrevocable commitment to transfer all such Reference Fund Units (other than such units owned or controlled by the offeror);

**"Net Asset Value"** or **"NAV"** means, in respect of each Reference Fund Unit of a Reference Fund and a Reference Fund Valuation Date, the official net asset value, expressed in the relevant currency, for such Reference Fund Valuation Date, as published in accordance with the relevant Reference Fund Prospectus and as determined by the Calculation Agent;

**"Potential Adjustment Event"** means the occurrence, as determined by the Calculation Agent, at any time on or prior to the Final Valuation Date of any of the following events in relation to a Reference Fund:

- (a) a subdivision, reclassification, reorganisation or consolidation of the Reference Fund Units in the Reference Fund (other than that constituting a Merger Event), or a free distribution or dividend of any such Reference Fund Units to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Reference Fund Units of (i) an additional amount of such Reference Fund Units, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Reference Fund Units, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund as a result of a spin-off or other similar transaction or (iv) any

other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- (c) an extraordinary dividend;
- (d) a repurchase by the Reference Fund of such Reference Fund Units whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Reference Fund Units initiated by an investor in such Reference Fund Units that is consistent with the Reference Fund Prospectus; or
- (e) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Fund Units.

**"Reference Fund(s)"** means the fund(s) specified as such in the relevant Pricing Supplement;

**"Reference Fund Adviser"** means, with respect to a Reference Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment manager (including a non-discretionary investment manager to a discretionary investment manager or to another non-discretionary investment manager), as provided in the related Reference Fund Documents;

**"Reference Fund Disrupted Day Related Payment Date"** means any payment date on the Warrants on which the amount payable is calculated by reference to the Reference Fund Unit Value of a Reference Fund determined on the related Final Valuation Date or Cut-Off Final Valuation Date;

**"Reference Fund Disruption Event"** means, in respect of a Reference Fund, the occurrence or existence on any day of, as determined by the Calculation Agent:

- (a) a postponement of the date as of which the relevant Reference Fund is scheduled, according to the documentation governing such Reference Fund, to determine the Net Asset Value of such Reference Fund for the purposes of calculating the redemption proceeds to be paid to or number of units to be subscribed by a Hypothetical Investor assuming it had submitted a timely and valid notice for redemption or subscription; and/or
- (b) the occurrence or continuation of a postponement of the reporting by the relevant Reference Fund to its investors or, if applicable, the publishing by the relevant Reference Fund or the relevant publishing service, in each case of the Net Asset Value of the relevant Reference Fund; and/or
- (c) the occurrence or continuation of a postponement in the payment of any or all of the redemption proceeds relating to such Reference Fund Units (whether or not in accordance with the Reference Fund Prospectus);

**"Reference Fund Documents"** means, in relation to any Reference Fund, the constitutive and governing documents, subscription agreements and other agreements of such Reference Fund specifying the terms and conditions relating to such Reference Fund, in each case as amended and supplemented from time to time;

**"Reference Fund Event"** means each of a Potential Adjustment Event, an Extraordinary Fund Event, an Additional Disruption Event, a Merger Event or a Technical Constraints Event.

**"Reference Fund Prospectus"** means, in respect of a Reference Fund, the most recently published offering document relating to that Reference Fund, as amended, restated or supplemented from time to time;

**"Reference Fund Service Provider"** means any person who is appointed to provide services, directly or indirectly, in respect of a Reference Fund, whether or not specified in

the Reference Fund Prospectus or any other relevant fund document, including any adviser, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner;

**"Reference Fund Unit"** means, in respect of a Reference Fund, a share or a notional unit of ownership in respect of that Reference Fund in the relevant (or related) share classes, as designated by the Calculation Agent;

**"Reference Fund Unit Value"** means, as determined by the Calculation Agent, in respect of a Reference Fund and a Reference Fund Valuation Day, the Net Asset Value per share for the Relevant Reference Fund Unit as published in accordance with the Reference Fund Prospectus for such Reference Fund Valuation Day (or as otherwise specified in the relevant Pricing Supplement).

Notwithstanding the provisions of Condition 18(b), if the Reference Fund Unit Value is not available in a timely fashion on any Reference Fund Valuation Day, the Calculation Agent may, at its the discretion acting in good faith, in order to calculate the relevant Reference Fund Unit Value calculate an estimated Reference Fund Unit Value in respect of such Reference Fund Valuation Day.

**"Reference Fund Valuation Day"** means, in respect of a Reference Fund, any Business Day in respect of which such Reference Fund is scheduled to publish its Net Asset Value;

**"Strike Date"** means the date specified as such in the relevant Pricing Supplement (or if such date is not a Reference Fund Valuation Day, the next following Reference Fund Valuation Day);

**"Technical Constraints Event"** means the occurrence or existence of a constraint in respect of the Issuer in performing adequately the hedging of its exposure to the Reference Fund(s) and/or relevant currency exchange rates (if applicable) due to any of the following reasons, as determined by the Calculation Agent:

- (a) any internal risk limits existing as of the Trade Date or at any time thereafter;
- (b) internal approvals, whether required as of the Trade Date or at any time thereafter;
- (c) reputational risks; or
- (d) compliance with laws in relevant jurisdictions, including local regulations, whether required as of the Trade Date or at any time thereafter;

**"Termination Calculation Date"** means the earlier of (i) the Cut-off Date and (ii) the date on which the Hypothetical Investor actually receives all of the redemption proceeds assuming it had submitted a timely notice for redemption in respect of the Final Valuation Date, as determined by the Calculation Agent; and

**"Valid Date"** means, in respect of a Reference Fund, a Reference Fund Valuation Day on which a Reference Fund Disruption does not occur and on which another Averaging Date does not or is not deemed to occur.

(b) ***Occurrence of a Reference Fund Disruption Event***

If a Reference Fund Disruption Event occurs in relation to a Reference Fund (but no Reference Fund Event has occurred or is subsisting) on:

- (i) the Final Valuation Date, then the Calculation Agent may, acting in good faith and in a commercially reasonable manner, postpone the Final Valuation Date in relation to such relevant Reference Fund Unit until the earlier of (i) the first Reference Fund Valuation Day on which the Calculation Agent determines that any one or more Reference Fund Disruption Events are no longer continuing, or (ii) Cut-off Final Valuation Date. If a Reference Fund Disruption Event continues



on such Cut-off Final Valuation Date, the Calculation Agent shall determine the Reference Fund Unit Value for such Cut-off Final Valuation Date acting in good faith and in a commercially reasonable manner;

(ii) any Averaging Date, then the Calculation Agent may, acting in good faith and in a commercially reasonable manner, if the consequence specified in the relevant Pricing Supplement in relation to "**Averaging Date Disruption**" is:

(1) "**Omission**", deem such Averaging Date not to be a relevant Averaging Date for purposes of determining the Final Value of any Reference Fund Unit, **provided that**, if through the operation of this provision no Averaging Date would occur, then Condition 18(b)(i) will apply for purposes of determining the relevant Reference Fund Unit Value on the final Averaging Date as if such final Averaging Date were the Final Valuation Date;

(2) "**Postponement**", determine that Condition 18(b)(i) shall apply for purposes of determining the relevant Reference Fund Unit Value as if such Averaging Date were the Final Valuation Date irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Warrants; or

(3) "**Modified Postponement**", then:

(aa) in the case of a Fund-Linked Warrant which relates to a single Reference Fund, determine that the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Cut-off Final Valuation Date then the Cut-off Final Valuation Date shall be deemed to be the Averaging Date, notwithstanding the fact that a Reference Fund Disruption occurs or is continuing on such day (irrespective of whether that Cut-off Final Valuation Date is already an Averaging Date) and the Calculation Agent shall determine the Reference Fund Unit Value for that Averaging Date in accordance with Condition 18(b)(i); and

(bb) in the case of a Fund-Linked Warrant which relates to a basket of Reference Funds, the Averaging Date for each Reference Fund in respect of which no Reference Fund Disruption Event has occurred or is continuing shall be the day specified in the relevant Pricing Supplement as an Averaging Date and the Averaging Date for a Reference Fund affected by the occurrence of a Reference Fund Disruption Event shall be the first succeeding Valid Date in relation to such Reference Fund. If the first succeeding Valid Date in relation to such Reference Fund has not occurred as of Cut-off Final Valuation Date, then the Cut-off Final Valuation Date shall be deemed to be the Averaging Date (irrespective of whether that Cut-off Final Valuation Date is already an Averaging Date) and the Calculation Agent shall determine the relevant Reference Fund Unit Value for that Averaging Date in accordance with Condition 18(b)(i).

If any Averaging Date in relation to the Final Valuation Date occurs after the Final Valuation Date as a result of the occurrence of a Reference Fund Disruption Event, then (i) the relevant Cash Settlement Date or (ii) the occurrence of an Extraordinary Fund Event, Merger Event or Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Final Valuation Date.

If a Final Valuation Date is postponed pursuant to this Condition 18(b) (*Occurrence of a Reference Fund Disruption Event*), the Scheduled FX Fixing Date in respect of the Final Valuation Date shall, in the Calculation Agent's discretion, be postponed to the Final Valuation Date as postponed, provided, in each case, that if the postponed Scheduled FX Fixing Date would, as a result of this paragraph, occur on a day which is not a Relevant Currency Business Day, it will be postponed to the immediately following Relevant Currency Business Day, and **provided further that**, the Scheduled FX Fixing Date is subject to Condition 5(g) (*Price Source Disruption and FX Disruption*).

If a Final Valuation Date is postponed in accordance with this Condition 18(b) (*Occurrence of a Reference Fund Disruption Event*), any Reference Fund Disrupted Day Related Payment Date will also be postponed, if needed, such that the Reference Fund Disrupted Day Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the Pricing Supplement) following the later of (i) the postponed Final Valuation Date or, if later, the Cut-off Final Valuation Date, as applicable and (ii) the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable.

(c) ***Effect of Reference Fund Events***

Following the occurrence of a Reference Fund Event, the Calculation Agent may, acting in good faith and in a commercially reasonable manner, either:

(i) designate a date as an early termination date (the "**Early Termination Date**") and the Warranholders will receive the Early Termination Amount on such designated Early Termination Date (the "**Original Early Termination Date**"), **provided that** if the Calculation Agent determines, in its sole discretion, that a Hypothetical Investor would experience a delay in receiving all of the relevant redemption proceeds assuming it had submitted a timely notice for the redemption of its fund holdings in respect of the Original Early Termination Date (or any earlier date designated by the Calculation Agent), then the Early Termination Date shall occur 10 Relevant Financial Centre Days after the earlier of (A) the date on which a Hypothetical Investor would have received all relevant redemption proceeds and (B) the Cut-Off Date; or

(ii) make any temporary or permanent adjustments to any of the following:

- (A) any relevant Reference Fund (including a substitution of such Reference Fund);
- (B) any relevant Reference Fund Unit;
- (C) any relevant Reference Fund Unit Values; and/or
- (D) any other terms of the Warrants as the Calculation Agent determines appropriate

and it shall determine the time as of which any such adjustments become effective;

(iii) in respect of a Merger Event, where consideration for the relevant Reference Fund Units of the relevant Reference Fund consists solely of units of a fund in which the Hypothetical Investor could invest (the "**New Units**"), references to a Reference Fund Unit of the relevant Reference Fund shall be replaced by references to the number of New Units to which a holder of a Reference Fund Unit would be entitled upon consummation of the Merger Event and the New Units and their issuer will be deemed to be the Reference Fund Units and the Reference Fund, respectively, and, if necessary, the Calculation Agent will make adjustments to the relevant Reference Fund Unit Value and/or any other terms of the Warrants in such manner as it considers appropriate; or

(iv) in respect of any Reference Fund Event occurring or subsisting on the Final Valuation Date or the Final Averaging Date (as applicable), the Calculation Agent may determine the Cash Settlement Amount. In doing so, it may take into account the redemption proceeds (if any) which a Hypothetical Investor would have received by not later than the Cut-off Date assuming that it had submitted a timely notice for redemption of all relevant fund holdings in respect of the Final Valuation Date.

(d) ***Early Termination Amount on Early Termination by Issuer***

With respect to any Early Termination Date designated by the Issuer upon the occurrence of a Reference Fund Event, the amount payable on such Early Termination Date (the "**Early Termination Amount**") shall be the Fair Market Value of the Warrants immediately prior to the date on which such early termination occurs. When determining the Early Termination Amount, the Calculation Agent may take into account the redemption proceeds (if any) which a Hypothetical Investor would have received by not later than the Cut-off Date assuming that it had submitted a timely notice for redemption of all relevant fund holdings in respect of the Original Early Termination Date (or any earlier date designated by the Calculation Agent).

**PART H2 –  
PRO FORMA PRICING SUPPLEMENT FOR FUND LINKED WARRANTS**

*[When completing any terms herein, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated: [•]

**[HSBC Bank plc**

*(A company incorporated in England with registered number 14259; the liability of its members is limited)*  
**/ HSBC Bank Middle East Limited]**

**Programme for the Issuance of Notes and Warrants**

**[Further] Issue of**

**[Number of Warrants]**

**[Title of Warrants]**

**[(to be consolidated and form a single series with the existing *[Insert details of existing Tranche(s)]*) issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A – CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Warrants described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**")] and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants, including the Terms and Conditions of the Fund-Linked Warrants (the "**Conditions**") set forth in the Offering Memorandum.] Part H (*Fund-Linked Notes and Warrants*) of the Offering Memorandum applies.

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Warrants that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Warrants are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Warrants which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the [2018] [2019] [2020] [2021] [2022]] Conditions, which are defined in, and incorporated by reference into, the Offering Memorandum (including the Additional Terms and Conditions relating to Fund Linked Warrants), and which are applicable to the Warrants. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement, the [2018] [2019] [2020] [2021] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2018] [2019] [2020] [2021] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

[For Warrants offered and sold in the United States of America include:

### IMPORTANT NOTICES

THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE WARRANTS ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF WARRANTS PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Warrants, the Issuer will promptly furnish, upon request of a holder of a Warrant, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Warrants understand the risks of transactions involving the Warrants and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Warrants in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Warrants will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.]

2. Tranche number: [ ]

*[(If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible).]*

3. Currency:  
 Settlement Currency [ ]
4. Aggregate Number of Warrants in the:  
 [(i) Series:] [ ]  
 [(ii) Tranche:] [ ]
5. Face Value: [ ]
6. (i) Issue Date: [ ]  
 (ii) Trade Date: [ ]
7. Issue Price: [currency] [amount] per Warrant
8. Strike Price: [currency] [amount] [Not applicable]
9. Type of Warrants: [ ]
10. Series represented by: [Global Registered Warrant]/[Not applicable]. Warrants in definitive form [will/will not] be issued. [other (specify)]
11. Form of Warrant: [Uncertificated Registered Warrants]  
 [Initially represented by [Rule 144A Global Registered Warrant] [Regulation S Global Registered Warrant] [Unrestricted Global Registered Warrant and Restricted Global Registered Warrant] [Combined Global Registered Warrant] [Definitive Registered Warrant] [Combined Definitive Registered Warrant]]
12. Style of Warrants: The Warrants are [American/European/Bermudan/other (specify)] Style [Call/Put] Warrants. Condition [4(a)/4(b)/4(c)] is applicable.
13. (i) Expiry Date: [ ] [(or if such date is not [a Business Day] [and an Underlying Currency Pair Fixing Date] the immediately following day that is [a Business Day] [and an Underlying Currency Pair Fixing Date])].[, subject to adjustment in accordance with the Conditions]
- (ii) Automatic Exercise: [Applicable] [Not applicable]
- (iii) Exercise Period: [American Style Warrants only]. [The period beginning from (and including) [ ] and ending on (and including) the Expiry Date].
- (iv) Potential Exercise Date(s): [Bermudan Style Warrants only] [insert date(s)] [or if [any] such date is not [a Business Day] [and an Underlying Currency Pair Fixing Date] the immediately following day that is [a Business Day] [and an Underlying Currency Pair Fixing Date]][, subject to adjustment in accordance with the Conditions]

14. (i) Minimum Exercise [ ] Warrants  
 Number/Minimum Trading  
 Size:
- (ii) Permitted Multiple: [ ] Warrants
15. Cash Settlement:
- (i) Cash Settlement Amount: [ ]
- (ii) Cash Settlement Date: [ ] [or, if later, the [fifth/specify] Business Day following the Exercise Date]
16. (i) Payment of Alternative [Applicable] [Not applicable]  
 Payment Currency  
 Equivalent:
- Settlement [ ]  
 Currency  
 Jurisdiction:
  - Cross Currency [Applicable] [Not applicable]  
 Exchange Rate:
  - Cross Currency: [ ] *(delete if Cross Currency Exchange Rate is not applicable)*
  - Cross Currency [ ] *(delete if Cross Currency Exchange Rate is not applicable)*  
 Jurisdiction:
  - Alternative [ ]  
 Payment Currency:
  - Alternative [ ] [Not applicable]  
 Payment Currency  
 Jurisdiction:
  - Alternative [ ]  
 Payment Currency  
 Fixing Page:
  - Alternative [ ]  
 Payment Currency  
 Fixing Time:
  - Alternative [ ] [Condition 1 applies] [[the relevant  
 Payment Currency [jurisdictions/places] for the purposes of the  
 Fixing Date: Alternative Payment Currency Fixing Date are [ ]]
  - Alternative [ ] [Not applicable]  
 Payment Currency  
 Exchange Rate  
 Fall-Back  
 provisions:
  - Additional [ ]  
 Alternative  
 Payment Currency  
 Event:



- Offshore RMB [Hong Kong] [Taiwan] [Singapore] [ ] [Not Centre: applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (ii) Underlying Currency Pair provisions: [Applicable] [The Initial Underlying Currency Pair Exchange Rate is [ ]] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
  - Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Reference Currenc(y)(ies): [ ]
  - Reference Currency Jurisdiction(s): [ ]
  - Specified Currenc(y)(ies): [in respect of [ ] [and [ ]]
  - Specified Currency Jurisdiction(s): [ ]
  - Underlying Currency Pair Business Days: [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Date: [ ] [*specify*] Business Day prior to the Expiry Date or relevant Potential Exercise Date [or, if such day is not an Underlying Currency Pair Business Day, the immediately preceding Underlying Currency Pair Business Day]
  - Underlying Currency Pair Fixing Page: [ ] [Condition 1 applies]
  - Underlying Currency Pair Fixing Time: [ ]
  - Underlying Currency Pair Exchange Rate Fall-Back provisions: [ ] [Condition 1 applies]
  - Offshore RMB [Hong Kong] [Taiwan] [Singapore] [ ] [Not Centre: applicable]
  - Alternative Pre-nominated Index: [ ] [*specify Alternative Pre-nominated Index details*] [Not applicable]

- (iii) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 5(g): [3] [ ]
  - Dealer Poll: [Applicable] [Not applicable]
  - Unscheduled Holiday and Deferral Period: [The number of Relevant Currency Business Days for the purpose of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purposes of the Deferral Period is [ ] [as per Condition 1]]
- (iv) LBMA Physical Settlement Provisions: Not applicable
- (v) Physical Settlement provisions: Not applicable
17. Business Centre: [ ]
18. Selling Restrictions:
- United States of America [Warrants may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
- [Warrants may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "Transfer Restrictions."]
- [Specify if applicable: Warrants are able to be offered or sold to, or for the account or benefit of U.S. persons (as defined in the Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed. Reg. 45292, 26 July 2013, as amended or supplemented by the U.S. Commodity Futures Trading Commission)]
- 40-day Distribution Compliance Period: [Applicable] [Not applicable]
- In addition to selling restrictions listed in "Part C2 - Purchase and Sale of the Warrants" contained in the Offering Memorandum:
- (Specify any selling restrictions applicable to the Warrants which are additional to, or in substitution for, those contained in the Offering Memorandum)

19. Other Terms: [ ]<sup>14</sup>

**PROVISIONS APPLICABLE TO FUND-LINKED WARRANTS**

20. Provisions for Fund-Linked Warrants: [Applicable] [Not applicable]

(i) Reference Fund(s) [ ]  
(including information on where the net asset value is published):

Name of Fund	Weighting	Information on where the net asset value is published
[ ]	[ ]	[ ]

(ii) Initial Reference Fund Unit Value: [ ] [The definition in Condition 18(a) applies]

(iii) Strike Date: [ ] [The definition in Condition 18(a) applies]

(iv) Final Value: [ ] [The definition in Condition 18(a) applies]

(v) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law, Hedging Disruption, Increased Cost of Hedging] [other - give details]] [Not applicable]

21. Additional provisions for Fund-Linked Warrants: [ ] [Not applicable]

22. Final Valuation Date: [ ]

23. Cut-off Final Valuation Date: [ ] [The [ ] Reference Fund Valuation Day following the Scheduled Final Valuation Date]

24. Cut-off Date: [ ] [The date which is [ ] [calendar [days][months][Business Days] following the Final Valuation Date]

25. Number of local banking days for the purpose of postponing Reference Fund Disrupted Day Related Payment Date pursuant to Condition 22(b): [3][ ]

26. Averaging Dates: [ ] [Not applicable]

(i) Averaging Date Market Disruption: [Omission] [Postponement] [Modified Postponement] [Not applicable] [other (specify)]

**DISTRIBUTION**

27. (i) If syndicated, names of Relevant Manager(s): [Not applicable] [HSBC Bank plc] [other - give name]

<sup>14</sup> If new term constitutes a "significant new change" or "significant new matter", consider whether a supplementary listing particulars is required.

- (ii) If syndicated, names [, addresses and underwriting commitments] of other Managers (if any): [Not applicable] [other - give name] [Give addresses and underwriting commitments]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
28. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
29. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
30. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"): [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Warrants for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
31. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"): [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/ [The offer is addressed to investors who will acquire Warrants for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
32. Additional U.S. federal income tax considerations: [Not applicable/give details] [The Warrants are [not] Section 871(m) Warrants for the purpose of Section 871(m).] [The [Dividend Withholding] approach shall apply to the Warrants. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Warrants, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Warrants: [ ]]. Additional information regarding the application of Section 871(m) to the Warrants will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] *[The Warrants will not be Section 871(m) Warrants if they do not reference any U.S. equity or any index that contains any U.S. equity. Warrants that reference a U.S. equity or index that contains any U.S.*

**Part H2 - Pro Forma Pricing Supplement for Fund Linked Warrants**

*equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Warrants.]*

## TRANSFER RESTRICTIONS

*[In offer of Warrants pursuant to Rule 144A insert:]*<sup>15</sup>

Because of the following restrictions, purchasers of Warrants offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers", in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Warrants.

Each prospective purchaser of Warrants offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Warrants as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Warrants other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Warrants sold in reliance on Rule 144A ("**Restricted Warrants**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Warrants (such as the investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Warrants for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Warrants to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Warrants are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Warrants offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Warrants (such as an investment manager), understands that certificates representing Restricted Warrants will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS WARRANT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS WARRANT IS HEREBY NOTIFIED THAT THE SELLER OF THIS WARRANT MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS WARRANT, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS WARRANT MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE

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<sup>15</sup> *Transfer Restrictions are only to be included for Warrants offered in the United States in reliance on Rule 144A.*

144A UNDER THE SECURITIES ACT ("**RULE 144A**") OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS WARRANT FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

***EITHER***<sup>16</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

***OR***<sup>17</sup>

[EACH BENEFICIAL OWNER OF THIS WARRANT OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS WARRANT (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS WARRANT THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS WARRANT THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS WARRANT OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS

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<sup>16</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

<sup>17</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

AMENDED ("**ERISA**"), OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS WARRANT OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS WARRANT OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS WARRANT OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Warrants acknowledges that the Issuer, the Warrant Registrar, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Warrants for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its



fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Warrant for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Warrant or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A – Certain ERISA Considerations*" in the Offering Memorandum.

- (6) If the Pricing Supplement in relation to a Tranche of Warrants specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Warrants (such as an investment manager), by such purchase or holding of any Warrant (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Warrant through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Warrant, either that (a) such purchaser or transferee is not (and for so long as it holds such Warrant or an interest therein will not be), and is not (and for so long as it holds such Warrant or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Warrant or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Warrant or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Warrant or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A – Certain ERISA Considerations*" in the Offering Memorandum.
- (7) Before any interest in a Warrant represented by a Restricted Global Registered Warrant may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Warrant, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Summary of Provisions relating to the Warrants While in Global Form*" in the Offering Memorandum.]

**CONFIRMED**

[HSBC BANK PLC

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By: .....  
*Authorised Signatory*

Date: .....

By: .....  
*Authorised Signatory*

Date: ..... ]

**PART B – OTHER INFORMATION****1. LISTING**

(i) Listing: [Application [will be /has been] made to admit the Warrants to listing on the Official List of Euronext Dublin [on or around the Issue Date/[insert date]]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

(ii) Admission to trading: [Application [will be /has been] made for the Warrants to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ [insert date] ]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

*(Where documenting a fungible issue need to indicate that original warrants are already admitted to trading.)*

(iii) Estimated total expenses of admission to trading: [(specify amount)] [Not applicable]

**2. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]**

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Manager(s)/distributors in respect of the Warrants (the "**Distributors**")]/[specify other]], so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the issue. The [Manager(s)/Distributor(s)/[specify other]] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>18</sup>

**OPERATIONAL INFORMATION**

3. ISIN Code: [ ] [Not applicable]

4. Common Code: [ ] [Not applicable]

5. CUSIP: [ ] [Not applicable]

6. Valoren Number: [ ] [Not applicable]

7. SEDOL: [ ] [Not applicable]

8. WKN: [ ] [Not applicable]

9. Other identifier / code: [ ] [Not applicable]

10. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [None/specify] [CREST]

11. Delivery: Delivery [against/free of] payment

12. Additional Warrant Agent(s) (if any): [None/specify]

<sup>18</sup> For unlisted Warrants delete this paragraph

**Part H2 - Pro Forma Pricing Supplement for Fund Linked Warrants**

- 13. Common Depositary: [HSBC Bank plc] [Not applicable] [*specify*]
- 14. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe] [*other (specify)*]
- 15. ERISA Considerations: [ERISA prohibited] [ERISA terms apply]

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**HSBC Bank plc**

*(a company incorporated in England with registered number 14259; the liability of its members is limited)*  
as Issuer

**HSBC Bank Middle East Limited**

*(a company limited by shares incorporated in the Dubai International Financial Centre)*  
as Issuer

**PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS**

**Emerging Market Pass-through Notes**

This product supplement in relation to Emerging Market Pass-through Notes constitutes Part I ("Part I") of the offering memorandum dated 1 June 2023 (the "Offering Memorandum") prepared by HSBC Bank plc (the "Issuer") in relation to the Programme for the Issuance of Notes and Warrants (the "Programme") described therein in connection with the application made for Notes or Warrants to be admitted to listing on the Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin"), and to trading on its Global Exchange Market and applies in relation to Emerging Market Pass-through Notes for which "Part I – Product Supplement for Emerging Market Pass-through Notes" is specified as applicable in the relevant Pricing Supplement.

**This Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of the Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).**

To the extent that there is any inconsistency between any statement in this Part I and any other statement in, or incorporated by reference in, other parts of this Offering Memorandum, the statements in this Part I will prevail for the purposes of Part I.

Notes issued pursuant to the Programme may include "Pass-through Notes", being Notes in relation to which the interest and/or the amount payable and/or the value of the assets deliverable on redemption reflect the performance of a reference entity or reference obligation, or a portfolio of reference entities or reference obligations. The purpose of this Part I is to provide information in relation to such Pass-through Notes. This Part I should be read together with Parts A and B of this Offering Memorandum.

**An investment in Pass-through Notes involves risks. See Part A of this Offering Memorandum under the heading "Part A - Risk Factors" (beginning on page A-1).**

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Part I or any other information supplied in connection with the Pass-through Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Part I nor any further information supplied in connection with the Pass-through Notes should be considered as a recommendation or as constituting an invitation or offer by the Issuer that any recipient of this Part I or any other information supplied in connection with the Pass-through Notes should subscribe for or purchase the Pass-through Notes. Each investor contemplating subscribing for or purchasing the Pass-through Notes should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Part I nor any other information supplied in connection with the Pass-through Notes constitutes an offer by or on behalf of the Issuer to subscribe for or purchase the Pass-through Notes.

The distribution of this Part I and the offer, distribution or sale of Pass-through Notes may be restricted by law in certain jurisdictions. The Issuer does not represent that this document may be lawfully distributed, or that the Pass-through Notes may be lawfully offered, or assumes any responsibility for facilitating any such distribution or offering. In particular, action may be required to be taken to permit a public offering of the Pass-through Notes or a distribution of this document in any jurisdiction. Accordingly, no Pass-through Notes may be offered or sold, directly or indirectly, and neither this Part I nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Part I or the Pass-through Notes come must inform themselves about, and observe, any such restrictions.

**EU PRIIPs REGULATION - IMPORTANT – EEA RETAIL INVESTORS** - If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs REGULATION - IMPORTANT - UK RETAIL INVESTORS** – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Pass-through Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the state securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S.

**Part I – Product Supplement for Emerging Market Pass-through Notes**

persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Programme Arranger  
**HSBC Bank plc**

Dealers and Managers  
**HSBC Bank plc**

**HSBC Continental Europe**

**The Hongkong and Shanghai Banking Corporation Limited**

1 June 2023

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**PART I –  
IMPORTANT NOTICES RELATING TO EMERGING MARKET PASS-THROUGH NOTES**

Given the highly specialised nature of Pass-through Notes, the Issuer considers that they are only suitable for highly sophisticated investors who are willing to take considerable risks, who are able to determine for themselves the risk of an investment linked to the credit risk of the particular reference entity or entities and who can absorb a substantial or total loss of principal.

Consequently, investors who do not fall within the description above should not consider purchasing the Pass-through Notes without taking detailed advice from a specialised professional adviser.

**PART I –  
ADDITIONAL TERMS AND CONDITIONS RELATING TO  
EMERGING MARKET PASS-THROUGH NOTES**

The section headed "*Part B1 - Terms and Conditions of the Notes*" of this Offering Memorandum shall be supplemented and modified by the following "*Part I - Additional Terms and Conditions Relating to Emerging Market Pass-through Notes*" in respect of any issue of Notes as amended or supplemented by the terms of each Tranche of Notes set out in the Pricing Supplement which are specified as being "Emerging Market Pass-through Notes" in the relevant Pricing Supplement. In the event of any inconsistency between the "*Part B1 - Terms and Conditions of the Notes*" and the "*Part I - Additional Terms and Conditions Relating to Emerging Market Pass-through Notes*", such "*Part I - Additional Terms and Conditions Relating to Emerging Market Pass-through Notes*" shall prevail and the "*Part B1 - Terms and Conditions of the Notes*" shall be amended accordingly.

**1. Interest Amounts**

On each Interest Payment Date, subject to no Early Redemption Event or Credit Event having occurred or subsisting, the Issuer will pay an amount of interest in respect of each Calculation Amount, in the Settlement Currency, equal to the quotient of:

- (i) (A) the amount actually received in the Reference Obligation Currency by the Notional Holder of the Reference Obligation Principal Amount of the Reference Obligation on the immediately preceding Reference Obligation Coupon Payment Date (such amount, the "**Reference Obligation Coupon**") less (B) an amount equal to any applicable taxes and/or incidental transaction costs incurred in connection with the Notional Holder's holding and/or the payment of interest on such Reference Obligation and/or any conversion of any amounts received in connection with the Reference Obligation in the Reference Obligation Currency to the Settlement Currency, for the avoidance of doubt, without any double counting in respect of any Adjustment Event; and
- (ii) the aggregate of all the Calculation Amounts in respect of all Notes outstanding on such day,

converted by the Calculation Agent from the Reference Obligation Currency at the Exchange Rate on the related Exchange Rate Calculation Date, (each an "**Interest Amount**").

**2. Final Redemption**

Subject to no Early Redemption Event or Credit Event having occurred or subsisting (in respect of which the Issuer intends to elect to redeem the Notes pursuant to paragraph 3 or paragraph 4, as applicable), on the Maturity Date the Issuer will pay an amount in respect of each Calculation Amount, in the Settlement Currency, equal to the quotient of:

- (i) (A) the amount actually received in the Reference Obligation Currency by a Notional Holder of the Reference Obligation Principal Amount of the Reference Obligation on the Reference Obligation Redemption Date (the "**Reference Obligation Redemption Amount**") less (B) an amount equal to any applicable taxes and or transaction costs incurred in connection with the Notional Holder's holding and/or the redemption of such Reference Obligation and/or any conversion of any amounts received in connection with the Reference Obligation in the Reference Obligation Currency to the Settlement Currency, for the avoidance of doubt, without any double counting in respect of any Adjustment Event; and
- (ii) the aggregate of all the Calculation Amounts in respect of all Notes outstanding on such day,

converted by the Calculation Agent from the Reference Obligation Currency at the Exchange Rate on the related Exchange Rate Calculation Date.

3. **Early Redemption as a result of a Credit Event**

As soon as reasonably practicable following the occurrence of a Credit Event, and:

- (a) if "Issuer Option" is specified as being applicable in the relevant Pricing Supplement, the Issuer will notify the Noteholders:
  - (i) of the occurrence of such Credit Event; and
  - (ii) whether the Issuer will redeem all (but not some only) of the Notes as a result of the occurrence of such Credit Event.

If the Issuer elects to redeem the Notes, the Issuer will notify the Noteholders whether such redemption will be by way of Physical Settlement or Cash Settlement on or before the thirtieth Business Day following the occurrence of such Credit Event (such notice being either a "Notice of Cash Settlement" or "Notice of Physical Settlement"); or

- (b) if "Physical Settlement" is specified as being applicable in the relevant Pricing Supplement, the Notes will be redeemed by way of Physical Settlement and the Issuer will deliver a Notice of Physical Settlement on or before the tenth Business Day following the occurrence of such Credit Event.

4. **Early Redemption as a result of an Early Redemption Event**

As soon as reasonably practicable following the occurrence of an Early Redemption Event, and:

- (a) if "Issuer Option" is specified as being applicable in the relevant Pricing Supplement, the Issuer will notify the Noteholders:
  - (i) of the occurrence of such Early Redemption Event; and
  - (ii) whether the Issuer will redeem all (but not some only) of the Notes as a result of the occurrence of such Early Redemption Event.

If the Issuer elects to redeem the Notes, the Issuer will deliver a Notice of Cash Settlement or Notice of Physical Settlement (as applicable) to the Noteholders on or before the tenth Business Day following the occurrence of such Early Redemption Event; or

- (b) if "Physical Settlement" is specified as being applicable in the relevant Pricing Supplement, the Notes will be redeemed by way of Physical Settlement and the Issuer will deliver a Notice of Physical Settlement on or before the tenth Business Day following the occurrence of such Early Redemption Event.

5. **Physical Settlement**

If Physical Settlement applies, the Issuer shall redeem all the Notes by Delivery (or procuring Delivery on its behalf) on or prior to the Physical Settlement Date to each Noteholder of such Noteholder's *pro rata* share (rounded down as necessary pursuant to the following paragraph) of an amount of Deliverable Obligations with an aggregate outstanding principal amount equal to (i) the Reference Obligation Principal Amount less (ii) an outstanding principal amount of Deliverable Obligations the sale proceeds of which the Calculation Agent (acting in good faith and a commercially reasonable manner) determines are required to cover all taxes, costs and expenses incurred by the Issuer (or its designated agent or affiliate) in relation to such Delivery. If it is illegal, impossible or impracticable to Deliver Deliverable Obligations to a Noteholder (including, without limitation, because such Noteholder has failed to provide the relevant valid local account details to effect Physical Settlement), Cash Settlement shall be deemed to apply in respect of the relevant Notes, *mutatis mutandis* and the Physical Settlement Date shall be deemed to be the date of the Notice of Cash Settlement.

If the nominal amount of the Deliverable Obligations to be Delivered in respect of each Note to be redeemed is not equal to an authorised denomination (or integral multiple thereof) of such Deliverable Obligations then the nominal amount of Deliverable Obligations to be Delivered will

be rounded down to the nearest authorised denomination or multiple thereof, or, if none, zero. In such circumstances (a "**Partial Cash Settlement Event**"), the Issuer shall in addition pay an amount in respect of each Note on the Physical Settlement Date equal to such Note's *pro rata* share of an amount equal to the product of (i) the principal amount of such Deliverable Obligations and (ii) the Final Price (for which purposes the Valuation Process shall be construed accordingly and the Valuation Date shall be two Business Days following the date of the Notice of Physical Settlement), less an amount equal to all taxes, costs and expenses incurred by the Issuer or its designated agent or affiliate in relation to such settlement, as determined by the Calculation Agent, acting in a commercially reasonable manner, converted into the Settlement Currency at the Exchange Rate on the day that is the number of days preceding the Physical Settlement Date in order for such conversion to settle on the Physical Settlement Date and rounded down to the nearest sub-unit of the Settlement Currency.

If the Calculation Agent determines, in good faith and a commercially reasonable manner, that it is unlawful, impossible, or otherwise impracticable to convert such amount, including but not limited to as a result of an Inconvertibility Event, notwithstanding the above, the Issuer may pay the relevant amount in the Reference Obligation Currency, rounded down to the nearest sub-unit of the Reference Obligation Currency.

6. **Cash Settlement**

If Cash Settlement applies, the Issuer shall redeem all the Notes on the Cash Settlement Date by payment (or procuring payment on its behalf) to each Noteholder of such Noteholder's *pro rata* share of an amount equal to the product of (i) the Reference Obligation Principal Amount and (ii) the Final Price, less an amount equal to all taxes, costs and expenses incurred by the Issuer or its designated agent or affiliate in relation to such settlement, as determined by the Calculation Agent, acting in a commercially reasonable manner converted into the Settlement Currency at the Exchange Rate on the day that is the number of days preceding the Cash Settlement Date in order for such conversion to settle on the related Cash Settlement Date and rounded down to the nearest sub-unit of the Settlement Currency (the "**Cash Settlement Amount**").

If the Calculation Agent determines, that it is unlawful, impossible, or otherwise impracticable to redeem any outstanding Note by payment of the Cash Settlement Amount, including but not limited to as a result of an Inconvertibility Event, notwithstanding the above, the Issuer may redeem such Note by payment of the relevant amount in the Reference Obligation Currency, rounded down to the nearest sub-unit of the Reference Obligation Currency.

7. **Adjustment Provisions**

Upon the occurrence of an Adjustment Event, notwithstanding anything to the contrary in the Conditions of the Notes, any amounts payable (or which subsequently become due and payable) by the Issuer in respect of each Note shall be reduced by such Note's *pro rata* share of any loss suffered, or costs or expenses incurred, by the Issuer (or its agents or affiliates) in connection with the Notes as a result of the occurrence of the Adjustment Event, so as to put the Issuer, its agents or affiliates, as the case may be, in the same position in which a Notional Holder of the Reference Obligation Principal Amount of the Reference Obligation would have been but for the occurrence of the Adjustment Event, as determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, and for the avoidance of doubt, without any double counting.

8. **Local Settlement Provisions**

Each Noteholder must deliver a written notice (the "**Notice of Noteholder's Details**") to the Paying Agent and to Euroclear or Clearstream, Luxembourg, with a copy to the Issuer, no later than five Business Days following the delivery of the Notice of Cash Settlement or Notice of Physical Settlement, as the case may be. The Notice of Noteholder's Details must:

- (1) specify (i) all the "KYC Information" requested by the Issuer in the Notice of Cash Settlement or Notice of Physical Settlement, including the name and address of the relevant Noteholder; (ii) a valid local account in the specified Financial Centre ("**Noteholder's Local Account**") to be used by the Issuer to effect Cash Settlement or

Physical Settlement, as the case may be, and (iii) a contact person from whom the Issuer may obtain any additional details for such Cash Settlement or Physical Settlement;

- (2) specify the nominal amount of Notes which are the subject of the Notice of Noteholder's Details and the number of the Noteholder's account at Euroclear or Clearstream, Luxembourg to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the redemption date;
- (3) authorise the production of such Notice of Noteholder's Details in any applicable administrative or legal proceedings; and
- (4) attach a screenshot from the relevant clearing system verifying that the Noteholder is the legal owner of the Notes and confirming that transfer of such Notes is blocked.

No Notice of Noteholder's Details may be withdrawn after receipt thereof by Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be. After delivery of a Notice of Noteholder's Details, the relevant Noteholder may not sell, transfer or assign the Notes which are the subject of such Notice for settlement purposes.

Failure to properly complete and deliver a Notice of Noteholder's Details may result in such notice being treated as null and void.

**Provided that** the Issuer has received a valid Notice of Noteholder's Details (and any additional information that the Issuer in its sole and absolute discretion, acting in good faith and a commercially reasonable manner, deems necessary to verify the ownership of the Notes), the Issuer shall redeem (or appoint an affiliate or agent to settle on its behalf) the Notes pursuant to paragraph 5 (*Physical Settlement*) and/or paragraph 6 (*Cash Settlement*) (as applicable) by paying and/or delivering to the Noteholder's Local Account on the redemption date.

Neither the Issuer nor its agent(s) or affiliate(s) shall be responsible for any delay in payment that is caused as a result of it or any agent or representative of it, taking reasonable steps to verify that the person delivering the notice is a Noteholder holding through Euroclear and shall pay no interest or other payment in respect of any such delay.

Noteholders waive their right to receive Cash Settlement or Physical Settlement, as the case may be, through the relevant clearing system.

If an Inconvertibility Event is continuing and any payment cannot be completed within 6 calendar months of the date on which the Inconvertibility Event first occurred, each Note shall be immediately deemed to have been redeemed in full with no further obligation for the Issuer following the date falling 6 months after the date on which the Inconvertibility Event first occurred.

## 9. **Additional Definitions**

Capitalised terms used but not defined in these Additional terms and Conditions or in the Conditions shall have the meanings given to them in the relevant Pricing Supplement. In addition, the following terms shall have the following meanings:

"**Adjustment Event**" means the occurrence of any of the following events: (i) a Market Disruption Event; (ii) a Residual Risk Event; (iii) a Settlement Event; (iv) a Custodial Event; or (v) a Tax Event.

"**Applicable Currencies**" has the meaning given to it in the relevant Pricing Supplement.

"**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments generally in London and:

- (i) in relation to any sum payable in euro, a Euro Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Business Centre and on which the relevant Clearing System is open for business; and

- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the principal financial centre of the relevant currency and in each (if any) Business Centre and on which the relevant Clearing System is open for business;

**"Cash Settlement Date"** means 5 Business Days following the date on which the Final Price is determined.

**"Credit Event"** means the occurrence of one or more of a Failure to Pay, an Obligation Default, an Obligation Acceleration, a Repudiation/Moratorium and a Restructuring (as determined by the Calculation Agent). If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation,
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, however described,
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**"Custodial Event"** means the Custodian is dissolved, becomes insolvent or is unable to pay its debts as they become due, makes a general assignment, arrangement or composition with or for the benefit of its creditors, institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any law, has a secured party take possession of all or substantially all its assets, or takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**"Custodian"** means, if the Issuer or any of its affiliates (or any agent thereof) is holding the Reference Obligation by way of a custody arrangement with a custodian (howsoever described), such custodian or any custodian appointed by the custodian.

**"Dealer"** means a dealer (other than the Issuer or a Noteholder or any affiliate thereof) in obligations of the same type as the Reference Obligation for which Full Quotations are to be obtained, selected by the Calculation Agent in good faith and in a commercially reasonable manner.

**"Default Requirement"** means USD 1,000,000 or its equivalent in any other currency, as of the occurrence of the relevant Credit Event, as determined by the Calculation Agent.

**"Deliver"** means to deliver, novate, transfer, assign or sell, as appropriate, in the manner customary for the settlement of the relevant Deliverable Obligation (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations to the Noteholders free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence or right of set-off by or of the Reference Entity) **provided that** to the extent that the Deliverable Obligations consist of Direct Loan Participations, **"Deliver"** means to create (or procure the creation) of a participation in favour of the Noteholder. "Delivery" and "Delivered" will be construed accordingly. In the case of a loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such loan at that time.

**"Deliverable Obligations"** shall mean either Obligations or Reference Obligations as specified in the relevant Pricing Supplement;

**"Direct Loan Participation"** means a loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favor of the Noteholder that provides the Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant loan which are received by such participation seller, any such agreement to be entered into between the Noteholder and the Issuer.

**"Early Redemption Event"** means the occurrence of an Inconvertibility Event.

**"Exchange Rate"** means, on any date, the spot exchange rate (if applicable, at or around the Determination Time) on such date at which the Issuer is actually able to convert the Reference Obligation Currency into the Settlement Currency for delivery in two Business Days, as determined by the Calculation Agent, acting in a commercially reasonable manner.

**"Exchange Rate Calculation Date"** means each date on which a Notional Holder would actually receive a Reference Obligation Redemption Amount or a Reference Obligation Coupon, or if such day is not a Business Day, the next following Business Day or if an Inconvertibility Event has occurred but a Notice of Cash Settlement or Notice of Physical Settlement, as applicable, has not been delivered, the first date on which the Calculation Agent is able to convert the Reference Obligation Currency to Settlement Currency.

**"Failure to Pay"** means the failure by the Reference Entity to make, when and where due, without regard to any applicable grace period, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations.

**"Final Price"** means the price of the Reference Obligation, expressed as a percentage, determined in accordance with the Valuation Process.

**"Full Quotation"** means each firm quotation obtained at 11.00 a.m. (London time) by the Calculation Agent from a Dealer, expressed as a percentage, for an amount of the Reference Obligation equal to the Reference Obligation Principal Amount for settlement in accordance with the then current market practice in respect of the Reference Obligation, as determined by the Calculation Agent.

**"Governmental Authority"** means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

**"Hard Currency"** means any of the lawful currencies of Canada, the Federal Republic of Germany, Japan, the Republic of France, the Republic of Italy, the United Kingdom and the United States of America and the Euro (and any successor currency to any such currency).

**"Inconvertibility Event"** means the occurrence of any event or existence of any condition, including without limitation any such event or condition that occurs as a result of the enactment, promulgation, execution, ratification, interpretation or application of any change in or amendment to any law, rule or regulation by the Government of the Reference Obligation Jurisdiction, any political subdivision thereof or authority of any kind in the Reference Obligation Jurisdiction, whether or not such authority is acting as de facto or de jure government, that generally:

- (i) has the direct or indirect effect of hindering, limiting or restricting the convertibility of the Reference Obligation Currency (including the proceeds of any obligations) into Hard Currency, or the transfer of Hard Currency from the Reference Obligation Jurisdiction to other countries (including, without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of the Reference Obligation Currency into Hard Currency); or
- (ii) results in the unavailability of Hard Currency in the interbank foreign exchange market located in the Reference Obligation Jurisdiction in accordance with normal commercial practice; or

- (iii) has the direct or indirect effect of hindering, limiting or restricting the Applicable Currencies' spot FX market.

**"Interest Payment Date"** means two Business Days following each Reference Obligation Coupon Payment Date.

**"Market Disruption Event"** means on any Business Day, the occurrence or existence of an event on such day, due to market conditions (including but not limited to (i) market volatility, (ii) market liquidity, and (iii) regulatory or artificial market limitations), pursuant to which the Calculation Agent is unable to determine any amount or rate falling to be determined by it pursuant to the Conditions.

**"Notional Holder"** means a notional broker dealer domiciled in the same jurisdiction and with the same tax status as the Issuer and/or any other jurisdiction where any affiliate of the Issuer which may hold the Reference Obligation may be domiciled and with the same tax status, as determined by the Calculation Agent, acting in a commercially reasonable manner. References in these Conditions to amounts being "actually received" (or similar) by the Notional Holder shall be deemed to mean amounts that would be received by the Notional Holder if it were the holder of the Reference Obligation.

**"Obligation"** means any obligation of a Reference Entity for the payment or repayment of money (whether such obligation is present or future, contingent or otherwise), including, without limitation, the Reference Obligation.

**"Obligation Acceleration"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**"Obligation Default"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise become due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**"Obligation Exchange"** means the voluntary or mandatory transfer (other than in accordance with the terms in effect as of the later of the Issue Date or date of issuance of the relevant Obligation) of any securities, obligations or assets to holders of Obligations in exchange for such Obligations. When so transferred, such securities, obligations, or assets will be deemed to be Obligations.

**"Payment Requirement"** means USD 1,000,000 or its equivalent in any other currency, as of the occurrence of the relevant Failure to Pay, as determined by the Calculation Agent.

**"Permitted Currency"** means (1) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (2) the legal tender of any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**"Physical Settlement Date"** means 10 Business Days following the date of the Notice of Physical Settlement, or if a Partial Cash Settlement Event has occurred, the date the Final Price is determined, if later.

**"Reference Entity"** has the meaning given to it in the relevant Pricing Supplement, or any Successor thereto.



**"Reference Obligation"** means the following obligation of the Reference Entity specified as such in the Pricing Supplement. If the Reference Obligation is subdivided, consolidated, reclassified or altered, or any other similar event occurs as determined by the Calculation Agent, then the Calculation Agent will make such adjustments to the Conditions of the Notes, including to amounts payable hereunder and any other terms as it determines appropriate to account for such event and preserve the economic integrity of the Notes to the extent practicable. If the Reference Obligations are converted into other securities in accordance with the terms of any voluntary or involuntary exchange or restructuring program following the occurrence of an Early Redemption Event, then such other securities shall become the Reference Obligation (it being understood that any elections under the terms of any such exchange or restructuring shall, for the purposes of the Notes, be deemed to be made by the Calculation Agent).

**"Reference Obligation Coupon Payment Date"** means each date on which a Notional Holder of the Reference Obligation Principal Amount of the Reference Obligation would actually receive a payment of interest or other distribution (howsoever described) in respect of the Reference Obligation. Such dates are expected to be (but may not be the dates specified as such in the relevant Pricing Supplement).

**"Reference Obligation Currency"** has the meaning given to it in the relevant Pricing Supplement.

**"Reference Obligation Jurisdiction"** has the meaning given to it in the relevant Pricing Supplement.

**"Reference Obligation Principal Amount"** has the meaning given to it in the relevant Pricing Supplement.

**"Reference Obligation Redemption Date"** means the date on which a Notional Holder of the Reference Obligation Principal Amount of the Reference Obligation would actually receive a payment in respect of the final redemption in whole of the Reference Obligation.

**"Repudiation/Moratorium"** means an event pursuant to which an authorised officer of a Reference Entity or a Governmental Authority (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount not less than the Default Requirement, or (b) declares or imposes a moratorium, standstill or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement.

**"Residual Risk Event"** means any event, action or circumstance which:

- (i) results in (or is likely to result in) the Notional Holder or its agents or affiliates receiving less than the full value of any principal, interest or other amounts due on the Reference Obligations on the date such amounts are due; or
- (ii) affects in any way (or is likely to affect in any way) the cost to the Notional Holder or its agent of acquiring, holding or redeeming the Reference Obligation, or of hedging, directly or indirectly, the obligations of the Issuer or any of its affiliates in respect of these Notes, or of converting any amount of Reference Obligation Currency into Hard Currency (or any other freely convertible and transferable currency) or *vice versa*.

**"Restructuring"** means, with respect to one or more Obligations, including as a result of an Obligation Exchange, and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form which binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation, or is announced (or otherwise decreed) by the Reference Entity or any Governmental Authority in a form that binds all holders of such Obligation, and such event is not provided for under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

Notwithstanding the above, none of the following shall constitute a Restructuring with respect to any Obligation:

- (a) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business, and
- (b) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

If an Obligation Exchange has occurred, the determination as to whether one of the events described in (i) to (v) above has occurred will be based on a comparison of the terms of the Obligation immediately before such Obligation Exchange and the terms of the resulting Obligation immediately following such Obligation Exchange.

"**Settlement Currency**" has the meaning given to it in the relevant Pricing Supplement.

"**Settlement Event**" means the failure of the Custodian to do any of the following:

- (i) deliver or credit any Reference Obligation Currency amount, or Obligations owned by the Notional Holder, to the account of the Notional Holder (or any of its agents or affiliates) as instructed by the Notional Holder (or any of its agents or affiliates);
- (ii) deliver Reference Obligation Currency to a third party when requested to do so by the Notional Holder (or any of its agents or affiliates);
- (iii) surrender any Obligations owned by the Notional Holder (or any of its agents or affiliates) when requested to do so by the Notional Holder (or any of its agents or affiliates);
- (iv) purchase or sell any Obligations or take any other action when instructed to do so by the Notional Holder (or any of its agents or affiliates); or
- (v) perform in a full and timely manner all of its obligations to the Notional Holder under any custodial or similar arrangements entered into by the Notional Holder (or any of its agents or affiliates) at any time in relation to Obligations and/or Reference Obligation Currency (which shall include, for the avoidance of doubt, a repudiation or termination of any such arrangements without the prior consent of the Issuer (or any of its agents or affiliates)).

"**Successor**" means the direct or indirect successor to the Reference Obligation, as determined by the Calculation Agent.

"**Tax Event**" means:

- (i) (A) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) by any Governmental Authority, (B) the issuance of any order or decree by any Governmental Authority, (C) any action being taken by a taxing authority in any jurisdiction, or (D) the occurrence of any other act or event at any time relating to withholding or deduction for or on account of tax in relation

to any directly or indirectly holding of the Reference Obligations, which (in the case of (A), (B), (C) or (D) above) will (or there is a substantial likelihood that it will) adversely affect the economic value of the Notes and/or any hedging transaction to the Issuer;

- (ii) the imposition of taxes on the transfer of any Hard Currency out of the jurisdiction of the Reference Obligation Jurisdiction;
- (iii) the imposition of any additional taxes on debt of the Reference Entity issued in the Reference Obligation Jurisdiction, or
- (iv) the imposition of any taxes on any conversion of Domestic Currency into Hard Currency,

unless an amount equal to such taxes are deducted from the Reference Obligation Coupon and/or the Reference Obligation Redemption Amount for the purposes of determining the interest amount and/or the final redemption amount (as the case may be) of the Notes.

**"Trade Date"** has the meaning given to it in the relevant Pricing Supplement.

**"Valuation Date"** means two Business Days following the date of the Notice of Cash Settlement (or, if Conditions 7(b), 7(f) or 11 apply, following the date of the relevant event giving rise to the redemption of the Notes).

**"Valuation Process"** means the process of determining the Final Price, as follows. On the Valuation Date the Calculation Agent shall attempt to obtain Full Quotations from three or more Dealers. If the Calculation Agent obtains one or more Full Quotations, the highest Full Quotation obtained by the Calculation Agent shall be the Final Price. If the Calculation Agent does not obtain any Full Quotations, the Calculation Agent shall attempt to obtain Full Quotations from three or more Dealers on each day for the following four Business Days. If the Calculation Agent obtains one or more Full Quotations on any such day, the highest Full Quotation obtained by the Calculation Agent shall be the Final Price. If the Calculation Agent does not obtain any Full Quotations, the Final Price shall be zero. The Calculation Agent shall, as soon as practicable after obtaining all Full Quotations, notify the Noteholders in writing of each such Full Quotation that it receives in connection with the calculation of the Final Price and shall provide to the Noteholders a written computation showing its calculation of the Final Price.

**PART I –  
PRO FORMA PRICING SUPPLEMENT FOR EMERGING MARKET  
PASS-THROUGH NOTES**

*[When completing any Pricing Supplement, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]*

**PRICING SUPPLEMENT**

Pricing Supplement dated: [•]

**[HSBC Bank plc**  
*(A company incorporated in England with registered number 14259; the liability of its members is limited)*  
**/ HSBC Bank Middle East Limited]**

**As Issuer**

**Programme for the Issuance of Notes and Warrants**

**[Further] Issue of**

**[Aggregate Principal Amount of Tranche] Emerging Market Pass-through Notes due [•] linked to [name of Reference Entity] [(Subordinated)]**

**[(to be consolidated and form a single series with the existing [Insert details of existing Tranche(s)] issued pursuant to the Programme for the Issuance of Notes and Warrants]**

**PART A - CONTRACTUAL TERMS**

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and must be read in conjunction with the offering memorandum dated 1 June 2023 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. [Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes, including the Additional Terms and Conditions relating to Emerging Market Pass-through Notes (together, the "**Conditions**") set forth in the Offering Memorandum.] The Alternative Note General Conditions do not apply.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at [HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')] / [HSBC Bank Middle East Limited, Level 1, Building No.8, Gate Village, Dubai International Financial Centre, P.O. Box 30444, Dubai, United Arab Emirates and [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes')].

**The Offering Memorandum does not comprise (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018, as amended (the "EUWA") (the "UK Prospectus Regulation") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR") and not to be offered to the public in the United Kingdom (the "UK") (other than pursuant to one or more of the exemptions set out in Section 86 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) or a Member State of the European Economic Area (other**

than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).

**[EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** -The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("FinSA") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("FinSO"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

*[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under an offering document with an earlier date; or (ii) Notes which are being issued under this offering document are subject to terms and conditions as originally set out in an offering document with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions, including the Additional Terms and Conditions relating to Emerging Market Pass-through Notes, which are defined in, and incorporated by reference into, the Offering Memorandum and which are applicable to the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions and the Offering Memorandum. The Offering Memorandum and the [2017] [2018] [2019] [2020] [2021] [2021 Amended] [2022] Conditions are available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investors', 'Fixed income investors',

'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

*[For Notes offered and sold in the United States of America include:*

#### IMPORTANT NOTICES

[THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "**QUALIFIED INSTITUTIONAL BUYERS**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.]

#### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, the Issuer will promptly furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

**It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in the Offering Memorandum and this Pricing Supplement. Investors should consider carefully the risk factors set forth under "Part A - Risk Factors" in the Offering Memorandum.**

*(Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. Issuer: [HSBC Bank plc] [HSBC Bank Middle East Limited, acting through its [DIFC head office]/ [[Dubai]/[other] branch]. [The Issuer is lead regulated by the Dubai Financial Services Authority]/[The Issuer is regulated for these purposes by [the Central Bank of the UAE]/[other] and lead regulated by the Dubai Financial Services Authority.]

2. Tranche number: [ ]

*[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*

3. Currency:
- (i) Settlement Currency: [ ] ][subject to Condition 9(j) (*Payments Conversion*)]
- (ii) Denomination Currency: [*specify*/Settlement Currency]
4. Aggregate Principal Amount [of Notes admitted to trading]:
- [(i) Series:] [ ]
- [(ii) Tranche:] [ ]
5. (i) Issue Price: [[ ] ] per cent. of each Note's pro rata share of the Aggregate Principal Amount.]
- (ii) Commission payable: None<sup>1</sup>
- (iii) Selling concession: None<sup>2</sup>
6. (i) Denomination(s) [ ] <sup>3</sup>  
(*Condition 2*):
- (ii) Calculation Amount: [ ]
- (iii) Aggregate Outstanding Nominal Amount Rounding: [Applicable] [Not applicable]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: Not applicable
- (iii) Trade Date: [ ]
8. Maturity Date:  
(*Condition 7(a)*) Two Business Days following the Exchange Rate Calculation Date relating to the Reference Obligation Redemption Amount, subject to the provisions of paragraph 3 (*Early Redemption as a result of a Credit Event*) and paragraph 4 (*Early Redemption as a result of an Early Redemption Event*) of "Part I – Additional Terms and Conditions relating to Emerging Market Pass-through Notes" of the Offering Memorandum, subject to the provisions of this Pricing Supplement.
9. Interest basis:  
(*Conditions 4 to 6*) Amounts will be payable to the Noteholders pursuant to paragraph 1 (*Interest Amounts*) of "Part I – Additional Terms and Conditions

<sup>1</sup> Fees and commissions are banned in respect of Notes that are offered and sold on the basis of investment advice provided by a distributor in the UK or to a resident of the UK.

<sup>2</sup> Fees and commissions are banned in respect of Notes that are offered and sold on the basis of investment advice provided by a distributor in the UK or to a resident of the UK.

<sup>3</sup> If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange (i) the Permanent Global Note for definitive Notes in paragraph (c) of the Permanent Global Note - see item 22(iii) below or (ii) the Global Registered Note for Definitive Notes in paragraph (d) of the Global Registered Note – see item 24(ii) below – (as applicable) - should not apply.

relating to Emerging Market Pass-through Notes" of the Offering Memorandum, subject to the provisions of this Pricing Supplement.

10. Redemption basis: (Condition 7) Unless redeemed or purchased and cancelled earlier, and save as otherwise provided herein, the Notes will be redeemed pursuant to paragraph 2 (Final Redemption) of "Part I – Additional Terms and Conditions relating to Emerging Market Pass-through Notes" of the Offering Memorandum, subject to the provisions of this Pricing Supplement.

11. Change of interest or redemption basis: [Applicable] [Not applicable]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

12. Fixed Rate Note provisions: (Condition 4) Not applicable
13. Floating Rate Note provisions: (Condition 5) Not applicable
14. Zero Coupon Note provisions: (Condition 6) Not applicable
15. Index-Linked Interest Note/other variable-linked interest Note Provisions: Not applicable

**PROVISIONS RELATING TO REDEMPTION**

16. Issuer's optional redemption (Call Option): (Condition 7(c)) [Applicable] [Not applicable]
17. Noteholder's optional redemption (Put Option): (Condition 7(d)) [Applicable] [Not applicable]
18. Final Redemption Amount: (Condition 7(a)) The Notes will be redeemed pursuant to Condition 7(a) (Final Redemption).
19. Final Redemption Amount in cases where the Final Redemption Amount is Index-Linked or other variable-linked: Not applicable
20. Instalment Notes: (Condition 7(a)) Not applicable
21. Early Redemption: Yes
- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): (Conditions 7(b) or 7(f)) Subject to paragraph 21(iv) below and the delivery of a Notice of Cash Settlement by the Issuer in accordance with paragraph 4 (Early Redemption as a result of an Early Redemption Event) of "Part I – Additional Terms and Conditions relating to Emerging Market Pass-through Notes", an amount in respect of each Calculation Amount equal to such Calculation Amount's pro rata share of the Cash Settlement Amount determined in, and payable in the manner set out in, "Part I – Additional Terms and Conditions relating to



- Emerging Market Pass-through Notes*", as amended in Schedule 1 hereto.
- (ii) Early Redemption Amount (upon redemption following an Event of Default): *(Condition 11)* Subject to paragraph 21(iv) below and the delivery of a Notice of Cash Settlement by the Issuer in accordance with paragraph 4 (*Early Redemption as a result of an Early Redemption Event*) of "*Part I – Additional Terms and Conditions relating to Emerging Market Pass-through Notes*", an amount in respect of each Calculation Amount equal to such Calculation Amount's *pro rata* share of the Cash Settlement Amount determined in, and payable in the manner set out in, "*Part I – Additional Terms and Conditions relating to Emerging Market Pass-through Notes*", as amended in Schedule 1 hereto.
- (iii) Early Redemption Amount (upon redemption following an FX Disruption Event or a Benchmark Trigger Event): *(Condition 9(f)(Y) or 15A)* Subject to paragraph 21(iv) below and the delivery of a Notice of Cash Settlement by the Issuer in accordance with paragraph 4 (*Early Redemption as a result of an Early Redemption Event*) of "*Part I – Additional Terms and Conditions relating to Emerging Market Pass-through Notes*", an amount in respect of each Calculation Amount equal to such Calculation Amount's *pro rata* share of the Cash Settlement Amount determined in, and payable in the manner set out in, "*Part I – Additional Terms and Conditions relating to Emerging Market Pass-through Notes*", as amended in Schedule 1 hereto.
- (iv) Other redemption provisions: In Condition 7(b) (*Redemption for Taxation Reasons*), the words "(each, a "Tax Redemption Event")" shall be inserted at the end of paragraph (ii) of that Condition before the semi-colon.
- [In Condition 7(f) (*Illegality*), the words "(the "Illegality Redemption Event")" shall be inserted at the end of the second sentence in that Condition before the full stop.]
- Notwithstanding any other provisions of Condition 7(b), (*Redemption for Taxation Reasons*)[, 7(f) (*Illegality*)] or 11 (*Events of Default*), a Tax Redemption Event[, an Illegality Redemption Event] and an Event of Default shall, for the purposes of this Series of Notes, be deemed to be an Early Redemption Event and the provisions of paragraph 4 (*Early Redemption as a result of an Early Redemption Event*) of "*Part I – Additional Terms and Conditions relating to Emerging Market Pass-through Notes*" of the Offering Memorandum shall, in each case, apply accordingly.
- [If the Notes are rated, specify: Early Redemption for Impracticability is not applicable]
- (v) Settlement options: *(paragraphs 3 and 4 of Part I – Additional Terms and Conditions)* [Issuer Option]/[Physical Settlement]

relating to Emerging Market Pass-through Notes))

- (vi) Deliverable Obligations: [Obligations]/[Reference Obligations]  
 (paragraph 5 (Physical Settlement) of Part I – Additional Terms and Conditions relating to Emerging Market Pass-through Notes))

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

22. Form of Notes: [Bearer Notes/Registered Notes/ Uncertificated Registered Notes]  
 (Condition 2(a))
23. [New Global Note] [(delete if Registered Note)]/ Issued under the new safekeeping structure [(delete if Bearer Note)]: [Yes/No]
24. If issued in bearer form: [Not applicable]
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: Temporary Global Note
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes and/or Registered Notes: (Condition 2(a)) Yes, the Temporary Global Note will be exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in certain circumstances specified in the Permanent Global Note.
- (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation: [Yes/No] [If no, specify: Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.]
- (iv) Coupons to be attached to Definitive Notes: Yes
- (v) Talons for future Coupons to be attached to Definitive Notes: No
25. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days following the Issue Date] [Not applicable]
26. If issued in registered form (other than Uncertificated Registered Notes): [Applicable] [Not applicable]
- (i) Initially represented by: [Regulation S Global Registered Note][Rule 144A Global Registered Note][Unrestricted Global Registered Note and Restricted Global Registered Note][Combined Global Registered Note][Definitive Registered Notes]
- (ii) [Regulation S Global Registered Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material [Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Regulation S Global Registered Note][Unrestricted Global Registered Note] for Regulation S Definitive Registered

- |        |   |   |
|--------|---|---|
|        | disadvantage following a change of law or regulation:]  | Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note]]  |
| [(ii)  | [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] | [Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note][Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note]] |
| [(iii) | [Combined Global Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:]                                      | [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]   |
| 27.    | Payments:<br>(Condition 9)  |   |
|        | Relevant Financial Centre Day:  | 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 <i>[specify all places]</i> .  |
| 28.    | Redenomination:<br>(Condition 10)   | [Applicable] [Not applicable]   |
| 29.    | Other terms:  | As set out in Schedule 1 hereto   |
| 30.    | Valuation Date:   | Not applicable  |

**DISTRIBUTION**

- |     |  |  |
|-----|--|--|
| 31. | (i) If syndicated, names of Relevant Dealer(s):      | Not applicable   |
|     | (ii) If syndicated, names of other Dealers (if any): | Not applicable   |
| 32. | Prohibition of Sales to EEA Retail Investors:        | [Applicable] [Not applicable]  |
| 33. | Prohibition of Sales to UK Retail Investors:         | [Applicable] [Not applicable]  |
| 34. | Selling restrictions:                                | [For Bearer Notes: TEFRA C Rules/TEFRA D Rules/TEFRA Not applicable]   |
|     | United States of America:                            | [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]<br><br>[Notes may be offered or sold within the United States of America or to, or for the account or the |

benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "Transfer Restrictions."

40-day Distribution Compliance Period:  
[Applicable] [Not applicable]

35. Exemption(s) from requirements under Regulation (EU) 2017/1129 (as amended, the "EU Prospectus Regulation"):
- [Not applicable. This offer is made exclusively to investors outside the European Economic Area.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the EU Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation).]/[The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
36. Exemption(s) from requirements under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"):
- [Not applicable. This offer is made exclusively to investors outside the United Kingdom.]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the UK Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation).]/[The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
37. Additional U.S. federal income tax considerations:
- [Not applicable/give details] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "Taxation – United States Taxation – Withholding on Dividend Equivalent Payments" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [ ] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [ ]]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] [The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that

*contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.]*

38. Additional selling restrictions: *[Specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]*

*[In offers of Pass-through Notes pursuant to Rule 144A insert:<sup>4</sup>*

#### **TRANSFER RESTRICTIONS**

Because of the following restrictions, purchasers of Notes offered in the United States to "qualified institutional buyers" (as defined in Rule 144A) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) who are "qualified institutional buyers" in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes sold in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that certificates representing Restricted Notes will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE" HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE

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<sup>4</sup> Please note that the default selling restrictions are for Regulation S offers and sales only.

MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) WHO ARE "QUALIFIED INSTITUTIONAL BUYERS", (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*<sup>5</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.]

*OR*<sup>6</sup>

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY

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<sup>5</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

<sup>6</sup> This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR OR SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) IF IT IS A BENEFIT PLAN INVESTOR, (X) NONE OF THE ISSUER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES ("**TRANSACTION PARTIES**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE OR AN INTEREST HEREIN, (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THIS NOTE OR AN INTEREST HEREIN AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE TRANSACTION. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, THAT IS SUBJECT TO SECTION 4975 OF THE CODE AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Restricted Notes for the account of one or

more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Note (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter, in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Note or an interest therein will not be), and is not (and for so long as it holds such Note or an interest therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a Similar Law Plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan, or (b)(i) such purchaser or transferee's acquisition, holding and disposition of the Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor or Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a Similar Law Plan, will not result in a violation of any Similar Law) and (ii) if it is a Benefit Plan Investor, (X) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Note or an interest therein, (Y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Note or an interest therein and (Z) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Part A - Certain ERISA Considerations*" in the Offering Memorandum.
- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Part B4 - Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]



**CONFIRMED**

**[HSBC BANK PLC**

By: .....  
*Authorised Signatory*

Date: ..... ]

**[HSBC BANK MIDDLE EAST LIMITED**

By: .....  
*Authorised Signatory*

Date: .....

By: .....  
*Authorised Signatory*

Date: ..... ]

**SCHEDULE 1  
ADDITIONAL PRICING SUPPLEMENT FOR EMERGING MARKET PASS-THROUGH  
NOTES**

Trade Date:	<input type="checkbox"/>
Financial Centre (for purposes of paragraph 8(1)):	<input type="checkbox"/>
Business Centres (for purposes of definition of Business Day (paragraph 9)):	<input type="checkbox"/>
Settlement Currency:	<input type="checkbox"/>
<b>Terms relating to determination of Exchange Rate (paragraph 9):</b>	
Determination Time:	[At or around <input type="checkbox"/> [a.m./p.m.] ( <input type="checkbox"/> time) or, if payments are received later by the Notional Holder of the Reference Obligation Principal Amount of the Reference Obligation, such time as the Calculation Agent reasonably determines./Not applicable]
<b>Terms relating to Inconvertibility Event (paragraph 9):</b>	
Applicable Currencies:	<input type="checkbox"/>
<b>Terms relating to Reference Entity and Reference Obligation:</b>	
Name of Reference Entity:	<input type="checkbox"/>
Reference Obligation:	<input type="checkbox"/>
Maturity:	<input type="checkbox"/>
Coupon:	<input type="checkbox"/> per cent.
Minimum Denomination:	<input type="checkbox"/>
CUSIP/ISIN/Bloomberg:	<input type="checkbox"/>
Expected Reference Obligation Coupon Payment Dates:	<input type="checkbox"/> , <input type="checkbox"/> , <input type="checkbox"/> , <input type="checkbox"/> .
Reference Obligation Currency:	<input type="checkbox"/>
Reference Obligation Jurisdiction:	<input type="checkbox"/>
Reference Obligation Principal Amount:	<input type="checkbox"/>

## PART B - OTHER INFORMATION

### 1. LISTING

(i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin [on or around the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted] [Not applicable]

(ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(iii) Estimated total expenses of admission to trading: [(specify amount)]

### 2. RATINGS

Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]

*[specify rating and rating agency]*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any [[fees payable]/[and]/[discount to the Issue Price offered] to the [Dealer(s)/distributors in respect of the Notes [as of (or around the Issue Date)] (the "**Distributors**")]*[specify other]*], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Dealer(s)/Distributor(s)]*[specify other]* and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]<sup>7</sup>

### 4. **[Fixed Rate Notes only – YIELD]**<sup>8</sup>

Indication of yield: [[ ] per cent. per annum] [Calculated as *[include details of method of calculation in summary form]* on the Issue Date]<sup>9</sup>

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

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<sup>7</sup> For unlisted Notes delete this paragraph.

<sup>8</sup> *Only include if the Notes are listed; otherwise delete.*

<sup>9</sup> For unlisted Notes delete this paragraph.

5. **[Index-Linked or other variable-linked Interest Notes only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]**<sup>10</sup>

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)*

6. **REASONS FOR THE OFFER**

[The Notes are "Green Notes" and an amount equivalent to the net proceeds from the sale of the Notes will be used as described in "Part A - Green Notes" in the Offering Memorandum. The Applicable Framework is the [HSBC Green Bond Framework][Specify other].]

**OPERATIONAL INFORMATION**

7. ISIN Code: [ ] [Not applicable]

8. Common Code: [ ] [Not applicable]

9. CUSIP: [ ] [Not applicable]

10. Valoren Number: [ ] [Not applicable]

11. SEDOL: [ ] [Not applicable]

12. WKN: [ ] [Not applicable]

13. Other identifier / code: [ ] [Not applicable]

14. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No] [Not applicable]<sup>11</sup>  
 [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)[include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [include this text if "yes" selected]

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion)

<sup>10</sup> For unlisted Notes delete this paragraph.

<sup>11</sup> Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB collateral eligibility requirements, in order to be eligible as collateral a security must, among other things, be denominated in Euro and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg Euro MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "no" selected]*

- |     |  |  |
|-----|--|--|
| 15. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | [CREST/ DTC/None/ <i>specify other</i> ]                             |
| 16. | Delivery:  | Delivery [against/free of] payment                                   |
| 17. | Settlement procedures:   | [Eurobond/Medium Term Note/ <i>other (specify)</i> ]                 |
| 18. | Additional Paying Agent(s) (if any):   | [HSBC Bank plc] [ <i>specify other</i> ] [Not applicable]            |
| 19. | Common Depositary:   | [HSBC Bank plc] [DTC] [Not applicable] [ <i>specify</i> ]            |
| 20. | Calculation Agent:   | [HSBC Bank plc] [HSBC Continental Europe] [ <i>other (specify)</i> ] |
| 21. | ERISA Considerations:  | [ERISA prohibited] [ERISA terms apply]                               |

**REGISTERED AND HEAD OFFICE OF THE ISSUERS**

HSBC Continental Europe  
38 avenue Kléber  
75116 Paris  
France

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom

HSBC Middle East Limited  
Level 1 Building No. 8  
Gate Village DIFC  
P.O. Box 30444  
Dubai UAE

**DEALERS**

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom

HSBC Continental Europe  
38 avenue Kléber  
75116 Paris  
France

The Hongkong and Shanghai  
Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

**PRINCIPAL PAYING  
AGENT, PRINCIPAL  
WARRANT AGENT, ISSUE  
AGENT, REGISTRAR,  
TRANSFER AGENT AND  
AUTHENTICATION  
AGENT**

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom

**CALCULATION AGENT**

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom

**PRINCIPAL PAYING AGENT AND PAYING AGENT IN RESPECT OF THE FRENCH LAW  
NOTES**

BNP Paribas  
Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

**DEALER, CMU CALCULATION AGENT, CMU LODGING AND PAYING AGENT, AND  
CMU REGISTRAR**

The Hongkong and Shanghai Banking Corporation Limited  
Level 24  
HSBC Main Building  
1 Queen's Road Central  
Hong Kong

**REGISTRAR**

HSBC Bank USA, National Association  
Corporate Trust & Loan Agency  
452 Fifth Avenue  
New York, New York, 10018  
USA

**LEGAL ADVISERS TO THE ISSUER AND THE DEALER**

*as to English law*

Clifford Chance LLP  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom