

## BASE PROSPECTUS



### HSBC Bank plc

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

## PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS

### Index-Linked Notes and Warrants

On 24 February 1999, HSBC Bank plc (the "Issuer") established a Programme for the Issuance of Notes and Warrants (the "Programme").

This document (which expression includes all documents incorporated by reference herein) (as from time to time supplemented, the "Base Prospectus") has been prepared for the purpose of providing disclosure information with regard to certain types of notes and warrants issued under the Programme, namely notes ("Notes" or "Index-Linked Notes") and warrants ("Warrants" or "Index-Linked Warrants") which an amount payable on maturity or expiry (as applicable) which is linked to the performance of one or more equity indices.

This document has been approved by the United Kingdom Financial Conduct Authority (the "FCA"), as the United Kingdom ("UK") competent authority for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended ("EUWA") (the "UK Prospectus Regulation"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes or Warrants that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes or Warrants. This Base Prospectus is valid for a period of twelve months from the date of approval.

In relation to any Notes and Warrants, this Base Prospectus must be read as a whole and together also with the relevant final terms (the "Final Terms"). Any Notes and Warrants issued on or after the date of this Base Prospectus and which are the subject of Final Terms which refer to this Base Prospectus are issued subject to the provisions described herein. This does not affect any Notes and Warrants already in issue or any Notes and Warrants issued under any other base prospectus published in connection with the Programme.

**This Base Prospectus has been prepared for the purposes of providing disclosure information with regards to both Notes and Warrants, and only Index-Linked Notes and Index-Linked Warrants may be issued under this Base Prospectus.**

Applications have been made to admit Notes or Warrants (as applicable) to listing on the Official List of the FCA and to trading on the main market (the "Main Market") of the London Stock Exchange plc (the "London Stock Exchange"). The Main Market is a UK regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (the "UK MiFIR").

**Information on how to use this Base Prospectus is set out on pages i-iv and a table of contents is set out on page x.**

**EU PRIIPs REGULATION – 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 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 Regulation (EU) 2017/1129 (as amended, 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.

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 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.

In addition, unless the relevant Final Terms 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 Issuer 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- by Fitch Ratings Limited ("Fitch"). Each of S&P, Moody's and Fitch is established in the United Kingdom and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of the domestic law of the United Kingdom 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 Base Prospectus) on the UK FCA's Financial Services Register. The ratings each of S&P, Moody's and Fitch have given to the Issuer 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").

Interest and/or other amounts payable under the Notes and Warrants may be calculated by reference to certain indices or other variables, which may constitute a benchmark under Regulation (EU) 2016/1011 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the "UK Benchmarks Regulation"). If any such index or variable does constitute such a benchmark, the relevant Final Terms will indicate whether or not the administrator thereof is included in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation. Not every index or variable will fall within the scope of the UK Benchmarks Regulation. Furthermore, the transitional provisions in Article 51 of the UK Benchmarks Regulation may have the result that the administrator of a particular benchmark is not currently required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator under the

UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update any Final Terms to reflect any change in the registration status of the administrator.

The Notes are not deposit liabilities of the Issuer and are not covered by the UK Financial Services Compensation Scheme 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, Dealer and Manager

**HSBC Bank plc**

23 June 2023

## HOW TO USE THIS BASE PROSPECTUS

### INTRODUCTION – WHO IS THE ISSUER?

The Notes and Warrants will be issued by HSBC Bank plc (the "**Issuer**"). The payment of amounts due under the Notes and Warrants is subject to the Issuer's financial position and its ability to meet its obligations.

The Issuer's Registration Document (as defined in the section entitled '*Incorporation by Reference*' below), which is incorporated by reference into this Base Prospectus, together with other information provided in this Base Prospectus, provides a description of the Issuer's business activities as well as certain financial information and material risks related to the Issuer.

### TYPES OF NOTES AND WARRANTS

This Base Prospectus provides information about the following Notes and Warrants that may be issued under the Programme, the return of which will be linked to the performance of a single underlying index or basket of indices (each an "**Underlying**").

#### *Types of Notes*

The following types of Notes are issued under the Programme:

- (i) Booster Redemption Notes;
- (ii) Airbag Redemption Notes;
- (iii) Autocallable Redemption Notes;
- (iv) Reverse Convertible Redemption Notes;
- (v) 100% Protected Growth Redemption Notes;
- (vi) 100% Protected Capped Growth Redemption Notes;
- (vii) Partially Protected Growth Redemption Notes;
- (viii) Partially Protected Capped Growth Redemption Notes;
- (ix) Digital Redemption Notes; and
- (x) Fixed Amount Redemption Notes.

The Notes are unsecured obligations of the Issuer.

#### *Types of Warrants*

The following types of Warrants are issued under the Programme:

- (i) Protected Cash Settlement Put Warrants;
- (ii) Growth Cash Settlement Call Warrants;
- (iii) Capped Growth Cash Settlement Call Warrants;
- (iv) Partially Protected Cash Settlement Put Warrants;
- (v) Conditional Growth Cash Settlement Call Warrants;
- (vi) Conditional Capped Growth Cash Settlement Call Warrants;
- (vii) Digital Cash Settlement Put Warrants; and
- (viii) Digital Cash Settlement Call Warrants.

The Warrants are unsecured obligations of the Issuer.

## WHAT OTHER DOCUMENTS DO I NEED TO READ?

This Base Prospectus (including the Registration Document and the other information which is incorporated by reference) contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the rights attaching to the Notes and Warrants. Some of this information is incorporated by reference from other publicly available documents and some of this information is completed in an issue-specific document called the Final Terms. You should read the documents incorporated by reference, as well as the Final Terms in respect of such Notes and Warrants, together with this Base Prospectus.

## WHAT INFORMATION IS INCLUDED IN THE FINAL TERMS?

While this Base Prospectus includes general information about all Notes and Warrants, the Final Terms is the document that sets out the specific details of each particular issuance of Notes or Warrants. For example, the Final Terms will contain:

- (i) a reference to the terms and conditions that are applicable to the particular issuance of Notes and Warrants;
- (ii) the issue date;
- (iii) the scheduled redemption or expiry date (as applicable); and
- (iv) any other information needed to complete the terms included in this Base Prospectus for the particular Notes or Warrants (identified by the words 'as specified in the relevant Final Terms' or other equivalent wording).

Wherever the Terms and Conditions of the Notes or the Terms and Conditions of the Warrants (as applicable) provide optional provisions, the Final Terms will specify which of those provisions apply to a specific issuance of Notes or Warrants. In addition, the Final Terms relating to a particular issuance of Notes or Warrants may include a section entitled "*Additional Provisions not required by the Securities Note relating to the Underlying*", containing disclaimers relating to the relevant index (or indices) underlying such Notes or Warrants.

## ROADMAP FOR THE BASE PROSPECTUS

This Base Prospectus is split up into a number of parts and further divided into sections, each of which is briefly described below.

Parts I and IV are relevant for all investors, whether they are investing in Notes or Warrants. In addition to Parts I and IV:

- the information set out in Part II will be relevant for an investor in the Notes; and
- the information set out in Part III will be relevant for an investor in the Warrants.

### *Part I – Information Relating to the Programme Generally:*

Section	Page
Section I.1: " <b>Overview of the Programme</b> " provides an overview of the Programme	2
Section I.2: " <b>Risk Factors</b> " provides details of the principal risks associated with the Issuer, the Notes and the Warrants.	6
Section I.3: " <b>Incorporation by Reference</b> " provides details of the documents incorporated by reference which form part of this Base Prospectus and which are publicly available.	24
Section I.4: " <b>Use of Proceeds</b> " provides details of what the Issuer intends to do with the subscription monies it receives for the Notes or Warrants it issues.	26

<b>Section</b>	<b>Page</b>
Section I.5: <b>"Taxation"</b> provides a summary of the withholding tax position in relation to the Notes and Warrants in the United Kingdom and also provides information in relation to the proposed financial transactions tax.	28
Section I.6: <b>"General Information"</b> provides additional, general disclosure in relation to the Programme and the Issuer not included in other sections of the Base Prospectus.	31

***Part II – Information Relating to the Notes:***

<b>Section</b>	<b>Page</b>
Section II.1: <b>"Description of the Notes"</b> provides details of how an investment in the Notes works and how payments under the Notes are calculated, including a number of worked examples.	35
Section II.2: <b>"Form of Notes and Summary of Provisions Relating to the Notes While in Global Form"</b> provides information regarding Notes issued in global form and issued into certain clearing systems.	65
Section II.3: <b>"Subscription and Sale of Notes"</b> sets out details of the arrangements between the Issuer and the Dealers as to the offer and sale of Notes and summarises selling restrictions that apply to the offer and sale of Notes in various jurisdictions.	69
Section II.4: <b>"Terms and Conditions of the Notes"</b> sets out the terms and conditions which govern the Notes.	73
Section II.5: <b>"Form of Final Terms for Notes"</b> sets out the template of the "Final Terms", a document which will be filled out for each issue of Notes and which will complete the terms and conditions in respect of each such issue of Notes.	114

***Part III – Information Relating to the Warrants:***

<b>Section</b>	<b>Page</b>
Section III.1: <b>"Description of the Warrants"</b> provides details of how an investment in the Warrants works and how payments under the Warrants are calculated, including a number of worked examples.	127
Section III.2: <b>"Form of Warrants and Summary of Provisions Relating to the Warrants While in Global Form"</b> provides information regarding Warrants issued in global form and issued into certain clearing systems.	143
Section III.3: <b>"Purchase and Sale of Warrants"</b> sets out details of the arrangements between the Issuer and the Managers as to the offer and sale of Warrants and summarises selling restrictions that apply to the offer and sale of Warrants in various jurisdictions.	145
Section III.4: <b>"Terms and Conditions of the Warrants"</b> sets out the terms and conditions which govern the Warrants.	149
Section III.5: <b>"Form of Final Terms for Warrants"</b> sets out the template of the "Final Terms", a document which will be filled out for each issue of Warrants and which will complete the terms and conditions in respect of each such issue of Warrants.	176

**Part IV – Information Relating to Underlying Indices:**

<b>Section</b>	<b>Page</b>
Section IV.1: " <b>Index Disclaimers</b> " sets out disclaimers which may be applicable in respect of an issue of Notes or Warrants which are linked to the performance of an index or basket of indices.	186
" <b>Index of Defined Terms</b> " indicates where terms used in this Base Prospectus have been defined and indicates the page of the Base Prospectus on which the definition for each relevant defined term can be found.	194

**FUNGIBLE ISSUANCES**

It is possible for Notes and Warrants to be issued which consolidate and form a single Series with an existing Series of Notes and Warrants, the first tranche of which was issued prior to the date of this Base Prospectus. In such case, the terms and conditions applicable to those Notes or Warrants, as the case may be, will not be the terms and conditions contained in the section of this Base Prospectus entitled "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the Warrants*". Instead, the terms and conditions applicable to such Notes or Warrants will either be, in the case of Notes, the 2020 Note Conditions, the 2019 Note Conditions, the 2018 Note Conditions, the 2017 Note Conditions, the 2016 Note Conditions, the 2014 Note Conditions or the 2013 Note Conditions or, in the case of Warrants, the 2020 Warrant Conditions, the 2019 Warrant Conditions, the 2018 Warrant Conditions, the 2017 Warrant Conditions, the 2016 Warrant Conditions, the 2014 Warrant Conditions or the 2013 Warrant Conditions (each as defined in the section entitled "*Incorporation by Reference*" below) and the relevant set of terms and conditions will be specified in the first paragraph of the relevant Final Terms.

## IMPORTANT NOTICES

### Important information relating to financial intermediaries

Financial intermediaries may only use this Base Prospectus if authorised by the Issuer to do so. Accordingly, investors are advised to check both the website of any financial intermediary using this Base Prospectus and the website of the Issuer ([www.hsbc.com](http://www.hsbc.com)) (please follow the links to 'Investors', 'Fixed income investors', 'Final terms and supplements') to ascertain whether or not such financial intermediary has the consent of the Issuer to use this Base Prospectus.

The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the relevant Notes and Warrants during the "Offer Period" specified in the relevant Final Terms (the "Offer Period") by:

- (i) any financial intermediary named as an Initial Authorised Offeror in the relevant Final Terms; and
- (ii) any financial intermediary appointed after the date of the relevant Final Terms whose name is published on the Issuer's website, [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Final terms and supplements'), and is identified therein as an Authorised Offeror in respect of the relevant Tranche of Notes or Warrants.

The conditions to the Issuer's consent are that such consent (a) is only valid in respect of the relevant Tranche of Notes or Warrants; (b) is only valid during the Offer Period specified in the applicable Final Terms; and (c) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes or Warrants in the Public Offer Jurisdiction (as defined below) specified in the applicable Final Terms.

Any new information with respect to Authorised Offerors unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published and can be found on the Issuer's website ([www.hsbc.com](http://www.hsbc.com)) (please follow the links to 'Investors', 'Fixed income investors', 'Final terms and supplements').

Please see below for more important legal information relating to financial intermediaries.

### Responsibility for information in the Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

The Notes may be issued in any denominations. The Warrants may be issued for consideration of more or less than, or equal to, EUR 100,000 (or its equivalent in another currency) per Warrant.

The Issuer does not 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 Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or Warrants or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the preceding paragraphs.

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

Neither this Base Prospectus nor any Final Terms nor any further information supplied in connection with the Programme or any Notes or Warrants should be considered as a recommendation or as constituting an

invitation or offer by the Issuer, the Programme Arranger or any Dealer to any recipient of this Base Prospectus to subscribe for or purchase any Notes or Warrants. Each investor contemplating purchasing any Notes or any Warrants should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes or Warrants constitutes an offer by or on behalf of the Issuer, the Programme Arranger or any Dealer to subscribe for or purchase any Notes or Warrants.

Unless redeemed or terminated early, the Notes or Warrants will be automatically redeemed on the Maturity Date or be exercised on the Expiry Date, at which time the investor will be entitled to receive the Final Redemption Amount or Cash Settlement Amount (as applicable).

Tranches of Notes with a denomination of less than EUR 100,000 (or its equivalent in any other currency) or Warrants issued for consideration of less than EUR 100,000 (or its equivalent in any other currency) per Warrant may, subject as provided below, be offered in the United Kingdom in circumstances where there is no exemption from the obligation under the UK Prospectus Regulation to publish a prospectus. Any such offer is referred to in this Prospectus as a "**Public Offer**".

### **Issuer's consent to use of this Base Prospectus**

The Issuer accepts responsibility in the United Kingdom (the "**Public Offer Jurisdiction**") for the content of this Base Prospectus in relation to any person in the Public Offer Jurisdiction to whom an offer of any Notes is made by any financial intermediary to whom the Issuer has given its consent to use this Base Prospectus (an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, none of the Issuer, the Programme Arranger nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The Public Offer Jurisdiction referred to above in which a Public Offer of Notes or Warrants (as applicable) may be made is the United Kingdom only.

If the Issuer has not consented to the use of this Base Prospectus by an offeror, the investor should check with such offeror whether anyone is responsible for this Base Prospectus for the purposes of Section 90 of the United Kingdom Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") in the context of the Public Offer, and if so, who that person is. If the investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

If so specified in the Final Terms in respect of any Tranche of Notes or Warrants, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the relevant Notes or Warrants (as applicable) during the Offer Period specified in the relevant Final Terms (the "**Offer Period**") by:

- (a) any financial intermediary named as an Initial Authorised Offeror in the relevant Final Terms; and
- (b) any financial intermediary appointed after the date of the relevant Final Terms whose name is published on the Issuer's website, [www.hsbc.com](http://www.hsbc.com) (please follow the links to 'Investors', 'Fixed income investors', 'Final terms and supplements'), and is identified therein as an Authorised Offeror in respect of the relevant Tranche of Notes or Warrants,

in each case, subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers under UK MiFIR and any other applicable laws.

The consent referred to above relates to Public Offers occurring within 12 months from the date of this Base Prospectus.

A Public Offer may be made during the relevant Offer Period by any of the Issuer, the Programme Arranger, any Dealer or any relevant Authorised Offeror in the Public Offer Jurisdiction and subject to any relevant conditions, as specified in the relevant Final Terms.

None of the Issuer, the Programme Arranger nor any Dealer has authorised the making of any Public Offer of any Notes or Warrants by any person in any circumstances other than those described above. Any such unauthorised offers are not made by nor on behalf of the Issuer, the Programme Arranger, any Dealer nor



any Authorised Offeror and none of the Issuer, the Programme Arranger, any Dealer or any Authorised Offeror accepts any responsibility or liability for the actions of any person making such unauthorised offers.

**An investor intending to acquire or acquiring any Notes or Warrants from an Authorised Offeror will do so, and offers and sales of the Notes or Warrants to an investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the investor (the "Terms and Conditions of the Public Offer"). The Issuer will not be a party to any such arrangements with investors (the Issuer will only be party to arrangements with the Programme Arranger and the Dealers) in connection with the offer or sale of the Notes or Warrants (as applicable) and, accordingly, this Base Prospectus and any Final Terms will not contain such information.**

**The Terms and Conditions of the Public Offer shall be provided to investors by that Authorised Offeror at the time the Public Offer is made. None of the Issuer, any Dealer or other Authorised Offeror has any responsibility or liability for such information.**

### **Risk Warnings relating to the Base Prospectus**

An investment in the Notes or Warrants entails certain risks, which vary depending on the specification 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 Base Prospectus and the relevant Final Terms. Investors should consider carefully the risk factors set forth under "*Risk Factors*" in this Base Prospectus.

The Issuer disclaims any responsibility to advise 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 on the Notes or Warrants.

**Unlike a savings account or similar investment an investment in the Notes and Warrants is not covered by the UK Financial Services Compensation Scheme.**

The distribution of this Base Prospectus and the offer, distribution or sale of Notes or Warrants may be restricted by law in certain jurisdictions. None of the Issuer, the Programme Arranger nor any Dealer represents that this Base Prospectus 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 other 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 Base Prospectus in any jurisdiction. Accordingly, no Notes or Warrants may be offered or sold, directly or indirectly, and neither this Base Prospectus 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 Base Prospectus or any Notes or Warrants come must inform themselves about, and observe, any such restrictions.

### *Actions or omissions of the sponsor of an index or others*

In certain circumstances, the actions or omissions of the sponsor of an index to which Notes or Warrants are linked or others outside the control of the Issuer may adversely affect the rights of the Noteholders or Warrant holders (as applicable) and/or the value of the Notes or Warrants, including actions that may give rise to an adjustment to, or early redemption or termination (as applicable) of, the Notes or Warrants.

### *Provision of information*

Neither the Issuer nor any of its respective affiliates are under any obligation to provide information in respect of any Index or the securities underlying any such Index or monitor whether or not any event or circumstance in respect of such Index or such securities 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 Indices or the securities underlying the Indices. 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 Indices or securities as it would if it were investing directly in such Index or securities.

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**For details of certain restrictions on the distribution of this Base Prospectus and the offer or sale of Notes and Warrants in the following countries and territories: the European Economic Area, Gibraltar, Guernsey, Isle of Man, Jersey, the United Kingdom and the United States of America, see the "Subscription and Sale of Notes" and the "Purchase and Sale of Warrants" sections of this Base Prospectus, respectively.**

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### **United States**

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 Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, Notes and Warrants may not be offered, sold or, in the case of Notes in bearer form, delivered within the United States or to U.S. persons.

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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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### **European Economic Area**

The Issuer is not authorised as a credit institution or investment firm in the European Economic Area.

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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 Base Prospectus unless otherwise specified or the context requires, to "**Sterling**", "**GBP**" and "**£**" refer to the lawful currency of the United Kingdom, all references to "**U.S. dollars**", "**U.S.\$**" and "**USD**" refer to the lawful currency of the United States of America, 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 the European Union, as amended. Any other currency referred to in any Final Terms will have the meaning specified in the relevant Final Terms.

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In this Base Prospectus, "**Conditions**" means 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 Base Prospectus, terms defined in the Conditions and the sections entitled, in the case of Notes, the "*Form of*

*Notes and Summary of Provisions Relating to the Notes While in Global Form*" and, in the case of Warrants, *"Form of Warrants and Summary of Provisions Relating to the Warrants While in Global Form"* shall have the same meanings in all other sections of this Base Prospectus.

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## PART I – INFORMATION RELATING TO THE PROGRAMME GENERALLY

### SECTION I.1 – OVERVIEW OF THE PROGRAMME

*The following overview is a general description of the Programme, must be read as an introduction to this Base Prospectus, and is qualified in its entirety by the remainder of this Base Prospectus and the information incorporated by reference herein (and, in relation to any Tranche of Notes or Warrants, the relevant Final Terms). Words and expressions defined in "Form of Notes and Summary of Provisions Relating to the Notes While in Global Form", "Form of Warrants and Summary of Provisions Relating to the Warrants While in Global Form", "Terms and Conditions of the Notes" or "Terms and Conditions of the Warrants" shall have the same meanings in this Overview of the Programme.*

<b>Issuer:</b> .....	HSBC Bank plc
<b>Risk Factors:</b> .....	Investing in Notes or Warrants issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuers to fulfil their obligations under the Notes and Warrants are discussed under " <i>Risk Factors</i> " below.
<b>Programme Arranger:</b> .....	HSBC Bank plc
<b>Dealers (in relation to Notes):</b> ...	HSBC Bank plc and any other Dealer appointed from time to time by the Issuer generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Managers (in relation to Warrants):</b> .....	HSBC Bank plc and any other Manager appointed from time to time by the Issuer generally in respect of the Programme or in relation to a particular Tranche of Warrants.
<b>Principal Paying Agent, Registrar and Transfer Agent:</b> .....	HSBC Bank plc
<b>Warrant Registrar and Warrant Transfer Agent:</b> .....	HSBC Bank USA, National Association
<b>Admission to Listing and Trading:</b> .....	Applications have been made to admit Notes and Warrants issued under the Programme to listing on the Official List of the FCA and to trading on the Main Market of the London Stock Exchange. Any Tranche of Notes or Warrants intended to be admitted to listing on the Official List of the FCA and admitted to trading on the Main Market will be so admitted to listing and trading upon submission to the FCA and the London Stock Exchange of the relevant Final Terms and any other information required by the FCA and the London Stock Exchange, subject in each case to the issue of the relevant Notes and Warrants.
<b>Clearing Systems:</b> .....	Euroclear Bank SA/NV (" <b>Euroclear</b> ") and/or Clearstream Banking S.A. (" <b>Clearstream, Luxembourg</b> "), and/or Euroclear UK & International Limited (formerly known as Euroclear UK & Ireland Limited) (" <b>CREST</b> ") and/or, in relation to any Tranche of Notes or Warrants, any other clearing system as may be specified in the relevant Final Terms.
<b>Issuance in Series:</b> .....	All Notes and Warrants will be issued in Series and each Series may comprise one or more Tranches of Notes or Warrants. Subject as set out in the relevant Final Terms, all Notes and Warrants issued pursuant to the Programme on the same date, denominated in the same currency, having the same Maturity Date or Expiry Date (as applicable) and issued on identical terms will constitute one Tranche of Notes or (as the case may be) Warrants only.

<b>Final Terms:</b> .....	Each Tranche of Notes and Warrants will be issued on the terms set out in the applicable Conditions as completed by the relevant Final Terms.
<b>Forms of Notes:</b> .....	Notes may be issued in bearer form, in registered form or in uncertificated registered form.
<b>Forms of Warrants:</b> .....	Warrants may be issued in registered form or in uncertificated registered form.
<b>Currencies:</b> .....	Notes and Warrants may be denominated in any currency, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Status:</b> .....	The Notes and Warrants of each Series constitute direct, unsubordinated and unsecured obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves and, at their Issue Date, ranking <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer other than any such obligations preferred by law.
<b>Issue Price:</b> .....	Notes and Warrants may be issued at any price, as specified in the relevant Final Terms. The price and amount of Notes and Warrants to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
<b>Denominations:</b> .....	The Notes may be issued in any denominations.  The Warrants may be issued for any consideration of more or less than, or equal to, EUR 100,000 (or its equivalent in another currency) per Warrant.
<b>Interest:</b> .....	Notes may or may not bear interest. For each interest calculation period in respect of which the Notes bear interest, interest may be calculated at a fixed rate or by reference to the occurrence of certain trigger events.  Some Notes may specify in their Final Terms that "Coupon Trigger Event" provisions are applicable. In this case, a coupon payment may be made by the Issuer to an investor, depending on the performance of the Underlying (as defined below) to which a Note is linked.  Further, some Notes may specify in their Final Terms that "Coupon Trigger Recovery Event" provisions are applicable with respect to Coupon Trigger Event. In this case, if the performance of the Underlying in respect of any coupon valuation date exceeds a specified threshold, investors will receive an additional payment equivalent to the sum of all coupons which were not originally payable on their related valuation date due to the performance of the Underlying (and have not subsequently been paid in accordance with the Coupon Trigger Recovery Event provisions).  The Warrants do not bear interest.
<b>Maturities (Notes):</b> .....	Notes may have any maturity, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Expiration (Warrants):</b> .....	Warrants may have any expiry, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Return on Notes and Warrants:</b> .....	The Notes and Warrants are products which are designed for investors who wish to be exposed to fluctuations in the level of the Underlying (as defined below), but who do not wish to or are not

able to hold the relevant Underlying itself. The Notes and Warrants may be linked to the performance of a single underlying index or basket of indices (each an "**Underlying**").

<b>Final Redemption Amount (in relation to Notes):</b> .....	On the Maturity Date, Noteholders will be entitled to receive a Final Redemption Amount which will be linked to the performance of the relevant Underlying(s).
<b>Cash Settlement Amount (in relation to Warrants):</b> .....	Warrantholders are entitled following exercise of their Warrants to receive a Cash Settlement Amount linked to the performance of the relevant Underlying(s).
<b>Exercise of Warrants:</b> .....	Warrants may be exercised on the date specified in the relevant Final Terms and are "European Style Warrants". Unless "Automatic Exercise" is specified as "Not Applicable" in the relevant Final Terms, the relevant Warrants may be automatically exercised on their Expiry Date.
<b>Events of Default (in relation to the Notes):</b> .....	<p>The following events constitute events of default (each, an "<b>Event of Default</b>") under the Notes and would entitle the Noteholder to accelerate the Notes: (i) 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 12(b) (<i>Notices from Noteholders</i>) <b>provided that</b> 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 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 (ii) an order is made or an effective resolution is passed for the winding-up of the Issuer in England. On an Event of Default, the Notes will be redeemed against payment of an amount per Note equal to the Early Redemption Amount of such Note.</p> <p>There are no events of default applicable to the Warrants.</p>
<b>Early redemption/termination for illegality:</b> .....	If the Calculation Agent determines that the performance of the Issuer's obligations has become unlawful or impracticable in whole or in part for any reason, the Issuer will be entitled to redeem the Notes or terminate the Warrants early and pay the relevant investor an amount per Note equal to its Early Redemption Amount or (as applicable) an amount per Warrant equal to its Fair Market Value.
<b>Early redemption for taxation reasons (in relation to Notes):</b>	If the Issuer were required under the terms and conditions of the Notes (the " <b>Conditions</b> ") to pay additional amounts in respect of tax, such Issuer may, subject to prior notice to the holders of such Notes, redeem all, but not some only, of such Notes and pay the relevant investor an amount per Note equal to its Early Redemption Amount together with interest accrued and unpaid, if any, to the date fixed for redemption.
<b>Taxation:</b>	Unless Condition 6B ( <i>Taxation – Gross-up</i> ) is specified as being applicable in relation to a Series of 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 United Kingdom 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.

If Condition 6B (*Taxation – Gross-up*) is specified as being applicable in relation to a Series of Notes, then if the Issuer is required by law to withhold or deduct on account of such United Kingdom taxes, it will, subject to certain exceptions as outlined in Condition 6B (*Taxation – Gross-up*), 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 which would have been receivable in respect of the Notes in the absence of such withholding or deduction.

All payments by the Issuer in respect of Warrants will be made without deduction of any taxes, duties and other similar charges, including United Kingdom taxes, unless the Issuer is required by law to withhold or deduct any such taxes. If the Issuer is so required by law to withhold or deduct any such taxes, it shall not be obliged to pay any additional amounts to the Warrantholders. Therefore, Warrantholders will be liable for and/or subject to any taxes, duties and other similar charges, including withholding tax, stamp duty, stamp duty reserve tax and/or similar transfer taxes, payable in respect of the Warrants.

**Governing Law:**.....

English law.

**Ratings:** .....

The Issuer is rated by S&P, Moody's and Fitch. Series of Notes and Warrants will not be individually rated.

**Selling Restrictions:**.....

For a description of certain restrictions on offers, sales and deliveries of Notes and Warrants, see Section II.3 "*Subscription and Sale of Notes*" and Section III.3 "*Purchase and Sale of Warrants*".



## SECTION I.2 – RISK FACTORS

### **Guidance on this Risk Factors section**

*This section provides details of the principal risks associated with the Issuer and the Notes and Warrants. References to the "Issuer" or the "Bank" are references to HSBC Bank plc, and references to the "Notes" or the "Warrants" are references to index-linked notes or warrants issued under the Programme for the Issuance of Notes and Warrants (the "**Programme**").*

*Any investment in the Notes and Warrants is subject to a number of risks. Prior to investing in the Notes and Warrants, investors should carefully consider risk factors associated with any investment in the Notes and Warrants, the business of the Issuer and the industry in which it operates, together with all other information contained in this Base Prospectus, including, in particular the risk factors described below and the risk factors set out in the 2022 Form 20-F (as defined below), incorporated by reference. The Issuer considers such risk factors to be the principal risk factors that may affect the Issuer's 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. Words and expressions defined in the Conditions or elsewhere in this Base Prospectus have the same meanings in this section.*

*This section is divided into a number of sub-sections, details of which are set out in the table below:*

Name of sub-section	Page	Applicable to	Explanation
(1) Risks relating to the Bank	7	All Notes and Warrants.	This sub-section will be relevant for all issues of Notes and Warrants, as it details the risk factors which the Issuer deems to be material in respect of itself as issuer of Notes and Warrants, and its ability to perform the obligations owed to holders of any Notes and Warrants.
(2) Risks relating to all issues of Notes and Warrants	7	All Notes and Warrants.	This sub-section will be relevant for all issues of Notes and Warrants, as it details the risk factors which the Issuer deems to be material in respect of all Notes and Warrants.
(3) Risks relating to taxation of the Notes and Warrants	20	All Notes and Warrants.	This sub-section sets out certain withholding tax risks which may apply to issues of Notes or Warrants.
(4) Risks relating to the Notes	20	Notes only.	In some respects, the Notes and Warrants entail different risks from one another on account of the difference in the nature of Notes and Warrants and in their terms.
(5) Risks relating to the Warrants	22	Warrants only.	
(6) Risks relating to Green Notes	22	Notes only.	This sub-section will be relevant for Notes in respect of which "Green Notes" has been specified as applicable in the relevant Final Terms

*In particular, Investors should be aware that, depending on the terms applicable to the relevant Series of Notes or Warrants, repayment of any amount invested and any return on investment 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.*

*Investors should note that the risks relating to the Issuer, the industry in which it operates and the Notes and Warrants summarised in an issue specific summary (the "**Issue Specific Summary**") appended to the Final Terms relating to a Tranche of Notes or Warrants are the risks that the Issuer believes to be those key to an assessment by an investor of whether to consider an investment in such Notes and Warrants. However, as the risks which the Notes and Warrants are subject to and which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, investors should consider not only the information on the key risks summarised in the Issue Specific Summary appended to the Final Terms relating to any Tranche of Notes or Warrants (and set out in more detail below) but also, among other things, the other risks and uncertainties described below.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and Warrants. Additional risks and uncertainties relating to the Issuer or the Notes and Warrants that are not currently known to the Issuer, or that the 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 the Issuer, the level of the index or indices underlying the Notes and Warrants 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 and/or Warrants is suitable for them in light of the information in this Base Prospectus and their personal circumstances.*

**(1) Risks relating to the Bank**

The section entitled "Risk Factors" on pages 41 to 54 of the Issuer'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 "**2022 Form 20-F**"), as incorporated by reference herein on page 24, sets out a description of the risk factors that may affect the ability of the Issuer to fulfil its obligations to investors in relation to the Notes and Warrants.

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

Set out below is a description of the principal risks that should be taken into consideration by investors in the Notes and 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 the UK Financial Services Compensation Scheme.

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 does not have recourse to the securities underlying any Index 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 Index or Indices***

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 Index or Indices (as applicable), 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 level of an underlying Index or a number of underlying Indices (as applicable) and payment at maturity or expiry (and/or payment on early redemption or termination in certain circumstances) and/or payment of interest amounts depend on the performance of the Index or Indices (as applicable). Investors should therefore be prepared to be exposed to the risks related to the Index or Indices (as applicable). The level of an Index can alter sharply because they reflect the performance of the securities underlying such Index. Therefore, there is a risk that, if the level of the Index or Indices (as applicable) 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.

The Issuer cannot predict the level of the Index or Indices (as applicable) 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 Index or Indices***

Past performance of the Index or Indices (as applicable) or the securities underlying an Index, if provided, should not be taken as an indication of future performance of the Index or Indices (as applicable) or the securities underlying an Index. The Issuer cannot provide any assurance that the performance of the Index or Indices (as applicable) or the securities underlying an Index, 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 Put and Call Warrants (when held as a pair) is fully principal protected, the repayment of any amount invested in the Notes or Put and Call Warrants and any return on investment 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.**

In any event, any principal protection is subject to the Issuer's credit risk (see "*Credit risk*" above).

#### ***No ownership rights***

An investment in Notes or Warrants relating to an Index is not the same as an investment in the securities underlying the Index. The Notes or Warrants do not confer any legal or beneficial interest in any Index or the securities underlying any Index and do not provide a Noteholder or Warrantholder with any of the rights that a holder of a security underlying an Index may have (such as voting rights and rights to receive dividends).

#### ***There may be no active trading market or secondary market liquidity for the 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 (as applicable).

### ***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 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 impracticable in whole or in part, unless the relevant Final Terms 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 the payment of the Early Redemption Amount specified in the Final Terms or terminate its obligations under the Warrants against payment of the Fair Market Value. The Final Terms may specify the Early Redemption Amount as being as being the Fair Market Value of Notes 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 securities underlying the relevant Index or Indices (as applicable) 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, 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 United Kingdom. Following such a determination, the Issuer may terminate its obligations under the Notes against payment of the Early Redemption Amount specified in the relevant Final Terms together with interest accrued and unpaid, if any, to the date fixed for redemption. In the case of Notes, the Final Terms 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 Index or Indices (as applicable) 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, level and volatility of the Index or Indices (as applicable) or securities underlying an Index and liquidity of the securities underlying an Index; (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 Warrantheader 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 Index or Indices*

Fluctuations in the level of the Index or Indices (as applicable) or value of the securities underlying an Index 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 level of an Index or value of securities underlying an Index 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 of an Index or value of the securities underlying an Index 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 level of an Index, and thus, the value of the Notes and Warrants. Changes in interest rates may also affect the economy of a country in which securities underlying an Index are traded, and which may adversely affect the value of the Notes and Warrants.

(c) *Volatility of the Index or Indices*

If the size and frequency of market fluctuations in the level of an Index or value of securities underlying an Index 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 Index or Indices (as applicable). Any such difference will reflect a "time premium" resulting from expectations concerning the Index or Indices (as applicable) 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 securities underlying an Index may adversely affect the trading value of the Notes and Warrants. If the dividend or other income rates on the securities underlying an Index 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***

Amounts payable in respect of the Notes and Warrants will be calculated in accordance with the Conditions (an investor-friendly description of how the Notes and Warrants work is set out in "*Section II.1 – Description of the Notes*" and "*Section III.1 – Description of the Warrants*").

As part of the valuation mechanism, Notes and Warrants may specify a time and an exchange or other venue in which the level of the Index is, or Indices are, to be observed.

Depending on how the level of an Index is calculated, the level of such Index may fluctuate as securities underlying the Index do 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 securities underlying an Index regarding transactions to be entered into by them; (ii) engage in transactions involving securities underlying an 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 an Index or the securities underlying an Index (but will not be obliged to do so); (iv) publish research reports relating to certain Indices or securities underlying the Indices or (v) have or acquire non-public information about Indices or securities underlying the Indices. 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 or Warrantholders and any such activity by the Issuer or its affiliate (as applicable) may have a negative effect on the level of such Indices 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 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 level of any Index 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 Indices. 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 Warrantholders (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 or Warrants (as applicable). 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 securities underlying an Index, but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the securities underlying an Index on a regular basis as part of their securities businesses. Any of these activities could affect the value of such securities and/or the level of the relevant 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, a 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 Index or Indices (as applicable); (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***

The Issuer will generally pay amounts in respect of the Notes and Warrants in the Settlement Currency (as referred to in the relevant Final Terms). 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 and 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.

### *Certain considerations regarding hedging*

Investors intending to purchase Notes or Warrants to hedge against the market risk associated with investing in the securities underlying an Index should recognise that there is a risk that the value of the Notes or Warrants may not correlate with the level of the Index or Indices (as applicable) 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 Index or Indices (as applicable). 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 level of any relevant Index or value of the securities underlying an Index. 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 Indices and Baskets*

The value of an Index or a basket of Indices to which any Notes or Warrants relate may be affected by the number and type of Indices or securities underlying the Index or Indices included in such basket. Generally, the value of a basket that includes an Index or Indices comprising securities from a number of companies or obligors or other components or which gives relatively equal weight to each Index in the basket will be less affected by changes in the level of any particular Index included therein than a basket that includes fewer Indices or that gives greater weight to some Indices.

In particular, if an Index included in a basket of Indices relates to companies which are all in or connected with a particular industry, the level or value of such Index or basket will be affected to a greater extent by the economic, financial and other factors affecting that industry than if the securities underlying an Index or Indices 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 Indices which adversely affect the value of the Notes or Warrants will be exacerbated due to the number of and/or type of Indices in a basket.

### *Change of law*

The Conditions of the Notes and the Conditions of the Warrants are based on English law and United Kingdom tax law in effect as at the date of this Base Prospectus. 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 an Index or Indices (as applicable) or securities underlying an 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 Base Prospectus.

### *Clearing systems*

Because Notes and Warrants may be held by or on behalf of the relevant clearing system as specified in the Final Terms 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 or Warrants and investors will be able to trade their interests only through CREST. Investors in the Notes or Warrants will have to rely on procedures of such clearing systems for transfer, payment and communication with the Issuer to receive payments under the Notes or Warrants. Investors are therefore subject to the risk of those settlement procedures failing such that payments due under the Notes 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 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 or 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 the 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.

### *Market Disruption Events*

Investors in the Notes and Warrants are subject to the risk that a Market Disruption Event will occur in relation to an Index. 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.

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 Index, the consequences of which are discussed in the immediately following paragraphs.

### *Disrupted Day*

Investors in the Notes and Warrants are subject to the risk that a Disrupted Day may occur in relation to an Index or securities underlying an Index. 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 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 Final Terms) 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 intending to purchase Notes or Warrants 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 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 Final Terms:

- "**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 or disposal of the securities underlying an Index 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);
- "**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; and
- "**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 early termination prior to the originally scheduled Exercise Dates or Expiry Date of the relevant Warrants, Noteholders or, as the case may be, Warrantholders may suffer loss of some or of all of their investment and will forego any future performance in the relevant Index that may occur following such redemption or termination (as applicable).

#### ***Successor Index, Index Modification, Index Cancellation***

In certain circumstances, certain adjustments may be made to an 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 Index by a successor index if the relevant Index is not calculated or announced by the relevant Index Sponsor or is replaced by a successor index;

- (ii) the modification of the relevant Index by the relevant Index Sponsor which may have a material effect on the Notes and Warrants; and
- (iii) the cancellation of the relevant Index by the relevant Index Sponsor which may result in either (A) the redemption of the relevant Notes or the termination of the relevant Warrants upon payment of such amount as may be determined by the Calculation Agent to be the Fair Market Value of the Notes or Warrants immediately prior to such redemption or termination or (B) the continuation of the Notes and Warrants, in which case relevant level of the Index will be determined by the Calculation Agent.

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

#### ***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***

The Issuer 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 the Issuer 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 the Issuer'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 the Issuer) of any securities issued upon conversion of such Notes or Warrants, or the disclosure with respect to the 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 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 the Issuer or not directly related to the Issuer) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the Issuer 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 the Issuer'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 the Issuer 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 the Issuer.

#### ***Powers to direct restructuring of the Issuer 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 the Issuer'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 the Issuer (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 the Issuer'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.

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

### ***Regulation and reform of Benchmarks***

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.

### ***An Administrator/Benchmark Event could occur in relation to the Notes or Warrants***

An "**Administrator/Benchmark 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 an Administrator/Benchmark Event*

The circumstances with respect to a Relevant Benchmark that may lead to the occurrence of an Administrator/Benchmark 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 an Administrator/Benchmark 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 an Administrator/Benchmark Event*

The occurrence of an Administrator/Benchmark 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 Final Terms as applicable), adjustment to the terms and conditions pursuant to Condition 13A (*Consequences of an Administrator/Benchmark Event*) or 9A (*Consequences of an Administrator/Benchmark 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 13A (*Consequences of an Administrator/Benchmark Event*) (in the case of Notes), or a Replacement Index or the Alternative Pre-nominated Index pursuant to Condition 9A (*Consequences of an Administrator/Benchmark 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 an Administrator/Benchmark 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.

#### ***Capped Return***

The terms and conditions of Notes and/or Warrants 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 Index or Indices (as applicable) may be limited and accordingly, investors could forgo a return that could have been made had they invested in a product without a similar cap.

#### **An investment in the Notes or Warrants is subject to reinvestment risk**

If an early redemption date is designated in respect of a Note or an early termination date is designated in respect of a Warrant, there is no guarantee that investors will be able to reinvest the proceeds from the Notes or Warrants at a comparable return for a similar level of risk.

#### **Further and other issues of Notes and Warrants**

The Issuer shall be at liberty from time to time without the consent of the Noteholders or Warrantholders to create and issue further notes or warrants to be consolidated with and form a single series with the outstanding Notes or Warrants. In addition, the Issuer may issue other notes, warrants and/or other instruments, the value of which is linked to the relevant Index or Indices (as applicable). Any such issue of further notes or warrants may have an adverse effect on the value of Notes or Warrants.

**(3) Risks relating to taxation of the Notes or 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.

Transactions involving Notes and 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 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 United Kingdom taxes under Condition 6B (*Taxation – Gross-up*). This gross-up obligation is applicable provided Condition 6B (*Taxation – Gross-up*) is 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 United Kingdom taxes; in particular, it does not cover stamp duty, stamp duty reserve tax and/or similar transfer taxes.

If Condition 6B (*Taxation – Gross-up*) is not specified as applying to a Series of Notes in the relevant Final Terms, 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 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 investors who are in any doubt about the tax consequences of purchasing any Notes or Warrants should consult and rely on their own tax advisors.

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

***General***

***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.

***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 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 a 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 Final Terms 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 affiliates of unwinding any underlying and/or related hedging and/or funding arrangements. 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 Index or Indices (as applicable) and future interest payments applicable to such Notes (if any).

***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.

***Meetings of Noteholders***

The Conditions 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 Index or any security underlying any Index***

No representation or assurance is given by the Issuer or any other person that an Index or securities underlying any 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 an Index or the businesses or products of issuers of securities underlying such Index. 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.



**(5) Risks relating to the Warrants**

*Limitations on exercise*

If so indicated in the relevant Final Terms, a Holder must tender a specified minimum number of Warrants and integral multiples of Warrants thereafter at any one time in order to exercise. Thus, Holders with fewer than the specified minimum number of Warrants or specified multiples thereof will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Therefore, Holders of such Warrants incur the they may have to sell their holding at a trading price below the Cash Settlement Amount, or purchase additional Warrants at a trading price above the Cash Settlement Amount in order to realise their investment. Furthermore, investors in such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount of such Warrants.

**(6) 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 Final Terms 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 "*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 "*Green Notes*" below and in the relevant Final Terms 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 "*Green Notes*" below and/or in the relevant Final Terms. 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 "*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 Base Prospectus. The HSBC Green Bond Framework does not form part of, nor is incorporated by reference, in this Base Prospectus.

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 Base Prospectus. 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, social or sustainable impact of any Index or any security underlying any Index*"

***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.

### SECTION I.3 – INCORPORATION BY REFERENCE

*This section provides details of the documents incorporated by reference which form part of this Base Prospectus and which are publicly available.*

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus, save that any documents incorporated by reference in any of the documents set forth below do not form part of this Base Prospectus:

- (a) the Issuer's 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 the Issuer, 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 Issuer's annual report and accounts for the year ended 31 December 2022 published on 21 February 2023 (the "**2022 Annual Report and Accounts**") submitted to and filed with the FCA, and the notes to such audited consolidated financial statements of the Issuer that are identified as '(Audited)' and are presented within the section of the 2022 Annual Report and Accounts entitled "Risk", which section is set out on pages 26 to 93 of the 2022 Annual Report and Accounts;
- (c) the audited consolidated financial statements of the Issuer, 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 Issuer's annual report and accounts for the year ended 31 December 2021 published on 21 February 2022 (the "**2021 Annual Report and Accounts**") submitted to and filed with the FCA, and the notes to such audited consolidated financial statements of the Issuer that are identified as '(Audited)' and are presented within the section of the 2021 Annual Report and Accounts entitled "Report of the Directors", which section is set out on pages 21 to 96 of the 2021 Annual Report and Accounts;
- (d) the registration document of the Issuer dated 18 May 2023 submitted to and filed with the FCA (the "**Registration Document**");
- (e) the Terms and Conditions of the Notes (the "**2013 Note Conditions**") and Terms and Conditions of the Warrants (the "**2013 Warrant Conditions**") as set out on pages 80 – 121 and 161 to 186, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 8 November 2013 (the "**2013 Conditions**");
- (f) the Terms and Conditions of the Notes (the "**2014 Note Conditions**") and Terms and Conditions of the Warrants (the "**2014 Warrant Conditions**") as set out on pages 94 – 134 and 173 to 197, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 24 June 2014 (together, the "**2014 Conditions**");
- (g) the Terms and Conditions of the Notes (the "**2016 Note Conditions**") and Terms and Conditions of the Warrants (the "**2016 Warrant Conditions**") as set out on pages 89 – 131 and 168 to 195, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 22 June 2016 (together, the "**2016 Conditions**");
- (h) the Terms and Conditions of the Notes (the "**2017 Note Conditions**") and Terms and Conditions of the Warrants (the "**2017 Warrant Conditions**") as set out on pages 107-151 and 193 to 221, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 21 June 2017 (together, the "**2017 Conditions**");
- (i) the Terms and Conditions of the Notes (the "**2018 Note Conditions**") and Terms and Conditions of the Warrants (the "**2018 Warrant Conditions**") as set out on pages 118 – 166 and 212 to 244, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 5 October 2018 (together, the "**2018 Conditions**");
- (j) the Terms and Conditions of the Notes (the "**2019 Note Conditions**") and Terms and Conditions of the Warrants (the "**2019 Warrant Conditions**") as set out on pages 119 – 167 and 211 to 242,

respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 19 June 2019 (together, the "**2019 Conditions**"); and

- (k) the Terms and Conditions of the Notes (the "**2020 Note Conditions**") and Terms and Conditions of the Warrants (the "**2020 Warrant Conditions**") as set out on pages 91 – 139 and 184 to 216, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 18 June 2020 (together, the "**2020 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 Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference and in respect of which a supplement to this Base Prospectus is prepared modifies or supersedes such statement.

Any information incorporated by reference in the above documents does not form part of this Base Prospectus and 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 are covered elsewhere in this Base Prospectus.

The Issuer will at its registered office and at the offices of the Principal Paying Agent and Principal Warrant Agent make available for inspection during normal business hours, upon reasonable notice, and free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus). 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 Base Prospectus and all the documents incorporated by reference herein (aside from (a) – (c)) 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 (a) – (c) above, 'Investors', 'Results and announcements', 'All reporting'). The Issuer's 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>. For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, any websites referred to in this Base Prospectus or any information appearing on such websites and pages do not form part of this Base Prospectus.

**SECTION I.4 – USE OF PROCEEDS**

*This section provides details of what the Issuer intends to do with the subscription monies it receives for the Notes or Warrants it issues.*

The net proceeds from each issue of Notes or Warrants (other than Green Notes (as defined below)) will be used by the Issuer for profit making or risk hedging purposes unless otherwise specified in the relevant Final Terms. The net proceeds from each issue of Green Notes (as defined below) will be used as described below.

## GREEN NOTES

If the relevant Final Terms specify that a Series of Notes are "Green Notes" then, unless otherwise specified in the relevant Final Terms, 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 Final Terms (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 Final Terms, 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 Final Terms 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>.

## SECTION I.5 – TAXATION

*This section provides a summary of the withholding tax position in relation to the Notes and Warrants in the United Kingdom and also provides information in relation to the proposed financial transactions tax.*

**Transactions involving the Notes and Warrants may have tax consequences for investors which may depend, amongst other things, upon the status of the investor and laws relating to transfer and registration taxes. Investors 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.**

### UNITED KINGDOM

#### 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 Final Terms 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 – Interest

1. Any payments made with respect to the Notes which are considered to be payments of interest for United Kingdom taxation purposes and where such Notes are 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 on such Notes which are considered to be payments of interest for United Kingdom tax purposes 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. The London Stock Exchange is a recognised stock exchange for these purposes, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom official list and admitted to trading on the Main Market of the London Stock Exchange.
3. In addition to the exemptions set out in paragraphs 1 and 2 above, payments on the Notes which are considered to be interest for United Kingdom taxation purposes 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, payments on the Notes which are considered to be interest for United Kingdom tax purposes 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 Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax at the relevant rate, 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. 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.
2. 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.
3. The above summary under the heading of "*United Kingdom Taxation – Notes*" assumes that there will be no substitution of the Issuer pursuant to Condition 14 (*Meetings of Noteholders, Modification 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 of the tax considerations that may be relevant to a purchaser.*

*Warrantholders who are in any doubt as to their tax position should consult their professional advisers. Warrantholders 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, Warrantholders 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.

**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.

## SECTION I.6 – GENERAL INFORMATION

*This section provides additional, general disclosure in relation to the Programme.*

1. The continuation of the Programme and the issue of Notes and Warrants under the Programme have been authorised by a resolution of the board of directors of the Issuer passed on 20 March 2023.
2. The Notes and Warrants have been accepted for clearance through Euroclear and Clearstream, Luxembourg, and may also be accepted for clearance through CREST. The appropriate International Securities Identification Number ("**ISIN**"), common code ("**Common Code**"), Valoren number ("**Valoren Number**"), Stock Exchange Daily Official List ("**SEDOL**") number 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 Final Terms. The address of Euroclear Bank SA/NV is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream Banking, S.A. is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Euroclear UK & International Limited (formerly known as Euroclear UK & Ireland Limited) is Watling House, 33 Cannon St, London EC4M 5SB, United Kingdom.
3. Settlement arrangements will be agreed between the Issuer, the relevant Dealer(s) or Manager(s), the Registrar, CREST Register or Warrant Registrar, CREST Registrar, and the Principal Paying Agent or Principal Warrant Agent, as applicable.
4. In relation to the Issuer, any transfer of, or payment in respect of, a Note, Warrant or Coupon 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.
5. Generally, any notice, document or information to be sent or supplied by the Issuer 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 the Issuer 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 the Issuer 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.
6. Notices to the Noteholders or Warranholders are made in accordance with the Conditions of the relevant Notes or Warrants, as applicable.
7. In relation to each Tranche of Notes, the indication of yield (if any) referred to in the relevant Final Terms will be calculated at the Issue Date of such Tranche on the basis of the Issue Price of such Tranche. It is not an indication of future yield.
8. Any tranche of Notes or Warrants intended to be admitted to listing on the Official List of the FCA and admitted to trading on the Main Market of the London Stock Exchange will be so admitted to listing and trading upon submission to the FCA and the London Stock Exchange of the relevant Final Terms and any other information required by the FCA and/or the London Stock Exchange, subject in each case to the issue of the relevant Notes or Warrants (as the case may be). Prior to listing and admittance to trading of Notes or Warrants (as the case may be), dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the date of the transaction.

9. There has been no significant change in the financial position or financial performance of the Issuer and its subsidiary undertakings nor any material adverse change in the prospects of the Issuer since 31 December 2022.
10. 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 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 the Issuer is aware) during the 12-month period before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and its subsidiary undertakings.
11. The Issuer or Dealer may pay to distributors (which may include affiliates of the Issuer or Dealer) of Notes or Warrants issued under this Base Prospectus commissions or fees (including in the form of a discount to the issue price of such Notes or purchase price of such Warrants). Such commissions, fees or discounts will be as such parties may agree from time to time.
12. This Base Prospectus and all the documents incorporated by reference herein 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) – (c) in Section I.3 "*Incorporation by Reference*", 'Investors', 'Results and announcements', 'All reporting'). For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.
13. The Legal Entity Identifier ("**LEI**") code of the Issuer is: MP6I5ZYZBEU3UXPYFY54.
14. As at the date of this Base Prospectus, details of the administrator(s) of the following benchmarks, including whether or not they appear on the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation (the "**UK Benchmarks Register**"), are as follows

<b>Benchmark</b>	<b>Administrator Full Name</b>	<b>Does the Administrator appear on the UK Benchmarks Register?</b>
FTSE® 100 INDEX Russell 2000 Index	FTSE International Limited	Yes
MSCI INDICES	MSCI Limited	Yes
Dow Jones Industrial Average Index S&P 500 Index	S&P Dow Jones Indices LLC	No As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that S&P Dow Jones Indices LLC is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence).
CAC 40 INDEX	Euronext Paris	No As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such

<b>Benchmark</b>	<b>Administrator Full Name</b>	<b>Does the Administrator appear on the UK Benchmarks Register?</b>
		that Euronext Paris is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence).
EURO STOXX 50® Index	STOXX Ltd.	No As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that STOXX Ltd. is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence).
Nikkei Stock Average	Nikkei Inc.	No As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that Nikkei Inc. is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence).

15. With effect from 13 June 2023, Adam Bagshaw was appointed to the Issuer's Executive Committee and his principal outside activities (if any) of significance to the Issuer are as follows:

<b>Name</b>	<b>Function</b>	<b>Other principal activities outside the Issuer</b>
Adam Bagshaw	Global Co-Head of Capital Financing and Investment Banking Coverage	-

## PART II – INFORMATION RELATING TO THE NOTES

### SECTION II.1 – DESCRIPTION OF THE NOTES

*This section provides details of how an investment in the Notes works and how payments under the Notes are calculated, including a number of worked examples.*

*Please note: The worked examples provided in this "Section II.1 – Description of the Notes" are produced for illustrative purposes only. The analysis is based on simplifying assumptions and hypothetical figures, levels and thresholds and does not reflect a complete analysis of all possible gain and loss scenarios that may arise under any actual investment in the Notes. No representation or warranty is made by the Issuer or any of its affiliates that any scenario shown below can be duplicated under any actual investment in the Notes. Actual results may vary from the results shown below, and variations may be material. The mark-to-market value of the Notes can fluctuate either upward or downward due to changes in prevailing market conditions. Accordingly, if an investment in the Notes is unwound, repurchased or otherwise redeemed whether at or prior to its stated maturity, investors in such Notes may receive less than the purchase price of the Notes and therefore sustain a loss which in a worst-case scenario may be equal to their invested amount.*

#### (1) **Introduction**

The Issuer may from time-to-time issue Notes. A document known as the "**Final Terms**" will be prepared in respect of each issue of Notes. The Final Terms will give further details of the amounts payable under the Notes.

This section sets out the various types of amounts which may be payable under a Note and the valuation methods which may be used to ascertain the performance of indices or securities.

*Amounts payable on redemption.*

Unless a Note has been redeemed (i.e. repaid) early, a Note will be redeemed at the end of its term on the "**Maturity Date**". The amount that an investor will receive at maturity (the "**Final Redemption Amount**") will be calculated using the redemption provisions specified in the relevant Final Terms. The relevant Final Terms will specify one of the following redemption provisions as applying to a particular issue of Notes:

- Booster Redemption;
- Airbag Redemption;
- Autocallable Redemption;
- Reverse Convertible Redemption;
- 100% Protected Growth Redemption;
- 100% Protected Capped Growth Redemption;
- Partially Protected Growth Redemption;
- Partially Protected Capped Growth Redemption;
- Digital Redemption; or
- Fixed Amount Redemption.

The amount of the Final Redemption Amount will (except where Fixed Amount Redemption is specified to apply) depend on the performance of the index or indices to which the Note is linked ("**Index**" and "**Indices**", respectively) and the relevant redemption provision.

Further details and explanations of the above-listed redemption provisions and the various Final Redemption Amounts which may be payable depending on which of the above redemption provisions is

specified in the relevant Final Terms are set out in sub-section (3) below, together with some worked examples illustrating the calculations of such amounts.

In addition, some Notes may specify in the relevant Final Terms that "**Early Redemption for Autocallable Notes**" provisions are applicable. In this case, the Notes may be redeemed on certain specified dates prior to their stated Maturity Date, depending on the performance of the Index or Indices (as applicable) to which the Notes are linked. Details of the amounts which may be payable in these circumstances are set out in sub-section (4) below, together with a worked example.

*Other amounts which may be payable*

The Final Terms relating to a Note may specify that "**Fixed Rate Note provisions**" are applicable. If this is the case, an investor will receive on certain specified dates interest payments (each, an "**Interest Amount**"), which will be calculated by reference to a fixed rate of interest. Details of the how Interest Amounts are calculated are set out in sub-section 5(a) below, together with some worked examples illustrating how the calculations are made in practice.

Some Notes may specify in their Final Terms that "**Coupon Trigger Event**" provisions are applicable. In this case, a coupon payment may be made by the Issuer to an investor, depending on the performance of the Index or Indices (as applicable) to which a Note is linked. Details of the amounts which may be payable in these circumstances are set out in sub-sections (5(b)) below, together with a worked example illustrating how the calculations are made in practice.

Where "Coupon Trigger Event" is specified to apply, the Notes may further specify in their Final Terms that "**Coupon Trigger Recovery Event**" provisions are applicable. In this case, if the performance of the Index or Indices (as applicable) exceeds a specified threshold, investors will receive an additional payment equivalent to the sum of all coupons which were not originally payable on their related valuation date due to the performance of the Index or Indices (as applicable) (and which have not subsequently been paid in accordance with the Coupon Trigger Recovery Event provisions). Details of the amounts which may be payable in these circumstances are set out in sub-section (5)(c) below, together with a worked example illustrating how the calculations are made in practice.

\*\*\*\*\*

The following table sets out for each type of amount payable under each type of Note details of where an explanation of the payments under such Note and a related worked example can be found in this Base Prospectus.

<b>If the Final Terms specify that the following is applicable...</b>	<b>... an explanation and worked example in this Base Prospectus may be found at:</b>
<b>Amounts payable on redemption</b>	
<i>Final Redemption Amount</i>	Page 40
Booster Redemption	Page 40
Airbag Redemption	Page 42
Autocallable Redemption	Page 43
Reverse Convertible Redemption	Page 46
100% Protected Growth Redemption	Page 47
100% Protected Capped Growth Redemption	Page 49
Partially Protected Growth Redemption	Page 50
Partially Protected Capped Growth Redemption	Page 53

Digital Redemption	Page 55
Fixed Amount Redemption	Page 56
<i>Automatic Early Redemption Amount</i>	Page 56
<b>Other amounts that may be payable</b>	
<i>Interest Amounts and Coupon Trigger Event</i>	Page 58
Fixed Rate Note provisions	Page 58
Coupon Trigger Event	Page 59
Coupon Trigger Event - Coupon Trigger Recovery Event	Page 60

(2) *Ascertaining the performance of the Indices*

Each Final Redemption Amount (other than where the Notes are Fixed Amount Redemption Notes), Automatic Early Redemption Amount, Coupon Trigger Amount and Outstanding Missed Coupon Amounts which may be payable in respect of a Note is linked to the performance of the Index or basket of Indices to which the Note is linked. Details of how to ascertain the performance of an Index or a basket of Indices are set out below, together with worked examples illustrating how the calculations made in practice.

(a) *The value of the Indices*

The calculations which are required to be made to calculate the Final Redemption Amount, will be based on the level of the Index or the levels of the Indices (the "**Relevant Level**") determined by the Calculation Agent. The Calculation Agent will determine the Relevant Level by reference to the level of the Index quoted on a particular exchange or quotation system at a particular valuation time on a particular valuation date.

The value of the Relevant Level will be determined by reference to either a single date or several dates (the latter are referred to as "**Averaging Dates**"), as set out in the relevant Final Terms.

Consequently, there are two different valuation methods that may be used to ascertain the Relevant Level. Which valuation method is applicable will depend on whether there are Averaging Dates involved. The following matrix describes which method will be used to ascertain the Relevant Level in different circumstances:

Averaging Dates:	are not specified in the relevant Final Terms	Final Index Level  (see page 49)
Averaging Dates:	are specified in the relevant Final Terms	Average Index Level  (see page 50)

Details of each valuation method are set out below.

*Final Index Level valuation method*

If no Averaging Dates are specified in the relevant Final Terms, the Calculation Agent will obtain the level of the Index on a given date and time (the "**Valuation Date**" and the "**Valuation Time**").

**Final Index Level worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note linked to the FTSE®100 Index.
- No Averaging Dates are specified in the Final Terms.
- The Valuation Date specified in the Final Terms is 30 June 2024.
- The Valuation Time specified in the Final Terms is 5.00 p.m. (London time).
- The level of the FTSE®100 Index on 30 June 2024 at 5.00 p.m. (London time) is 6,000.

(1) ***What is the Final Index Level?***

In order to determine the Final Index Level, the Calculation Agent will obtain the level of the FTSE®100 Index on 30 June 2024 at 5.00 pm (London time). In this case, the Final Index Level will be 6,000.

*Average Index Level valuation method*

If Averaging Dates are specified in the relevant Final Terms, the Calculation Agent will obtain the levels of the Index on those Averaging Dates and calculate the arithmetic average of the levels obtained.

**Average Index Level worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note linked to the Hang Seng Index.
- Four Averaging Dates are specified in the Final Terms.
- The Valuation Time specified in the Final Terms is 5.00 pm (Hong Kong time).
- The levels of the Hang Seng Index at the Valuation Time on each of the four Averaging Dates are 23,000, 20,000, 25,000 and 26,500.

(1) ***What is the Average Index Level?***

In order to calculate the Average Index Level, the Calculation Agent will obtain the arithmetic average of the levels of the Index on each of the four Averaging Dates. The Average Index Level is therefore 23,625, being  $(23,000 + 20,000 + 25,000 + 26,500)$  divided by 4.

(b) *The performance of the Index or Indices*

The calculations also rely on a determination by the Calculation Agent of the appreciation or depreciation in the performance of the Index or Indices (as applicable) over time. It does so by comparing the Relevant Level with an initial index level specified in the relevant Final Terms to ascertain the "**Relevant Final Performance**" of the Index or Indices (as applicable). The Relevant Final Performance is a percentage representing any appreciation or depreciation in the Index or Indices or a specific Index in a basket of Indices in comparison to the initial level of such Index or Indices (as applicable).

If a Note is linked to a basket of Indices and no Averaging Dates are specified in the relevant Final Terms, the Calculation Agent will determine the Relevant Final Performance as the weighted arithmetic average of the performance of each constituent Index on a given date and time (the "**Valuation Date**" and the "**Valuation Time**").



**Relevant Final Performance – Index Basket worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note linked to an equally weighted basket consisting of the FTSE®100 Index and the S&P 500® Index.
- The initial index level of the FTSE®100 Index is 6,100.
- The initial index level of the S&P 500® Index is 2,300.
- The Valuation Date specified in the Final Terms is 30 June 2024.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time) in respect of the FTSE®100 Index and 5.00 pm (New York time) in respect of the S&P 500® Index.
- The level of the FTSE®100 Index on 30 June 2024 at 5.00 pm (London time) is 6,500.
- The level of the S&P 500® Index on 30 June 2024 at 5.00 pm (New York time) is 2,100.

(1) ***What is the performance of each constituent Index?***

In order to calculate the performance of each Index, the Calculation Agent will in respect of each Index divide the level of such Index determined on the Valuation Date at the Valuation Time by the initial index level of such Index. In respect of the FTSE®100 Index the performance is  $6,500 / 6,100 = 1.0656$  and when expressed as a percentage 106.56%. In respect of the S&P 500® Index the performance is  $2,100 / 2,300 = 0.9130$  and when expressed as a percentage 91.30%.

(2) ***What is the Relevant Final Performance?***

As the Indices are equally weighted the Relevant Final Performance is determined by adding the performance of each Index and dividing the outcome by 2. This means that the Relevant Final Performance is  $(106.56\% + 91.30\%) / 2 = 197.86\% / 2 = 98.93\%$ .

If a Note is linked to a basket of Indices and Averaging Dates are specified in the relevant Final Terms, the Calculation Agent will calculate the Relevant Final Performance as follows.

First, the Calculation Agent will calculate the Average Index Level in respect of each constituent Index in the basket. The process for this is described in paragraph titled "*Average Index Level valuation method*" on page 37 of this Base Prospectus.

Next, the Calculation Agent will determine the performance of each Index by dividing the relevant Average Index Level of such Index by the initial level of such index and express the outcome as a percentage.

Subsequently, the Relevant Final Performance will be calculated as the weighted arithmetic average of the performance of each of the Indices.

**Relevant Final Performance – Index Basket with Averaging Dates worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note linked to a weighted basket of indices comprised of the FTSE®100 Index, the Hang Seng Index and the S&P 500® Index.

- The weightings of each Index specified in the relevant Final Terms is as follows:

Weighting	Index
50%	FTSE®100 Index
30%	Hang Seng Index
20%	S&P 500® Index

- The initial index levels of the FTSE®100 Index, the Hang Seng Index and the S&P 500® Index are 6,400, 22,300 and 2,300 respectively.
- Three Averaging Dates are specified in the Final Terms.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time) in respect of the FTSE®, 100 Index, 5.00 pm (Hong Kong time) in respect of the Hang Seng Index and 5.00 pm (New York time) in respect of the S&P 500® Index.
- The levels of the FTSE®100 Index at 5.00 pm (London time) on the three Averaging Dates are 6,550, 6,575 and 6,525.
- The levels of the Hang Seng Index at 5.00 pm (Hong Kong time) on the three Averaging Dates are 22,000, 22,100 and 22,200.
- The levels of the S&P 500® Index at 5.00 pm (New York time) on the three Averaging Dates are 2,500, 2,520 and 2,495.

(1) ***What is the Average Index Level of each constituent Index?***

In order to calculate the Average Index Level, the Calculation Agent will obtain the arithmetic average of the levels of each Index on each of the Averaging Dates. The Average Index Levels of each Index are therefore as follows:

- FTSE®100 Index: 6,550 (being  $(6,550 + 6,575 + 6,525) \div 3 = 6,550$ )
- Hang Seng Index: 22,100 (being  $(22,000 + 22,100 + 22,200) \div 3 = 22,100$ )
- S&P 500® Index: 2,505 (being  $(2,500 + 2,520 + 2,495) \div 3 = 2,505$ )

(2) ***What is the performance of each constituent Index?***

In order to calculate the performance of each Index, the Calculation Agent will in respect of each Index divide the relevant Average Index Level by the initial index level of such Index. The Relevant Final Performance is expressed as a percentage. In respect of the FTSE®100 Index the performance is  $6,550 / 6,400 = 1.0234$  and when expressed as a percentage 102.34%. In respect of the Hang Seng Index the performance is  $22,100 / 22,300 = 0.9910$  and when expressed as a percentage 99.10%. In respect of the S&P 500® Index the performance is  $2,505 / 2,300 = 1.0891$  and when expressed as a percentage 108.91%.

(3) ***What is the Relevant Final Performance?***

The Relevant Final Performance is the weighted average of the Indices and will be calculated as follows:

- FTSE®100 Index:  $102.34\% \times 50\% = 51.17\%$
- Hang Seng Index:  $99.10\% \times 30\% = 29.73\%$
- S&P 500® Index:  $108.91\% \times 20\% = 21.78\%$

The Relevant Final Performance is therefore  $51.17\% + 29.73\% + 21.78\% = 102.68\%$

(c) *The performance of the Observation Index or Observation Indices*

The calculations for the Automatic Early Redemption Amount and the Coupon Trigger Amount rely on a determination by the Calculation Agent of the appreciation or depreciation in the performance of the Index or each of the Indices over time. It does so by comparing the level of the Index or each of the Indices ("**Observation Index Level**") on an Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date, as applicable, with an initial index level or levels specified in the relevant Final Terms to ascertain the "**Observation Index Performance**" of the Index or each constituent Index in a basket of Indices. If the relevant Final Terms specify that the Average Index Level is used to determine the Relevant Level, these levels will be used instead of the Observation Index Level. The Observation Index Performance is a percentage representing any appreciation or depreciation in the Index or in each or a specific Index in the basket of Indices (as applicable) on an Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date, as applicable, in comparison to the initial level of the Index or each of such Indices.

(3) *Final Redemption Amount*

The calculation of the Final Redemption Amount in respect of each Note depends on the method specified for determining the Final Redemption Amount in the relevant Final Terms. An investor in the Notes should refer to the corresponding paragraphs below to understand how the Final Redemption Amount is calculated for any particular Note.

(a) *Booster Redemption*

*Overview of Booster Redemption*

Booster Redemption provides the investor with the upside (subject to a maximum cap) on the performance of the Index or basket of Indices subject to the performance of the Index or basket of Indices being equal to or greater than a specified barrier level. In that case, the investor will be entitled to the specified calculation amount of the Notes together with an amount (subject to a maximum cap) which reflects the appreciation of the Index or basket of Indices multiplied by a specified participation factor.

Otherwise, the investor will be entitled to the calculation amount of the Notes multiplied by the Relevant Final Performance.

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices;
- the barrier level specified;
- whether the Relevant Final Performance is (a) equal to or greater than or (b) less than the barrier level specified;
- the participation factor specified; and
- the maximum cap specified.

*Calculation of the Final Redemption Amount*

If "Booster Redemption" is stated to be applicable in the relevant Final Terms then the Final Redemption Amount will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than the percentage specified in the relevant Final Terms as the "**Barrier Level**", then an investor will be entitled on redemption to:
  - (i) the calculation amount of the Note; plus
  - (ii) a percentage amount determined as follows:
    - (A) if there has been an appreciation of the Index or basket of Indices, an amount equal to the positive performance of the Index or basket of Indices multiplied by

a factor expressed in percentages (the "**Participation**") and subject to a maximum of a "**Cap**"; OR

- (B) if there has been a depreciation of the Index or basket of Indices, zero.

This is calculated by multiplying the specified calculation amount of the Note by the following formula:

$$100\% + \text{MIN} [\text{Cap}; \text{Participation} \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]$$

- If the Relevant Final Performance is less than the Barrier Level, then an investor will be entitled to an amount on redemption equal to the specified calculation amount of each Note multiplied by the Relevant Final Performance.

**Booster Redemption worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in GBP linked to the FTSE®100 Index which specifies Booster Redemption and has a term of 6 years.
- The calculation amount of the Note is GBP 100.
- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 6,400.
- The Relevant Level of the FTSE®100 Index is 6,450, as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Participation is 200%.
- The Cap is 60%.
- The Barrier Level is 50%

(1) ***What is the Relevant Final Performance?***

The Relevant Level (6,450) is divided by the initial index level (6,400) which is equal to 1.0147 and, when expressed as a percentage, is 101.47%. Therefore, the Relevant Final Performance is 101.47%.

(2) ***Is the Relevant Final Performance equal to or greater than the Barrier Level?***

In this case the Relevant Final Performance (101.47%) is greater than the Barrier Level (50%). Therefore, the following formula will apply for the purposes of determining the redemption amount:

$$100\% + \text{MIN} [\text{Cap}; \text{Participation} \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]$$

(3) ***Calculating the formula***

When working out the following formula, the first step is to determine the variables in the formula described using "MIN" and "MAX", which mean the lower of and the greater of, respectively.

$$100\% + \text{MIN} [\text{Cap}; \text{Participation} \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]$$

On the basis of the assumptions provided above, the variables can be determined as follows:

- The Relevant Final Performance less 100% (101.47% less 100% is equal to 1.47%) is greater than 0, and so 1.47% is used in the second part of the formula.

- The Participation (200%) multiplied by 1.47% equals 2.94%, which is less than the Cap (60%) and so 2.94% is used in the first part of the formula rather than 60%.

Once these variables are re-inserted into the formula, the calculation is 100% + 2.94%, which is equal to 102.94%.

(4) ***Multiplying the result of the formula by the specified calculation amount of the Note***

The Final Redemption Amount per Note will be:

GBP	100	x	(The specified calculation amount of the Note)
	102.94		(The percentage ascertained from the formula)
<b>GBP</b>	<b>102.94</b>		<b>The Final Redemption Amount per Note</b>

(b) *Airbag Redemption*

*Overview of Airbag Redemption*

Airbag Redemption provides the investor with the upside (not subject to a maximum cap) on the performance of the Index or basket of Indices subject to the performance of the Index or basket of Indices being equal to or greater than a specified barrier level. In that case, the investor will be entitled to the specified calculation amount of the Notes together with an amount (not subject to a maximum cap) which reflects the appreciation of the Index or basket of Indices multiplied by a specified participation factor.

Otherwise, the investor will be entitled to the specified calculation amount of the Notes multiplied by the Relevant Final Performance.

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices
- the barrier level specified;
- whether the Relevant Final Performance is (a) equal to or greater than or (b) less than the barrier level specified; and
- the participation factor specified.

*Calculation of the Final Redemption Amount*

If "Airbag Redemption" is stated to be applicable in the relevant Final Terms then the Final Redemption Amount will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than a level specified in the relevant Final Terms as the "**Barrier Level**", then an investor will be entitled on redemption to:
  - (i) the calculation amount of the Note; plus
  - (ii) a percentage amount determined as follows:
    - (A) if there has been an appreciation of the Index or basket of Indices an amount equal to the positive performance of the Index or basket of Indices multiplied by a factor, being a percentage in excess of 100% (the "**Participation**"); or
    - (B) if there has been a depreciation of the Index or basket of Indices, 0.

This is calculated according by multiplying the specified calculation amount of the Note by the following formula:

$$100\% + \text{Participation} \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]$$

- If the Relevant Final Performance is less than the Barrier Level, then an investor will be entitled to an amount on redemption equal to the calculation amount of the Note multiplied by the Relevant Final Performance.

**Airbag Redemption worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in GBP linked to an equally weighted basket of indices comprised of the FTSE®100 Index and the S&P 500® Index and which specifies Airbag Redemption and has a term of 6 years.
- The calculation amount of the Note is GBP 50.
- The initial index level of the FTSE®100 Index set out in the relevant Final Terms is 6,700 and the initial index level of the S&P 500® Index set out in the relevant Final Terms is 2,300.
- The levels of the FTSE®100 Index and of the S&P 500® Index on the Valuation Date at the relevant Valuation Times are 6,500 and 2,300, respectively. Accordingly, the Relevant Level determined by the Calculation Agent using the "Final Index Level" valuation method are 6,500 and 2,300 respectively.
- The Participation is 200%.
- The Barrier Level is 100%.

(1) ***What is the Relevant Final Performance?***

The Relevant Level of the FTSE®100 Index (6,500) divided by the initial index level of the FTSE®100 Index (6,700) is equal to 0.97, which, when expressed as a percentage, is 97%. The Relevant Level of the S&P 500® Index (2,300) divided by the initial index level of the S&P 500® Index (2,300) is equal to 1, which, when expressed as a percentage, is 100%. The Relevant Final Performance is calculated as the weighted arithmetic average of the performance of each of the Indices. Therefore, the Relevant Final Performance is  $(97\% + 100\%) / 2 = 98.5\%$

(2) ***Is the Relevant Final Performance equal to or greater than the Barrier Level?***

In this case, the Relevant Final Performance (98.5%) is less than the Barrier Level (100%).

Therefore, an investor will be entitled to an amount on redemption equal to the specified calculation amount of the Note multiplied by the Relevant Final Performance.

The Final Redemption Amount per Note will be:

GBP	50	x	(The specified calculation amount of the Note)
	98.5%		(Relevant Final Performance)
<b>GBP</b>	<b>49.25</b>		<b>The Final Redemption Amount per Note</b>

(c) ***Autocallable Redemption***

*Overview of Autocallable Redemption*

Autocallable Redemption provides the investor an upside if the Relevant Final Performance of the Index or the Relevant Final Performance of each of the Indices in the basket of Indices (as applicable) being equal to or greater than a specified fixed percentage known as the Final Trigger Level. In that case, the investor will be entitled to the specified calculation amount of the Notes multiplied by a specified redemption rate.

Otherwise, the investor will be entitled to (a) the calculation amount of the Notes if the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as

applicable) is equal to or greater than a specified barrier level or (b) the calculation amount of the Notes multiplied by the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices, if the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is less than such specified barrier level.

The worst performing Index in the basket of Indices is the Index in respect of which the Relevant Final Performance is the lowest of the Relevant Final Performances of the Indices in the basket of Indices.

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the performance of the Index or the performance of each constituent Index in the basket of Indices (as applicable);
- the final trigger level specified;
- whether the Relevant Final Performance or the Relevant Final Performance of each constituent Index in the basket of Indices (as applicable) is equal to or greater than the Final Trigger Level;
- whether the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is less than the Final Trigger Level;
- the barrier level specified;
- whether the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is (a) equal to or greater than or (b) less than the barrier level specified; and
- the redemption rate specified.

*Calculation of the Final Redemption Amount*

If "Autocallable Redemption" is stated to be applicable in the relevant Final Terms, then the Final Redemption Amount will be calculated as follows:

- If the Relevant Final Performance (calculated as the Relevant Level of the relevant Index divided by the initial level of such Index) or the Relevant Final Performance of each Index in the basket of Indices (as applicable) is equal to or greater than a fixed percentage specified in the relevant Final Terms as the "**Final Trigger Level**", then an investor will be entitled on redemption to an amount equal to:
  - (i) the calculation amount of the Note; multiplied by
  - (ii) a factor, being a percentage in excess of 100% (the "**Redemption Rate**").
- If the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is less than the Final Trigger Level and if the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is equal to or greater than a level specified in the relevant Final Terms as the "**Barrier Level**", then an investor will be entitled on redemption to an amount equal to the specified calculation amount of the Note.
- If the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is less than the Final Trigger Level and if the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is less than the Barrier Level, then an investor will be entitled on redemption to the specified calculation amount of the Note multiplied by the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable).

**Autocallable Redemption worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in GBP linked to the FTSE®100 Index and S&P 500® Index which specifies Autocallable Redemption.
- The calculation amount of the Note is GBP 1,000.
- The Note has a 5 year term.
- The initial index level set out in the relevant Final Terms against which the performance of the FTSE®100 Index will be measured is 5,400.
- The initial index level set out in the relevant Final Terms against which the performance of the S&P 500® Index will be measured is 2,200.
- The Barrier Level is 75%.
- The Redemption Rate is 110%.
- The Relevant Level of the FTSE®100 Index is 4,482.54 as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Relevant Level of the S&P 500® Index is 1,500, as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Final Trigger Level is 85%.

(1) ***What is the Relevant Final Performance of each constituent Index in the basket of Indices?***

The Relevant Level of the FTSE®100 Index (4,482.54) is divided by the initial index level of the FTSE®100 Index (5,400) which equals 0.8301 and, when expressed as a percentage is 83.01%. The Relevant Final Performance of the FTSE®100 Index is 83.01%.

The Relevant Level of the S&P 500® Index (1,500) is divided by the initial index level of the S&P 500® Index (2,200) which equals 0.6818 and, when expressed as a percentage is 68.18%. The Relevant Final Performance of the S&P 500® Index is 68.18%.

(2) ***Is the Relevant Final performance of each constituent Index in the basket of Indices equal to or greater than the Final Trigger Level?***

The Relevant Final Performance of the FTSE®100 Index is 83.01%. 83.01% is less than the Final Trigger Level of 85%. The Relevant Final Performance of the S&P 500® Index is 68.18%. 68.18% is also less than the Final Trigger Level of 85%.

(3) ***What is the worst performing Index?***

The Relevant Final Performance of the FTSE®100 Index is 83.01%. The Relevant Final Performance of the S&P 500® Index is 68.18%. 68.18% is less than 83.01% and therefore the S&P 500® Index is the worst performing Index.

(4) ***Is the Relevant Final Performance of the worst performing Index equal to or greater than the Barrier Level?***

In this case, the Relevant Final Performance of the S&P 500® Index (68.18%) is less than the Barrier Level (75%). Therefore an investor will be entitled on redemption to the specified calculation amount of the Note multiplied by the Relevant Final Performance of the worst performing Index (being the S&P 500® Index (68.18%)).



(5) ***Final Redemption Amount***

The Final Redemption Amount per Note will be  $\text{GBP } 1,000 \times 68.18\% = \text{GBP } 681.80$ .

(d) ***Reverse Convertible Redemption***

*Overview of Reverse Convertible Redemption*

Reverse Convertible Redemption provides the investor with protection on its investment if the Relevant Final Performance of the Index or the Relevant Final Performance of each constituent Index in the basket of Indices (as applicable) is equal to or greater than a specified barrier level. In that case, the investor will be entitled to the specified calculation amount of the Notes.

Otherwise (if the Relevant Final Performance of the Index or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is less than a specified barrier level), the investor will be entitled to the specified calculation amount of the Notes multiplied by the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable).

The worst performing Index in the basket of Indices is the Index in respect of which the Relevant Final Performance is the lowest of the Relevant Final Performances of the Indices in the basket of Indices.

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the performance of the Index or the performance of each constituent Index in the basket of Indices (as applicable);
- the barrier level specified;
- whether the Relevant Final Performance of the Index or the Relevant Final Performance of each constituent Index in the basket of Indices (as applicable) is equal to or greater than the barrier level specified; and
- whether the Relevant Final Performance of the Index or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is less than the barrier level specified.

*Calculation of the Final Redemption Amount*

If "Reverse Convertible Redemption" is stated to be applicable in the relevant Final Terms, then the Final Redemption Amount will be calculated as follows:

- If the Relevant Final Performance of the Index or the Relevant Final Performance of each constituent Index in the basket of Indices (as applicable) is equal to or greater than the percentage specified in the relevant Final Terms as the "Barrier Level", then an investor will be entitled on redemption to an amount equal to the specified calculation amount of the Note.
- If the Relevant Final Performance of the Index or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable) is less than the Barrier Level, then an investor will be entitled on redemption to an amount equal to the specified calculation amount of the Note multiplied by the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the basket of Indices (as applicable).

**Reverse Convertible Redemption worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in GBP linked to the FTSE®100 Index and which specifies Reverse Convertible Redemption and has a term of 5 years.
- The specified calculation amount of the Note is GBP 200.
- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 6,500.
- The Relevant Level of the FTSE®100 Index is 6,400, as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Barrier Level is 80%

(1) ***What is the Relevant Final Performance?***

The Relevant Level (6,400) is divided by the initial index level (6,500). This is equal to 0.9846 and, when expressed as a percentage, is 98.46%. Therefore, the Relevant Final Performance is 98.46%.

(2) ***Is the Relevant Final Performance equal to or greater than the Barrier Level?***

In this case, the Relevant Final Performance (98.46%) is greater than the Barrier Level (80%). Therefore, the redemption amount will be an amount equal to the specified calculation amount of the Note.

(3) ***Final Redemption Amount***

The Final Redemption Amount per Note will be:

GBP	200.00	(The specified calculation amount of the Note)
<b>GBP</b>	<b>200.00</b>	<b>The Final Redemption Amount per Note</b>

(e) ***100% Protected Growth Redemption***

*Overview of 100% Protected Growth Redemption*

100% Protected Growth Redemption provides the investor with protection on its investment and a potential upside (not subject to a maximum cap) depending on the appreciation or depreciation of the Index or basket of Indices. In the event of an appreciation, the investor will be entitled to the specified calculation amount of the Notes together with an upside (not subject to a maximum cap) determined by applying a specified participation factor.

Otherwise, the investor will be entitled to the specified calculation amount of the Notes.

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices; and
- the participation factor specified.

*Calculation of the Final Redemption Amount*

If "100% Protected Growth Redemption" is stated to be applicable in the relevant Final Terms, an investor will be entitled on redemption to:

- (i) the specified calculation amount of the Note; *plus*

- (ii) a percentage amount determined as follows:
- (A) if there has been an appreciation of the Index or basket of Indices, an amount equal to the positive performance of the Index or basket of Indices; or
  - (B) if there has been a depreciation in the Index or basket of Indices, zero,
- multiplied by a factor, expressed as a percentage (the "**Participation**").

This is calculated by multiplying the specified calculation amount of the Note by the following formula:

$$100\% + \text{Participation} \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]$$

**100% Protected Growth Redemption worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in USD linked to the S&P 500® Index which specifies 100% Protected Growth Redemption and has term of 5 years.
- The specified calculation amount of the Note is USD 100.
- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 2,000.
- The Relevant Level of the S&P 500® Index is 1,925, as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Participation is 180%.

(1) ***What is the Relevant Final Performance?***

The Relevant Level (1,925) is divided by the initial index level (2,000). This is equal to 0.9625 and, when expressed as a percentage, is 96.25%. Therefore, the Relevant Final Performance is 96.25%.

(2) ***Calculating the Formula***

(a) ***What is MAX [0; Relevant Final Performance - 100%]?***

When working out the following formula, the first step is to determine the variables in the formula described using "MAX", which means 'the greater of'.

$$100\% + \text{Participation} \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]$$

On the basis of the assumptions provided above, 0 is greater than the Relevant Final Performance -100% (minus 3.75%, being 96.25% - 100%), so 0 is used as the third number in the formula rather than minus 3.75%.

(b) ***What is Participation x MAX [0; Relevant Final Performance - 100%]?***

The Participation (180%) multiplied by 0 equals 0%.

(c) ***Re-inserting the variable***

Once the variable is re-inserted into the formula, the calculation is 100% + 0, which is equal to 100%.

(3) ***Final Redemption Amount***

The Final Redemption Amount per Note will be:

USD	100	x	(The specified calculation amount of the Note)
	$\frac{100\%}{100}$		(The percentage ascertained from the formula)
<b>USD</b>	<b>100</b>		<b>The Final Redemption Amount per Note</b>

(f) *100% Protected Capped Growth Redemption*

*Overview of 100% Protected Capped Growth Redemption*

100% Protected Capped Growth Redemption provides the investor with its protection on investment and a potential upside (subject to a maximum cap) depending on the appreciation or depreciation of the Index or basket of Indices. In the event of an appreciation, the investor will be entitled to the specified calculation amount of the Notes together with an upside (subject to a maximum cap) determined by applying a specified participation factor.

Otherwise, the investor will be entitled to the specified calculation amount of the Notes.

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices;
- the participation factor specified; and
- the maximum cap specified.

*Calculation of the Final Redemption Amount*

If "100% Protected Capped Growth Redemption" is stated to be applicable in the relevant Final Terms, then the Final Redemption Amount which an investor will be entitled to is:

- (i) the specified calculation amount of the Notes; *plus*
- (ii) a percentage amount determined as follows:
  - (A) if there has been an appreciation of the Index or basket of Indices, an amount equal to the positive performance of the Index or basket of Indices multiplied by a factor, expressed as a percentage (the "**Participation**") and subject to a maximum (the "**Cap**"); or
  - (B) if there has been a depreciation of the Index or basket of Indices, 0.

This is calculated by multiplying the specified calculation amount of the Note by the following formula:

$$100\% + \text{MIN} [\text{Cap}; \text{Participation} \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]$$

**100% Protected Capped Growth Redemption worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in GBP linked to the Hang Seng Index and which specifies 100% Protected Capped Growth Redemption and a term of 5 years.
- The specified calculation amount of the Note is GBP 1,000.
- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 22,500.
- There are four Averaging Dates and the levels of the Index on these dates are 23,000, 20,000, 25,000 and 26,500.

- The Relevant Level of the Hang Seng Index is 23,625, as determined by the Calculation Agent using the "Average Index Level" valuation method.
- The Participation is 125%.
- The Cap (being a percentage that expresses the maximum appreciation of the Index or basket of Indices that will be considered when determining the Final Redemption Amount) is 10%.

(1) ***What is the Relevant Final Performance?***

The Relevant Level (23,625) is divided by the initial index level (22,500). This is equal to 1.05 and, when expressed as a percentage, is 105%. Therefore the Relevant Final Performance is 105%.

(2) ***Calculating the Formula***

(a) ***What is MAX [0; Relevant Final Performance - 100%]?***

When working out the following formula, the first step is to determine the variables in the formula described using "**MAX**", which means 'the greater of'. On the basis of the assumptions provided above, the Relevant Final Performance - 100% is 5% (being 105% - 100%) which is greater than 0, so 5% is used instead of 0.

(b) ***What is the Participation x MAX [0; Relevant Final Performance - 100%]?***

The Participation (125%) multiplied by 5% is 6.25%.

(c) ***What is MIN [Cap; Participation x MAX [0; Relevant Final Performance - 100%]]?***

The next step is to determine the variables in the formula described using "**MIN**", which means 'the lower of'. On the basis of the assumptions provided above, 6.25% is less than the Cap, which is 10%, so 6.25% is used instead of 10%.

(d) ***Re-inserting the variable***

Once the variable is re-inserted into the formula, the calculation is 100% + 6.25%, which is equal to 106.25%.

(3) ***Final Redemption Amount***

The Final Redemption amount per Note will be

GBP	1,000.00	x	(The specified calculation amount of the Note)
	<u>106.25%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>1,062.50</b>		<b>The Final Redemption Amount per Note</b>

(g) ***Partially Protected Growth Redemption***

***Overview of Partially Protected Growth Redemption***

Partially Protected Growth Redemption provides the investor with partial protection on its investment and a potential upside (not subject to a maximum cap) or downside (subject to a protection level) depending on the appreciation or depreciation of the Index or basket of Indices.

In the event of an appreciation, the investor will be entitled to the specified calculation amount of the Notes together with an upside (not subject to a maximum cap) determined by applying a specified participation factor.

In the event of a depreciation, the investor will be exposed to the downside (subject to a protection level which is a fixed percentage expressing the maximum amount of depreciation that is taken into account).

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices;
- the participation factor specified; and
- the protection level specified.

*Calculation of the Final Redemption Amount*

If "Partially Protected Growth Redemption" is stated to be applicable in the relevant Final Terms then the Final Redemption Amount will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled on redemption to:
  - (i) the specified calculation amount of the Note; *plus*
  - (ii) an amount equal to the positive performance of the Index or basket of Indices multiplied by a factor, expressed as a percentage (the "**Participation**").

This is calculated by multiplying the specified calculation amount of the Note by the following formula:

$$100\% + \text{Participation} \times [\text{Relevant Final Performance} - 100\%]$$

- If the Relevant Final Performance is less than 100%, then an investor will be entitled on redemption to:
  - (i) the specified calculation amount of the Note; multiplied by
  - (ii) a percentage equal to the negative performance of the Index or basket of Indices subject to a floor which expresses the maximum decrease in the level of the Index or basket of Indices which will be considered when determining the Final Redemption Amount (the "**Protection Level**").

This is calculated by multiplying the specified calculation amount of the Note by the following formula:

$$\text{MAX} [\text{Protection Level}; \text{Relevant Final Performance}]$$

**Partially Protected Growth Redemption worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in GBP linked to a weighted basket of indices comprised of the FTSE®100 Index, the Hang Seng Index and the S&P 500® Index and which specifies Partially Protected Growth Redemption and a term of 6 years.
- The specified calculation amount of the Note is GBP 500.

- The weightings of each Index specified in the relevant Final Terms is as follows:

Weighting	Index
50%	FTSE®100 Index
30%	Hang Seng Index
20%	S&P 500® Index

- The initial index level of the FTSE®100 Index set out in the relevant Final Terms is 6,800. The initial index level of the Hang Seng Index set out in the relevant Final Terms is 25,000. The initial index level of the S&P 500® Index set out in the relevant Final Terms is 2,200.
- There are three Averaging Dates. The levels of each Index on these dates are as follows:
  - FTSE®100 Index: 6,550, 6,575 and 6,525
  - Hang Seng Index: 22,000, 22,100 and 22,200
  - S&P 500® Index: 2,500, 2,520 and 2,495
- The Average Index Level of each Index is:
  - FTSE®100 Index:  $(6,550 + 6,575 + 6,525) / 3 = 6,550$
  - Hang Seng Index:  $(22,000 + 22,100 + 22,200) / 3 = 22,100$
  - S&P 500® Index:  $(2,500 + 2,520 + 2,495) / 3 = 2,505$
- The Protection Level (being a percentage which expresses the maximum amount of depreciation that is taken into account) is 95%.

(1) ***What is the Relevant Final Performance?***

In respect of the FTSE®100 Index the performance is determined as the Relevant Level (6,550) divided by the initial index level (6,800), which is 0.9632 and when expressed in a percentage 96.32%. In respect of the Hang Seng Index the performance is determined as the Relevant Level (22,100) divided by the initial index level (25,000), which is 0.884 and when expressed in a percentage 88.40%. In respect of the S&P 500® Index the performance is determined as the Relevant Level (2,505) divided by the initial index level (2,200), which is 1.1386 and when expressed in a percentage 113.86%.

The Relevant Final Performance is determined as the weighted arithmetic average of the performances of Indices in the basket and is therefore calculated as  $(50\% \times 96.32\%) + (30\% \times 88.40\%) + (20\% \times 113.86\%) = 48.16\% + 26.52\% + 22.772\% = 97.452\%$ . Therefore, the Relevant Final Performance is 97.452%.

(2) ***Is the Relevant Final Performance equal to or greater than 100%?***

In this case the Relevant Final Performance is 97.452% which is less than 100%. Therefore, an investor will be entitled to an amount on redemption equal to the specified calculation amount of the Note multiplied by the following formula:

$$\text{MAX [Protection Level; Relevant Final Performance]}$$

(3) ***Calculating the formula***

When working out the following formula, the first step is to determine the variables in the formula described using "MAX", which means 'the greater of'.

$$\text{MAX [Protection Level; Relevant Final Performance]}$$

On the basis of the assumptions provided above, the Protection Level (95%) is less than the Relevant Final Performance (97.452%), and so 97.452% is used in the calculation rather than 95%.

(4) ***Multiplying the result of the formula by the specified calculation amount of the Note***

The Final Redemption Amount per Note will be:

GBP	500	x	(The specified calculation amount of the Note)
	<u>97.452%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>487.26</b>		<b>The Final Redemption Amount per Note</b>

(h) *Partially Protected Capped Growth Redemption*

*Overview of Partially Protected Capped Growth Redemption*

Partially Protected Capped Growth Redemption provides the investor with partial protection on its investment and a potential upside (subject to a maximum cap) or downside (subject to a protection level) depending on the appreciation or depreciation of the Index or basket of Indices.

In the event of an appreciation, the investor will be entitled to the specified calculation amount of the Notes together with an upside (subject to a maximum cap) determined by applying a specified participation factor.

In the event of a depreciation, the investor will be exposed to the downside (subject to a protection level which is a fixed percentage expressing the maximum amount of depreciation that is taken into account).

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices;
- the participation factor specified;
- the maximum cap specified; and
- the protection level specified.

*Calculation of the Final Redemption Amount*

If "Partially Protected Capped Growth Redemption" is stated to be applicable in the relevant Final Terms then the Final Redemption Amount will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled on redemption to:
  - (i) the specified calculation amount of the Note; *plus*
  - (ii) an amount equal to the positive performance of the Index or basket of Indices multiplied by a factor, expressed as a percentage (the "**Participation**") and subject to a maximum of a "**Cap**".

This is calculated by multiplying the specified calculation amount of the Note by the following formula:

$$100\% + \text{MIN} [\text{Cap}; \text{Participation} \times [\text{Relevant Final Performance} - 100\%]]$$

- If the Relevant Final Performance is less than 100%, then an investor will be entitled on redemption to:
  - (i) the specified calculation amount of the Note; multiplied by
  - (ii) a percentage equal to the negative performance of the Index or basket of Indices subject to a floor which expresses the maximum decrease in the level of the Index or basket of Indices which will be considered when determining the Final Redemption Amount the ("**Protection Level**").



This is calculated by multiplying the specified calculation amount of the Note by the following formula:

$$\text{MAX [Protection Level; Relevant Final Performance]}$$

**Partially Protected Capped Growth Redemption worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in USD linked to the S&P 500® Index which specifies Partially Protected Capped Growth Redemption and a term of 6 years.
- The specified calculation amount of the Note is USD 500.
- The initial index level set out in the relevant Final Terms against which the performance of the S&P 500® Index will be measured is 2,000.
- The Relevant Level of the S&P 500® Index is 1,500, as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Participation is 110%.
- The Cap (being a percentage that expresses the maximum appreciation of the Index or basket of Indices that will be considered when determining the Final Redemption Amount) is 10%.
- The Protection Level (being a percentage which expresses the maximum amount of depreciation that is taken into account) is 90%.

(1) ***What is the Relevant Final Performance?***

The Relevant Level (1,500) is divided by the initial index level (2,000). This is equal to 0.75 and, when expressed as a percentage, is 75%. Therefore, the Relevant Final Performance is 75%.

(2) ***Is the Relevant Final Performance equal to or greater than 100%?***

In this case the Relevant Final Performance is 75% which is less than 100%. Therefore, an investor will be entitled to an amount on redemption equal to the specified calculation amount of the Note multiplied by the following formula:

$$\text{MAX [Protection Level; Relevant Final Performance]}$$

(3) ***Calculating the formula***

When working out the following formula, the first step is to determine the variables in the formula described using "MAX", which means 'the greater of'.

$$\text{MAX [Protection Level; Relevant Final Performance]}$$

On the basis of the assumptions provided above, the Protection Level (90%) is greater than the Relevant Final Performance (75%), and so 90% is used in the calculation rather than 75%.

(4) ***Final Redemption Amount***

The Final Redemption Amount per Note will be:

USD	500	x	(The specified calculation amount of the Note)
	<u>90%</u>		(The percentage ascertained from the formula)
USD	<b>450.00</b>		<b>The Final Redemption Amount per Note</b>

(i) *Digital Redemption*

*Overview of Digital Redemption*

Digital Redemption provides the investor either with an upside (an amount (a so-called "digital amount" which is a fixed percentage increase expressing an enhanced return following an appreciation of the underlying Index or Indices) or a downside (subject to a protection level which is a fixed percentage expressing the maximum amount of depreciation of the underlying Index or Indices (as applicable) that is taken into account) depending on the appreciation or depreciation of the Index or basket of Indices.

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices;
- the digital amount specified; and
- the protection level specified.

*Calculation of the Final Redemption Amount*

If "Digital Redemption" is stated to be applicable in the relevant Final Terms then the Final Redemption Amount will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled on redemption to:
  - (i) the specified calculation amount of the Note; multiplied by
  - (ii) a fixed percentage increase in the specified calculation amount of the Note (the "**Digital Amount**"), which expresses an enhanced return following an appreciation of the Index or Indices (as applicable).

This is calculated by multiplying the specified calculation amount of the Note by the following formula:

$$100\% + \text{Digital Amount}$$

- If the Relevant Final Performance is less than 100%, then an investor will be entitled on redemption to:
  - (i) the specified calculation amount of the Note; multiplied by
  - (ii) a percentage equal to the negative performance of the Index or basket of Indices subject to a floor which expresses the maximum decrease in the level of the Index or basket of Indices which will be considered when determining the Final Redemption Amount (the "**Protection Level**").

This is calculated by multiplying the specified calculation amount of the Note by the following formula:

$$\text{MAX} [\text{Protection Level}; \text{Relevant Final Performance}]$$

**Digital Redemption worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in GBP linked to the S&P 500® Index which specifies Digital Redemption and a term of 6 years
- The specified calculation amount of the Note is GBP 1,000.

- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 1,750.
- The Relevant Level of the S&P 500® Index is 2,000, as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Digital Amount is 3%.

The Protection Level (being a percentage which expresses the maximum amount of depreciation that is taken into account) is 98%.

(1) ***What is the Relevant Final Performance?***

The Relevant Level (2,000) is divided by the initial index level (1,750). This is equal to 1.1429 and, when expressed as a percentage, is 114.29%. Therefore, the Relevant Final Performance is 114.29%.

(2) ***Is the Relevant Final Performance equal to or greater than 100%?***

In this case the Relevant Final Performance (114.29%) is greater than 100%. Therefore, an investor will be entitled to an amount on redemption equal to the specified calculation amount of the Note multiplied by the following formula:

$$100\% + \text{Digital Amount}$$

(2) ***Calculating the formula***

Once the Digital Amount (3%) is inserted into the formula, the calculation is 100% + 3%, which is equal to 103%.

(3) ***Final Redemption Amount***

GBP	1,000	x	(The specified calculation amount of the Note)
	103%		(The percentage ascertained from the formula)
<b>GBP</b>	<b>1,030</b>		<b>The Final Redemption Amount per Note</b>

(j) ***Fixed Amount Redemption***

*Overview of Fixed Amount Redemption*

Fixed Amount Redemption provides the investor with a fixed rate of return on the principal amount of the Notes. The investor will be entitled to an amount equal to the specified calculation amount of the Notes multiplied by a fixed percentage, which may be specified in the relevant Final Terms as equal to, more than or less than, 100% (the "**Fixed Amount Redemption Rate**").

Accordingly, the Final Redemption Amount payable to the investor will depend only on the specified Fixed Amount Redemption Rate.

*For the avoidance of doubt, where Fixed Amount Redemption is specified to apply, the Final Redemption Amount of the Notes shall not be determined by reference to any underlying Index or Indices.*

(4) ***Automatic Early Redemption Amount***

The calculation of an Automatic Early Redemption Amount in respect of a Note is only required if it is specified as being applicable in the relevant Final Terms.

If "Early Redemption for Autocallable Notes" is stated to be applicable in the relevant Final Terms, the following will apply.

- If on an Automatic Early Redemption Valuation Date, the Observation Index Performance of the Index or the Observation Index Performance of the worst performing Index in the basket of Indices, as applicable, is equal to or greater than a percentage specified in the relevant Final Terms as the "**Automatic Early Redemption Percentage**", the Note will be redeemed in whole for an amount

equal to the principal amount of the Note multiplied by a percentage specified in the relevant Final Terms as the "**Automatic Early Redemption Rate**".

- If on an Automatic Early Redemption Valuation Date, the Observation Index Performance of the Index or the Observation Index Performance of the worst performing Index in the basket of Indices, as applicable, is less than the Automatic Early Redemption Percentage specified in the relevant Final Terms, the Note will not be redeemed at that time but will continue until the next Automatic Early Redemption Valuation Date (if any).

The worst performing Index in the basket of Indices is the Index in respect of which the Relevant Final Performance is the lowest of the Observation Index Performances of the Indices in the basket of Indices.

**Automatic Early Redemption Amount worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases an autocallable Note denominated in GBP linked to an equally weighted basket of indices comprised of the FTSE®100 Index and Euro STOXX 50® Index and which specifies Early Redemption for Autocallable Notes as being applicable in the relevant Final Terms and has a term of 6 years.
- The principal amount of the Note is GBP 1,000.
- The initial index level of the FTSE®100 Index set out in the relevant Final Terms is 6,700 and the initial index level of the Euro STOXX 50® Index set out in the relevant Final Terms is 2,300.
- For the first Automatic Early Redemption Valuation Date, the Observation Index Level determined by the Calculation Agent on the specified date, at the specified times on the specified exchanges is in respect of the FTSE®100 Index 6,900 and in respect of the Euro STOXX 50® Index 2,400.
- The Automatic Early Redemption Percentage set out in the relevant Final Terms is 110%.
- The Automatic Early Redemption Rate in respect of the first Valuation Date is 108%.

(1) ***What is the Observation Index Performance in respect of each constituent Index?***

To determine the Observation Index Performance in respect of each Index, the Observation Index Level of each Index is divided by the initial index level of each such Index. In respect of the FTSE®100 Index the Observation Index Performance is  $6,900 / 6,700 = 1.0299$  and when expressed as a percentage 102.99%. In respect of the Euro STOXX 50® Index the Observation Index Performance is  $2,400 / 2,300 = 1.0435$  and when expressed as a percentage 104.35%.

(2) ***Is the Observation Index Performance of the worst performing Index equal or greater than the Automatic Early Redemption Percentage?***

In this case, the Observation Index Performance relating to the FTSE®100 Index (102.99%) is less than the Observation Index Performance relating to the Euro STOXX 50® Index (104.35%) and therefore the worst performing Index is the FTSE®100 Index. The Observation Index Performance relating to the FTSE®100 Index (102.99%) is less than the Automatic Early Redemption Percentage (110%). Therefore, the Note will not be redeemed and will continue until the following Automatic Early Redemption Valuation Date in respect of which the performance of the Indices will be determined in a similar manner.

(5) ***Interest Amounts and Coupon Trigger Event***

(a) ***Interest Payments on Fixed Rate Notes***

If "Fixed Rate Note provisions" are specified as applicable in the relevant Final Terms, the Notes will bear interest at a fixed percentage rate. This is referred to in the Final Terms as the "**Rate of Interest**" and will either be expressed as a percentage rate per annum or a percentage rate for another fixed period.

The interest on such Notes will be paid on the dates specified in the relevant Final Terms as being the "**Interest Payment Dates**". The amount of interest or "**Interest Amount**" payable on each such Interest Payment Date will be calculated by applying the Rate of Interest to the specified calculation amount of the Notes (the "**Calculation Amount**") for the period from the last Interest Payment Date until the Interest Payment Date in question (or, in the case of the first Interest Payment Date, from the date which is specified in the relevant Final Terms as being the "**Interest Commencement Date**" until such first Interest Payment Date), and each such period is referred to as an "**Interest Period**". Such amounts may be specified in the relevant Final Terms as the "**Fixed Coupon Amounts**".

If Fixed Coupon Amounts for the Interest Payment Dates are not so specified, or if interest needs to be calculated for a period other than an Interest Period (such as where there is an unscheduled redemption of the Notes), interest will be calculated in relation to the Calculation Amount by applying the Rate of Interest to such Calculation Amount and multiplying the product by a fraction known as a "**Day Count Fraction**". The Day Count Fraction reflects the number of days in the period for which interest is being calculated.

**Fixed Rate Note worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that an investor purchases a Fixed Rate Note where the Final Terms specify the following:

- The Notes are issued on 15 June 2024.
- The Calculation Amount is EUR 1,000.
- The Notes are issued in the denominations of EUR 1,000 and EUR 5,000.
- The Interest Payment Dates are specified as being 15 January and 15 June in each year.
- The Fixed Coupon Amount is specified being EUR 8.75 per Calculation Amount.
- The term of the Notes is five years (and thus the Notes specify a "Maturity Date" of 15 June 2026).

(1) ***What is the Interest Amount payable on each Note on each Interest Payment Date?***

The Fixed Coupon Amount of EUR 8.75 per Calculation Amount will be payable on each Interest Payment Date.

Accordingly, where the denomination of a Note equals the Calculation Amount (i.e. where the denomination of the Notes is EUR 1,000), interest of EUR 8.75 will be payable in respect of such Note.

If the Note is a denomination larger than the Calculation Amount, the Interest Amount payable in respect of the Note will be calculated by dividing the denomination of the Note by the Calculation Amount and multiplying the result by the Fixed Coupon Amount, as follows:

(i) 
$$\frac{\text{EUR 5,000 (Denomination of Note)}}{\text{EUR 1,000 (Calculation Amount)}} = 5$$

then:

- (ii)  $5 \times \text{EUR } 8.75$  (Fixed Coupon Amount)  
= EUR 43.75

Accordingly, where the denomination of a Note is EUR 5,000, the Interest Amount payable in respect of such Note on each Interest Payment Date will be EUR 43.75. As the Interest Amount is paid twice per annum and the Notes have a term of 5 years, during the term of the Notes a total amount of interest will be payable of EUR 87.50 (in respect of Notes with a denomination of EUR 1,000) or EUR 437.50 (in respect of Notes with a denomination of EUR 5,000).

(b) *Coupon Trigger Event*

The calculation of a Coupon Trigger Amount in respect of a Note is only required if Coupon Trigger Event is specified as being applicable in the relevant Final Terms.

If "Coupon Trigger Event" is stated to be applicable in the relevant Final Terms, then a Coupon Trigger Amount will be calculated as follows.

- If on a Coupon Trigger Valuation Date, the Observation Index Performance of the Index or the Observation Index Performance of the worst performing Index in the basket of Indices, as applicable, is equal or greater than a percentage specified in the relevant Final Terms as the "**Coupon Trigger Level**", then an investor will be entitled to an amount (a "**Coupon Trigger Amount**") equal to the specified calculation amount of the Note multiplied by a fixed percentage specified in the relevant Final Terms as the "**Coupon Trigger Rate**".
- If on a Coupon Trigger Valuation Date, the Observation Index Performance of the Index or the Observation Index Performance of the worst performing Index in the basket of Indices, as applicable, is less than the Coupon Trigger Level, a Coupon Trigger Event will not have occurred and therefore no Coupon Trigger Amount will become payable in respect of such Coupon Trigger Valuation Date.

The worst performing Index in the basket of Indices is the Index in respect of which the Relevant Final Performance is the lowest of the Observation Index Performances of the Indices in the basket of Indices.

**Coupon Trigger Amount worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in GBP linked to the FTSE®100 Index which specifies Coupon Trigger Event as being applicable in the relevant Final Terms.
- The principal amount of the Note is GBP 100.
- The initial index level set out in the relevant Final Terms against which the Index will be measured is 6,200.
- Coupon Trigger Recovery Event is not applicable.
- There are five Averaging Dates set out in the relevant Final Terms on which the Calculation Agent will determine the relevant levels for the purposes of calculating the Observation Index Level. "Omission" is specified in the relevant Final Terms as being applicable.
- For the first Coupon Trigger Valuation Date, the levels determined by the Calculation Agent on the first, second, fourth and fifth Averaging Dates, at the specified time, are 6,560, 6,570, 6,450 and 6,940. On the third Averaging Date, no level could be determined as the FTSE®100 Index failed to open for trading during its regular trading session.

- The Coupon Trigger Level set out in the relevant Final Terms is 105%.
- The Coupon Trigger Rate in respect of the first Coupon Trigger Valuation Date is 5%.

(1) ***What is the Observation Index Performance?***

To determine the Observation Index Performance, the Observation Index Level is divided by the initial index level. To determine the Observation Index Level, the Calculation Agent takes the arithmetic average of the levels determined on the Averaging Dates. As "Omission" was specified relevant Final Terms, the third Averaging Date is ignored. Consequently, the Observation Index Level is 6,630 (being the arithmetical average of the levels determined on the first, second, fourth and fifth averaging dates i.e.  $(6,560 + 6,570 + 6,450 + 6,940)/4 = 26,520/4 = 6,630$ ).

The Observation Index Performance is therefore 6,630 (being the Observation Index Level) divided by 6,200 (being the initial index level). This is equal to 1.0694 and, when expressed as a percentage, is 106.94%. Therefore, the Observation Index Performance is 106.94%.

(2) ***Is the Observation Index Performance equal or greater than the Coupon Trigger Level?***

In this case, the Observation Index Performance (106.94%) is greater than the Coupon Trigger Level (105.00%). Therefore, the investor will be entitled to a Coupon Trigger Amount equal to the specified calculation amount of the Note multiplied by the Coupon Trigger Rate.

(3) ***Calculating the Coupon Trigger Amount***

The Coupon Trigger Amount per Note will be:

GBP	100	x	(The specified calculation amount of the Note)
	5%		(The relevant Coupon Trigger Rate)
<b>GBP</b>	<b>5</b>		<b>The Coupon Trigger Amount per Note</b>

(c) ***Coupon Trigger Event – Coupon Trigger Recovery Event***

Where "Coupon Trigger Event" is stated to be applicable in the relevant Final Terms, "Coupon Trigger Recovery Event" may further be specified to be applicable.

If Coupon Trigger Recovery Event is specified as applicable, and if a Coupon Trigger Recovery Event occurs with respect to the Coupon Trigger Valuation Date, in addition to paying the Coupon Trigger Amount, the Issuer shall pay an amount equivalent to the sum of each Coupon Trigger Amount which did not become payable because no Coupon Trigger Event occurred in respect of each Coupon Trigger Valuation Date falling after the most recently occurring Coupon Trigger Event (if any) (the "**Outstanding Missed Coupon Amounts**").

**Coupon Trigger Event – Coupon Trigger Recovery Event – worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Note denominated in GBP linked to the FTSE®100 Index which specifies Coupon Trigger Event and Coupon Trigger Recovery Event as being applicable in the relevant Final Terms.
- The principal amount of the Note is GBP 100.
- The initial index level set out in the relevant Final Terms against which the Index will be measured is 6,200.

- The Coupon Trigger Valuation Dates are specified as being 23 June 2024, 21 June 2025 and 20 June 2026.
- The Coupon Trigger Level set out in the relevant Final Terms is 105%.
- The Coupon Trigger Recovery Level set out in the relevant Final Terms is 107%.

Date	Observation Index Level
23 June 2024	6,630
21 June 2025	6,000
20 June 2026	6,700

(1) ***What is the Observation Index Performance with respect to the first Coupon Trigger Valuation Date?***

To determine the Observation Index Performance with respect to the first Coupon Trigger Valuation Date, the Observation Index Level determined with respect to the first Coupon Trigger Valuation Date (6,630) is divided by the initial index level (6,200), which is equal to 1.0693 and, when expressed as a percentage, is 106.93%. Therefore, the Observation Index Performance with respect to the first Coupon Trigger Valuation Date is 106.93%.

(2) ***Has a Coupon Trigger Event occurred with respect to the first Coupon Trigger Valuation Date?***

In this case, the Observation Index Performance (106.93%) is greater than the Coupon Trigger Level (105.00%), so a Coupon Trigger Event has occurred.

Therefore, the investor will be entitled to a Coupon Trigger Amount equal to the specified calculation amount of the Note multiplied by the Coupon Trigger Rate with respect to this Coupon Trigger Valuation Date.

(3) ***Calculating the Coupon Trigger Amount***

The Coupon Trigger Amount per Note will be:

GBP	100	x	(The specified calculation amount of the Note)
	5%		(The relevant Coupon Trigger Rate)
GBP	5		<b>The Coupon Trigger Amount per Note</b>



<p>(4)</p>	<p><b><i>Has a Coupon Trigger Recovery Event occurred with respect to the <u>first</u> Coupon Trigger Valuation Date?</i></b></p> <p>In this case, the Observation Index Performance (106.93%) is less than the Coupon Trigger Recovery Level (107.00%), so no Coupon Trigger Recovery Event has occurred.</p>
<p>(5)</p>	<p><b><i>What is the Observation Index Performance with respect to the <u>second</u> Coupon Trigger Valuation Date?</i></b></p> <p>To determine the Observation Index Performance with respect to the second Coupon Trigger Valuation Date, the Observation Index Level determined with respect to the second Coupon Trigger Valuation Date (6,000) is divided by the initial index level (6,200), which is equal to 0.9677 and, when expressed as a percentage, is 96.77%. Therefore, the Observation Index Performance with respect to the second Coupon Trigger Valuation Date is 96.77%.</p>
<p>(6)</p>	<p><b><i>Has a Coupon Trigger Event occurred with respect to the <u>second</u> Coupon Trigger Valuation Date?</i></b></p> <p>In this case, the Observation Index Performance (96.77%) is less than the Coupon Trigger Level (105.00%), so no Coupon Trigger Event with respect to the second Coupon Trigger Valuation Date.</p> <p>Therefore, the investor will not be entitled to a Coupon Trigger Amount with respect to the second Coupon Trigger Valuation Date.</p>
<p>(7)</p>	<p><b><i>Has a Coupon Trigger Recovery Event occurred with respect to the <u>second</u> Coupon Trigger Valuation Date?</i></b></p> <p>In this case, the Observation Index Performance (96.77%) is less than the Coupon Trigger Recovery Level (107.00%), so no Coupon Trigger Recovery Event has occurred.</p>
<p>(8)</p>	<p><b><i>What is the Observation Index Performance with respect to the <u>third</u> Coupon Trigger Valuation Date?</i></b></p> <p>To determine the Observation Index Performance with respect to the third Coupon Trigger Valuation Date, the Observation Index Level determined with respect to the third Coupon Trigger Valuation Date (6,700) is divided by the initial index level (6,200), which is equal to 1.0806 and, when expressed as a percentage, is 108.06%. Therefore, the Observation Index Performance with respect to the third Coupon Trigger Valuation Date is 108.06%.</p>
<p>(9)</p>	<p><b><i>Has a Coupon Trigger Event occurred with respect to the <u>third</u> Coupon Trigger Valuation Date?</i></b></p> <p>In this case, the Observation Index Performance (108.06%) is greater than the Coupon Trigger Level (105.00%), so a Coupon Trigger Event has occurred.</p> <p>Therefore, the investor will be entitled to a Coupon Trigger Amount equal to the specified calculation amount of the Note multiplied by the Coupon Trigger Rate with respect to this Coupon Trigger Valuation Date.</p>
<p>(10)</p>	<p><b><i>Calculating the Coupon Trigger Amount</i></b></p> <p>The Coupon Trigger Amount per Note will be:</p> <p>GBP 100 x (The specified calculation amount of the Note)</p>

	5%		(The relevant Coupon Trigger Rate)
	<b>GBP</b>	<u>5</u>	<b>The Coupon Trigger Amount per Note</b>
(11)	<b><i>Has a Coupon Trigger Recovery Event occurred with respect to the <u>third</u> Coupon Trigger Valuation Date?</i></b>		
	In this case, the Observation Index Performance (108.06%) is greater than the Coupon Trigger Recovery Level (107.00%), so a Coupon Trigger Recovery Event has occurred.		
	Therefore, the investor will be entitled to an amount equal to the Coupon Trigger Amount that would have been payable in respect of the second Coupon Trigger Valuation Date if a Coupon Trigger Event had occurred with respect to the second Coupon Trigger Valuation Date (the " <b>Outstanding Missed Coupon Amount</b> ")		
(12)	<b><i>Calculating the Outstanding Missed Coupon Amount</i></b>		
	The Outstanding Missed Coupon Amount per Note will be:		
	GBP	100	x (The specified calculation amount of the Note)
		5%	(The relevant Coupon Trigger Rate)
	<b>GBP</b>	<u>5</u>	<b>The Outstanding Missed Coupon Amount per Note</b>
(13)	<b><i>Total Amount Payable with Respect to the third Coupon Trigger Valuation Date?</i></b>		
	The total payable to the investor will be the sum of the Coupon Trigger Amount (GBP 5) + the Outstanding Missed Coupon Amount (GBP 5) = <b>GBP 10.</b>		

## SECTION II.2 – FORM OF NOTES AND SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

*This section provides information regarding Notes issued in global form and issued into certain clearing systems.*

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 Final Terms. The summary that follows is only in relation to Bearer Notes and Registered Notes.

### **Bearer Notes**

Bearer Notes will be issued in classic global note form.

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 Final Terms 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 will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank SA/NV as operator for Euroclear and/or Clearstream, Luxembourg ("**Common Depository**"). 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 Final Terms. 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 40 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 Final Terms.

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 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, record of such payment is noted on a schedule to the relevant Global Note and 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 as being entitled to an interest in a Global Note (each, a "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg 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 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 Final Terms) and provided certification as to the beneficial ownership thereof as required by the U.S. 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 depository) 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 U.S. 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 depository) has been received by Euroclear or Clearstream, Luxembourg. Payments of amounts due in respect of a Permanent Global Note will be made through any of Euroclear or Clearstream, Luxembourg 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 9 (*Events of Default*), or (b) if any of 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 to cease business permanently or in fact does so, or (c) at the option of the Issuer: (i) unless otherwise provided in the Final Terms, 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 United Kingdom, 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 tradeable only in principal amounts of at least the denomination of the Notes (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 Final Terms, 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 8 (*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 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.

### **Registered Notes**

Registered Notes will be issued under the classic safekeeping structure.

In the case of Registered Notes, the relevant Final Terms 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**").

### **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 issue date for the relevant Tranche with, and registered in the name of the Common Depositary (or its nominee). 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 ("**Regulation S Definitive Registered Notes**").

Each Regulation S Global Registered Note will have an ISIN code.

### **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 Euroclear, Clearstream, Luxembourg, or the nominee of their Common Depositary is the registered owner or holder of a Global Registered Note, Euroclear, Clearstream, Luxembourg or such nominee, 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 7 (*Payments*), on Global Registered Notes will be made to Euroclear, Clearstream, Luxembourg or such nominee thereof, or common service provider acting as agent for Euroclear and Clearstream, Luxembourg, as the case may be, or the registered holder thereof. None of the Issuer, the Registrar, or any 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**

Beneficial interests in a Regulation S Global Registered Note will be exchangeable, in whole but not in part, for Regulation S 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; (ii) the Issuer, at its option, elects to terminate the book-entry system through Euroclear and Clearstream, Luxembourg; (iii) the Notes become immediately repayable in accordance with Condition 9 (*Events of Default*); (iv) unless otherwise provided in the Final Terms, 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 Paying Agent, by reason of any 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 Notes which will not be required if such Notes were in definitive form.

The holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 2 (*Form, Denomination and Title*) of the Terms and Conditions of the Notes.

The holder of a Definitive Registered Note may transfer such Note by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon.

The 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.

## SECTION II.3 – SUBSCRIPTION AND SALE OF NOTES

*This section sets out details of the arrangements between the Issuer and the Dealer(s) as to the offer and sale of Notes and summarises selling restrictions that apply to the offer and sale of Notes in various jurisdictions.*

### General

- (1) The 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) 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 other than in the United Kingdom. Persons into whose hands this Base Prospectus or any Final Terms 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 Base Prospectus or any Final Terms or related offering material, in all cases at their own expense.

### European Economic Area

#### *Prohibition of Sales to EEA Retail Investors*

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 Base Prospectus as completed by the Final Terms 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.

### 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 would not, if it was not an authorised person, apply to the Issuer.

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 Base Prospectus has not been registered with the Guernsey Financial Services Commission and it is not intended that this Base Prospectus 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 the London Stock Exchange.

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 the London Stock Exchange is so communicated must not exceed fifty.

### **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.

### **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.

### **United Kingdom**

#### ***Public Offer Selling Restriction Under the UK Prospects Regulation***



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 Base Prospectus as completed by the Final Terms 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) *Approved prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) *Fewer than 150 offerees*: 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
- (d) *Other exempt offers*: at any time in any other circumstances falling within Section 86 of the FSMA,

**provided that** no such offer of Notes referred to in (b) to (d) 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.

### **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 Final Terms, (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 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 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 Final Terms, 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; 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.

## SECTION II.4 – TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes (the "Conditions") which apply to all Notes and which are completed by the relevant Final Terms for each issue of Notes. The Conditions will be endorsed on each Note in definitive form. The 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 "Form of Notes and Summary of Provisions Relating to the Notes While in Global Form".*

The Notes are issued by HSBC Bank plc (the "**Issuer**") pursuant to a programme for the issuance of notes and warrants (the "**Programme**") established by the Issuer, are constituted by, and have the benefit of, a deed of covenant dated on or about 25 May 2023 (the "**Deed of Covenant**"). The Notes also have the benefit of a master note issuance agreement dated 24 February 1999 as most recently amended and 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, among others, the Issuer and HSBC Bank plc as dealer (each a "**Dealer**" and together the "**Dealers**", which expression shall include any additional or successor Dealer) and The Hongkong and Shanghai Banking Corporation Limited and HSBC Continental Europe (formerly known as HSBC France) (both entities shall not be a dealer for the purposes of the Notes), and an issuing and paying agency agreement dated 24 February 1999 as most recently amended and 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, among others, the Issuer, 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 if so specified in the relevant Final Terms, which expression includes any successor or other Calculation Agent appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms), HSBC Bank plc as transfer agent (HSBC Bank plc being the "**Transfer Agent**", which expression shall include any additional or successor or other Transfer Agent appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms), HSBC Bank plc as the principal paying agent (HSBC Bank plc being the "**Principal Paying Agent**", which expression shall include any additional or successor or other Principal Paying Agent appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms 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 Final Terms, the "**Paying Agents**"), HSBC Bank plc as issue agent (HSBC Bank plc being the "**Issue Agent**", which expression shall include any additional or successor or other Issue Agent appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms), HSBC Bank plc as registrar (HSBC Bank plc being the "**Registrar**", which expression shall include any additional or successor or other Registrar appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms) and the other parties specified therein.

In addition, the Issuer 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 final terms ("**Final Terms**"), 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. The Notes of each Tranche will have identical terms and conditions.

Copies of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the Deed of Covenant and the Computershare Agency Agreement are available for inspection by Holders (as defined below) of Notes, and copies of the relevant Final Terms, this Base Prospectus and any supplemental prospectus 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 Issuing and Paying Agency Agreement, the Computershare Agency Agreement,

the Deed of Covenant, the Master Note Issuance Agreement and the relevant Final Terms which are applicable to them.

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 Final Terms 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 Final Terms, the relevant Final Terms will prevail.

## 1. Definitions

**"Additional Disruption Event"** means such of Change in Law, Hedging Disruption and/or Increased Costs of Hedging as are specified as such in the relevant Final Terms;

**"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;

**"Affected Relevant Benchmark"** means, in relation to any Series of Notes, the Relevant Benchmark affected by an Administrator/Benchmark Event;

**"Agents"** means each of, the Paying Agents, the Transfer Agent, the Issue Agent, the Registrar and the CREST 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 Pre-nominated Index"** means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the relevant Final Terms as an "Alternative Pre-nominated Index" and which is not subject to an Administrator/Benchmark Event;

**"Applicable Benchmark"** means any of the following:

- (a) a Relevant Benchmark;
- (b) any index, benchmark or other price source that is referred to in a Relevant Benchmark;
- (c) an Alternative Pre-nominated Index used pursuant to Condition 13(A) (*Consequences of an Administrator/Benchmark Event*); and
- (d) a Replacement Index used pursuant to Condition 13(A) (*Consequences of an Administrator/Benchmark Event*);

**"Automatic Early Redemption Amount"** means, in respect of an Automatic Early Redemption Valuation Date and as calculated by the Calculation Agent in accordance with, and subject to, Condition 5(h) (*Redemption and Purchase – Calculation and Rounding*), an amount equal to the Calculation Amount multiplied by the relevant Automatic Early Redemption Rate corresponding to such Automatic Early Redemption Valuation Date;

**"Automatic Early Redemption Date"** means, in respect of an Automatic Early Redemption Valuation Date, the corresponding date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

**"Automatic Early Redemption Event"** will be deemed to have occurred in relation to an Automatic Early Redemption Valuation Date if the Observation Index Performance as determined by the Calculation Agent is equal to or greater than the relevant Automatic Early Redemption Percentage corresponding to such Automatic Early Redemption Valuation Date;

**"Automatic Early Redemption Percentage"** means, in respect of an Automatic Early Redemption Valuation Date, the percentage specified as such for such Automatic Early Redemption Valuation Date in the relevant Final Terms;

**"Automatic Early Redemption Rate"** means, in respect of an Automatic Early Redemption Valuation Date, the percentage rate specified as such for such Automatic Early Redemption Valuation Date in the relevant Final Terms;

**"Automatic Early Redemption Valuation Date"** means:

- (i) in respect of a Note which relates to a single Index, each of the date(s) specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (ii) in respect of a Note which relates to an Index Basket, each of the date(s) specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day in respect of any Index comprising the Index Basket, the Automatic Early Redemption Valuation Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

in each case, subject to the provisions of Condition 16 (*Consequences of Disrupted Days*);

**"Averaging Date"** means:

- (i) in respect of a Note which relates to a single Index, each date specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (ii) in respect of a Note which relates to an Index Basket, each date specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day in respect of any Index comprising the Index Basket, the Averaging Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

in each case, subject to the provisions of Condition 16 (*Consequences of Disrupted Days*);

**"Average Index Level"** means, in respect of an Index and an Automatic Early Redemption Valuation Date, a Coupon Trigger Valuation Date or the determination of the Final Redemption Amount (as applicable), the arithmetic average of the Averaging Index Levels relating to such Automatic Early Redemption Valuation Date, Coupon Trigger Valuation Date or (as the case may be) such determination of the Final Redemption Amount, as determined by the Calculation Agent, rounded up to four decimal places (with 0.00005 being rounded up);

**"Averaging Index Level"** means (a) with respect to an Index and an Averaging Date, the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Averaging Date or (b) with respect to 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, in each case, as rounded up to four decimal places (with 0.00005 being rounded up);

**"Barrier Level"** means to the percentage specified as such in the relevant Final Terms;

**"Basket"** means, in respect of a Note, a basket composed of each Index specified in the relevant Final Terms in the relative proportions indicated in the Final Terms;

**"Business Centre(s)"** means the city or cities specified as such in the relevant Final Terms;

**"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 Final Terms (which shall be one of the following expressions) and, if so specified in the relevant Final Terms, 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; and
- (iv) **"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 Settlement Currency specified as such in the relevant Final Terms;

**"Cap"** means the percentage specified as such in the relevant Final Terms;

**"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 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 or disposal of, Component Securities, or other components comprised in an 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)

**"Clearing System"** means, in relation to a Series of Notes, Euroclear, Clearstream, Luxembourg, and/or CREST 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, in each case as specified in the relevant Final Terms;

**"Clearstream, Luxembourg"** means Clearstream Banking S.A.;

**"Component Security"** means, with respect to an Index, each component security of that Index;

**"Coupon Trigger Amount"** means, in respect of the relevant Coupon Trigger Valuation Date and as calculated by the Calculation Agent, an amount equal to the Calculation Amount multiplied by the Coupon Trigger Rate corresponding to such Coupon Trigger Valuation Date;

**"Coupon Trigger Event"** will be deemed to have occurred in relation to a Coupon Trigger Valuation Date if the Observation Index Performance as determined by the Calculation Agent is equal to or greater than the relevant Coupon Trigger Level corresponding to such Coupon Trigger Valuation Date;

**"Coupon Trigger Level"** means, in respect of a Coupon Trigger Valuation Date, the percentage specified as such for such Coupon Trigger Valuation Date in the relevant Final Terms;

**"Coupon Trigger Payment Date"** means, in respect of a Coupon Trigger Valuation Date, the corresponding date specified as such in relation to such Coupon Trigger Valuation Date in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

**"Coupon Trigger Rate"** means, in respect of a Coupon Trigger Valuation Date, the percentage rate specified as such for such Coupon Trigger Valuation Date in the relevant Final Terms;

**"Coupon Trigger Recovery Event"** will be deemed to have occurred in relation to a Coupon Trigger Valuation Date if the Observation Index Performance determined in respect of such Coupon Trigger Valuation Date is equal to or greater than the relevant Coupon Trigger Recovery Level specified in respect of such Coupon Trigger Valuation Date, as determined by the Calculation Agent;

**"Coupon Trigger Recovery Level"** means, in respect of a Coupon Trigger Valuation Date, the percentage specified as such for such Coupon Trigger Valuation Date in the relevant Final Terms;

**"Coupon Trigger Valuation Date"** means

- (i) in respect of a Note which relates to a single Index, each of the dates specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (ii) in respect of a Note which relates to an Index Basket, each date specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day in respect of any Index comprising the Index Basket, the Coupon Trigger Valuation Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

in each case, subject to the provisions of Condition 16 (*Consequences of Disrupted Days*);

**"CREST"** means Euroclear UK & International Limited (formerly known as Euroclear UK & Ireland Limited);

**"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 Final Terms 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 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 specified, 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; and

- (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 Termination Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

"**Digital Amount**" means the percentage specified as such in the relevant Final Terms;

"**Disrupted Day**" means in respect of an Index: (a) any Scheduled Trading Day in respect of such Index 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 in respect of such Index has occurred; (b) with respect to a Multi-Exchange Index any Scheduled Trading Day in respect of such Index on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event in respect of such Index 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 level of an Index or basket of Indices determined on the related Valuation Date or Limit Valuation Date;

"**Early Closure**" means (a) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index 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;

"**Early Redemption Amount**" means, in relation to each Note or Calculation Amount (as applicable) an amount equal to the percentage per Calculation Amount calculated in accordance with, and subject to,

Condition 5(h) (*Redemption and Purchase – Calculation and Rounding*) or its Fair Market Value, in each case as specified in the relevant Final Terms for the event giving rise to the early redemption;

"**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 of 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 mean 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 SA/NV;

"**Euro Exchange Date**" means the date on which the Euro Exchange Notice is given by the Issuer to the Noteholders pursuant to Condition 8 (*Redenomination*), which is the date on which all unmatured Coupons denominated in the relevant Settlement Currency (whether or not attached to the Notes) will become void with effect from;

"**Euro Exchange Notice**" means the notice given by the Issuer to the Noteholders stating that replacement Notes and Coupons denominated in euro are available for exchange (**provided that** such Notes and Coupons are available);

"**Exchange**" means (a) with respect to an Index, each exchange or quotation system specified as such in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in components of the Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such components 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 Final Terms);

"**Exchange Business Day**" means in respect of an Index (a) any Scheduled Trading Day in respect of such Index on which each Exchange and any relevant Related Exchange for such Index 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 in respect of such Index on which (i) the Index Sponsor publishes the level of such Index and (ii) the Related Exchange for such Index is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time;

"**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 11 (*Replacement, Exchange and Transfer*);

**"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 on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, future or options contracts relating to the relevant Index 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;

**"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 9 (*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;

**"Final Index Level"** means, with respect to an Index, (a) the level of such Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Final Valuation Date or (b) with respect to a Multiple Exchange Index, the official closing level of such Index on the Final Valuation Date as calculated and published by the Index Sponsor, in each case, as rounded up to four decimal places (with 0.00005 being rounded up);

**"Final Index Performance"** means:

- (i) in relation to an Index, if no Averaging Dates are specified in the relevant Final Terms, a percentage calculated by the Calculation Agent in respect of the Final Valuation Date and such Index in accordance with the following formula:

$$\left[ \frac{\text{Final Index Level}}{\text{Initial Index Level}} \right] \times 100\%$$

- (ii) in relation to an Index, if Averaging Dates are specified in the relevant Final Terms, a percentage calculated by the Calculation Agent in respect of such Averaging Dates and such Index in accordance with the following formula:

$$\left[ \frac{\text{Average Index Level}}{\text{Initial Index Level}} \right] \times 100\%$$

**"Final Redemption Amount"** has the meaning given to it in Condition 5(a) (*Redemption and Purchase – At Maturity*);

**"Final Trigger Level"** means the percentage specified in the relevant Final Terms;

**"Final Valuation Date"** means:

- (i) in respect of a Note which relates to a single Index, the date specified as such in the relevant Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (ii) in respect of a Note which relates to an Index Basket, the date specified as such in the relevant Final Terms (or, if such date is not a Scheduled Trading Day in respect of any Index comprising the Index Basket, the Final Valuation Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

in each case, subject to the provisions of Condition 16 (*Consequences of Disrupted Days*);

**"Fixed Amount Redemption Rate"** means the percentage specified as such in the relevant Final Terms;

**"Fixed Rate Note"** means a Note which bears interest at a fixed rate and in respect of which Condition 4A (*Interest - Fixed Rate Note Provisions*) is applicable;

**"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).

**"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;

**"Index"** means in relation to a Series of Notes, the index to which such Notes relates, as specified in the relevant Final Terms, subject to adjustment pursuant to Condition 17 (*Adjustments to Indices*) and **"Indices"** shall be construed accordingly;

**"Index Basket"** means in relation to a Series of Notes, the basket of indices to which such Notes relates, as specified in the relevant Final Terms, subject to adjustment pursuant to Condition 17 (*Adjustments to Indices*) and **"Index Baskets"** shall be construed accordingly;

**"Index Rules"** means in respect of an Index the rules of the Index Sponsor in relation to such Index specified as such in the relevant Final Terms;

**"Index Sponsor"** means, in respect of an Index, the corporation or other entity specified as such in the relevant Final Terms and any successor corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during or at the end of each Scheduled Trading Day (as the case may be);

**"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;

**"Initial Index Level"** means with respect to an Index, the level specified as such in the relevant Final Terms or, if no such level is so specified, the level of such 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 such 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);

**"Interest Commencement Date"** means the date specified as such in the relevant Final Terms;

**"Interest Payment Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms as the same may be adjusted in accordance with the relevant Business Day Convention;

**"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;

**"Issue Date"** means the date specified as such in the relevant Final Terms;

**"Limit Valuation Date"** has the meaning given to it in Condition 16 (*Consequences of Disrupted Days*);

**"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;

**"Market Disruption Event"** means in respect of an Index (a) the occurrence or existence of (i) a Trading Disruption, (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** if a Market Disruption Event occurs in respect of a Component Security at any 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 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 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 such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such 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 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 such level of the Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor of such Index as part of the market "opening data";

**"Maturity Date"** has the meaning ascribed thereto in Condition 5(a) (*Redemption and Purchase – At Maturity*);

**"Multiple Exchange Index"** means an Index specified as such in the relevant Final Terms;

**"Multiple Exchange Index-Linked Notes"** means Notes which relate to a Multiple Exchange Index;

**"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 given to it in Condition 14(c) (*Meetings of Noteholders, Modification and Substitution - Substitution*);

**"Non-Trigger Valuation Date"** means a Coupon Trigger Valuation Date in relation to which no Coupon Trigger Event occurred;

**"Observation Index Level"** means, in respect of an Index, the level of such Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on an Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date (as applicable) or, with respect to a Multiple Exchange Index, the official closing level of such Index on an Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date (as applicable) as calculated and published by the Index Sponsor, each as rounded up to four decimal places (with 0.00005 being rounded up);

**"Observation Index Performance"** means:

- (i) in respect of an Index and an Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date (as applicable), if in the relevant Final Terms Averaging Dates are not specified in

relation to such Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date, the performance of the Index or, in case of an Index Basket, the performance of the Worst Performing Index comprised in such Index Basket, on such Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date (as applicable) as calculated by the Calculation Agent in accordance with the following formula:

$$\left[ \frac{\text{Observation Index Level}}{\text{Initial Index Level}} \right] \times 100\%$$

- (ii) in respect of an Index and an Automatic Early Redemption Valuation Date or a Coupon Trigger Valuation Date (as applicable), if in the relevant Final Terms Averaging Dates are specified to be applicable in relation to such Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date, the performance of the Index or, in case of an Index Basket, the performance of the Worst Performing Index comprised in such Index Basket, determined in each case by reference to the arithmetic average of the levels of the Index determined on the relevant Averaging Dates as calculated by the Calculation Agent in accordance with the following formula:

$$\left[ \frac{\text{Average Index Level}}{\text{Initial Index Level}} \right] \times 100\%$$

**"Outstanding Missed Coupon Amounts"** means, in relation to any Coupon Trigger Valuation Date, an amount equal to the aggregate of the Coupon Trigger Amounts in respect of the Non-Trigger Valuation Dates falling after the last Coupon Trigger Valuation Date on which a Coupon Trigger Event occurred (if any);

**"Participation"** means the percentage specified as such in the relevant Final Terms;

**"Participating Member State"** means any member state of the European Union that has adopted or adopts the single currency in accordance with the Treaty;

**"Protection Level"** means the percentage specified as such in the relevant Final Terms;

**"Rate of Interest"** means the rate of interest specified as such in the relevant Final Terms;

**"Redemption Amount"** has the meaning given to it in Condition 5(h) (*Redemption and Purchase – Calculation and Rounding*);

**"Redemption Rate"** means the percentage in excess of 100% specified as such in the relevant Final Terms;

**"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 8(a) (*Redenomination – General*); and
- (ii) falls on or after such date as the country of the Settlement Currency becomes a Participating Member State;

**"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;
- (iii) 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 Exchange**" means, subject to the proviso below, in respect of an Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms, 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 Index 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 Index as on the original Related Exchange) **provided, however**, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, "**Related Exchange**" shall mean in respect of an Index 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 Index, as the case may be;

"**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 Index specified in the relevant Final Terms as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Index);
- (c) any other index, benchmark or price source specified in the relevant Final Terms 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 13A (*Consequences of an Administrator/Benchmark 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 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 Final Performance**" means the Final Index Performance of an Index or the weighted arithmetic average of the Final Index Performances of the constituent Indices in the Index Basket as is specified in the relevant Final Terms as being applicable in relation to the calculation of the Final Redemption Amount;

"**Relevant Financial Centre**" means the financial centre specified as such in the relevant Final Terms;

"**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 8 (*Redenomination*), the former principal financial centre or centres) and in any other place set out in the Final Terms. 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 8 (*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 Final Terms;

"**Relevant Level**" means the Final Index Level or the Average Index Level as is specified as such in the relevant Final Terms;

**"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;

**"Replacement Index"** has the meaning given to it in Condition 13A(a)(ii)(A) (*Consequences of an Administrator/Benchmark Event*);

**"Scheduled Averaging Date"** means any original date specified in the relevant Final Terms that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date;

**"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"** means the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date;

**"Scheduled Trading Day"** means, in respect of an Index, (a) any day on which the relevant Exchange and the relevant Related Exchange for such Index 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 for such Index is scheduled to publish the level of such Index and (ii) the Related Exchange for such Index 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 the Final Valuation Date, an Automatic Early Redemption Valuation Date or a Coupon Trigger Valuation Date (as applicable);

**"Settlement Currency"** means the currency specified as such in the relevant Final Terms;

**"Specified Denomination"** means, with respect to a Note in definitive form, the Denomination of such Note;

**"Specified Maximum Number of Disrupted Days"** means the eighth Scheduled Trading Day or such other number of Scheduled Trading Days specified as such in the relevant Final Terms;

**"Strike Date"** means:

- (a) in respect of a Note which relates to a single Index, the date specified as such in the relevant Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in respect of a Note which relates to an Index Basket, the date specified as such in the relevant Final Terms (or, if such date is not a Scheduled Trading Day in respect of any Index comprising the Index Basket, the Strike Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

in each case, subject to the provisions of Condition 16 (*Consequences of Disrupted Days*), which shall apply as if such Strike Date were the Final Valuation Date;

**"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 such index in effect immediately prior to the occurrence of the Index Cancellation;



"**Successor Index**" has the meaning given in Condition 17(a);

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**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) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to 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 date**" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**USD**" means the lawful currency of the United States of America;

"**Valid Date**" means, in respect of an Index, a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Final Valuation Date, Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date (as applicable) does not or is not deemed to occur;

"**Valuation Date**" means the Final Valuation Date, any Automatic Early Redemption Valuation Date or any Coupon Trigger Valuation Date;

"**Valuation Time**" means (a) in relation to an Index the level of which falls to be determined on any date, the time on such date specified as such in the relevant Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on such date in relation to such Index; 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 for the purposes of determining whether a Market Disruption Event in respect of such Index has occurred: (i) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (ii) in respect of any options contracts or future contracts on such Index, the close of trading on the Related Exchange for such Index; and (c) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor and/or set out in the Index Rules for such Index(as applicable);

"**Weighting**" means, in respect of each Index comprised in the relevant Basket, the percentage weighting assigned to such Index and specified as such in the relevant Final Terms; and

"**Worst Performing Index**" means in respect of any Valuation Date with respect to which the Observation Index Level or Final Index Level (as applicable) of each Index in the Index Basket has been determined, the Index for which (x) the Observation Index Level or Final Index Level (as applicable) of such Index determined with respect to such day divided by (y) the Initial Index Level for such Index is lowest, as determined by the Calculation Agent.

## 2. **Form, Denomination and Title**

### (a) **Form**

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 Final Terms. 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.

(b) ***Bearer Notes***

(i) *Denomination*

Subject to Condition 8 (*Redenomination*), Bearer Notes will be in the denomination(s) specified in the relevant Final Terms. 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 Final Terms, 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 Final Terms, 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.

Subject as set out below, title to Bearer Notes will pass by delivery. References herein to the " **Holders** " 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 Final Terms.

(ii) *General; Title*

Title to Registered Notes passes by registration in the Register. References herein to the " **Holders** " 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.

(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 Final Terms.

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 Final Terms 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 Final Terms, 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 Final Terms 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 12 (*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**

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.

4. **Interest**

4A. ***Fixed Rate Note Provisions***

(a) *Application*

This Condition 4A (*Interest – Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note provisions are specified in the relevant Final Terms 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 7 (*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 4A (*Interest – Fixed Rate Note Provisions*) (as well after as before judgement) 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 Final Terms, 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 Final Terms), 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 Final Terms 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 Final Terms 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 Final Terms 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.

4B. ***Coupon Trigger Notes***

This Condition 4B (*Interest – Coupon Trigger Notes*) is applicable to the Notes only if Coupon Trigger Event is specified in the relevant Final Terms as being applicable, subject to the additional provisions of Condition 4C (*Coupon Trigger Recovery Event*) below.

If a Coupon Trigger Event occurs in relation to any Coupon Trigger Valuation Date, then the Issuer shall pay, in respect of each Note, an amount in the Settlement Currency per Calculation Amount equivalent to the Coupon Trigger Amount on the relevant Coupon Trigger Payment Date.

The Calculation Agent will cause any Coupon Trigger Amount required to be determined by it together with details of the Coupon Trigger Valuation Date to be notified to the Paying Agents as soon as practicable after such determination.

If a Coupon Trigger Event does not occur in relation to a Coupon Trigger Valuation Date, then no Coupon Trigger Amount under this Condition 4B (*Interest – Coupon Trigger Notes*) shall be payable in respect of the Notes on the relevant Coupon Trigger Payment Date.

4C. ***Coupon Trigger Recovery Event***

This Condition 4C (*Coupon Trigger Recovery Event*) shall apply if Coupon Trigger Recovery Event is specified in the relevant Final Terms as being applicable.

If a Coupon Trigger Recovery Event occurs in relation to any Coupon Trigger Valuation Date, then (in addition to any Coupon Trigger Amount that might be payable pursuant to Condition 4B) the Issuer shall pay, in respect of each Note, an amount in the Settlement Currency per Calculation Amount equivalent to the Outstanding Missed Coupon Amounts on the relevant Coupon Trigger Payment Date.

The Calculation Agent will cause any Outstanding Missed Coupon Amounts required to be determined by it together with details of the Coupon Trigger Valuation Date to be notified to the Paying Agents as soon as practicable after such determination.

If a Coupon Trigger Recovery Event does not occur in relation to a Coupon Trigger Valuation Date, then no Outstanding Missed Coupon Amount shall be payable in respect of the Notes on the relevant Coupon Trigger Payment Date under this Condition 4C (notwithstanding any amount which might be payable pursuant to Condition 4B).

5. **Redemption and Purchase**

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer at an amount per Calculation Amount (the "**Final Redemption Amount**") in the Settlement Currency specified in the relevant Final Terms determined in accordance with this Condition 5(a) (*Redemption and Purchase – At Maturity*) on the date specified in the relevant Final Terms as the scheduled date on which such Note is to be redeemed (the "**Maturity Date**").

The Calculation Agent will, as soon as practicable after the Final Valuation Date, calculate such Final Redemption Amount in relation to each Note. Subject to Condition 5(h) (*Redemption and Purchase – Calculation and Rounding*), the Final Redemption Amount of a Note will be calculated in accordance with one of the following paragraphs of this Condition 5(a) (*Redemption and Purchase – At Maturity*), depending on the type of Final Redemption Amount specified in the relevant Final Terms.

(i) *Booster Redemption*

If Booster Redemption is specified in relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of:

- (1) the Calculation Amount; and
- (2) either:
  - (A) if the Relevant Final Performance is equal to or greater than the Barrier Level, the product of the following formula:
$$100\% + \text{Min} [\text{Cap}; \text{Participation} \times \text{Max} [0; \text{Relevant Final Performance} - 100\%]];$$
 or
  - (B) if the Relevant Final Performance is less than the Barrier Level, the percentage equal to the Relevant Final Performance.

(ii) *Airbag Redemption*

If Airbag Redemption is specified in relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of:

- (1) the Calculation Amount; and
- (2) either:
  - (A) if the Relevant Final Performance is equal to or greater than the Barrier Level, the product of the following formula:
$$100\% + \text{Participation} \times \text{Max} [0; \text{Relevant Final Performance} - 100\%];$$
 or
  - (B) if the Relevant Final Performance is less than the Barrier Level, the percentage equal to the Relevant Final Performance.

(iii) *Autocallable Redemption*

If Autocallable Redemption is specified in relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of:

- (1) the Calculation Amount; and
- (2) either:
  - (A) if the Relevant Final Performance or, in respect of an Index Basket, the Relevant Final Performance of the Worst Performing Index (as applicable) is equal to or greater than the Final Trigger Level, the Redemption Rate; or
  - (B) if the Relevant Final Performance or, in respect of an Index Basket, the Relevant Final Performance of the Worst Performing Index (as applicable) is less than the Final Trigger Level, but the Relevant Final Performance or the Relevant Final Performance of such Worst Performing Index (as applicable) is equal to or greater than the Barrier Level, 100 per cent; or
  - (C) if the Relevant Final Performance or, in respect of an Index Basket, the Relevant Final Performance of the Worst Performing Index (as

applicable) is less than the Final Trigger Level and the Relevant Final Performance or the Relevant Final Performance of such Worst Performing Index (as applicable) is also less than the Barrier Level, the percentage equal to the Relevant Final Performance or the Relevant Final Performance of such Worst Performing Index (as applicable).

(iv) *Reverse Convertible Redemption*

If Reverse Convertible Redemption is specified in relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of:

- (1) the Calculation Amount; and
- (2) either:
  - (A) if the Relevant Final Performance or, in respect of an Index Basket, the Relevant Final Performance of the Worst Performing Index (as applicable) is equal to or greater than the Barrier Level, 100%; or
  - (B) if the Relevant Final Performance or, in respect of an Index Basket, the Relevant Final Performance of the Worst Performing Index (as applicable) is less than the Barrier Level, the percentage equal to the Relevant Final Performance or the Relevant Final Performance of such Worst Performing Index (as applicable).

(v) *100% Protected Growth Redemption*

If 100% Protected Growth Redemption is specified in relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of:

- (1) the Calculation Amount; and
- (2)  $100\% + \text{Participation} \times \text{Max} [0; \text{Relevant Final Performance} - 100\%]$ .

(vi) *100% Protected Capped Growth Redemption*

If 100% Protected Capped Growth Redemption is specified in relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of:

- (1) the Calculation Amount; and
- (2)  $100\% + \text{Min} [\text{Cap}; \text{Participation} \times \text{Max} [0, \text{Relevant Final Performance} - 100\%]]$ .

(vii) *Partially Protected Growth Redemption*

If Partially Protected Growth Redemption is specified in relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of:

- (1) the Calculation Amount; and

- (2) either:
- (A) if the Relevant Final Performance is equal to or greater than 100%, the product of the following formula:

$$100\% + Participation \times [Relevant Final Performance - 100\%]; \text{ or}$$

- (B) if the Relevant Final Performance is less than 100%, the percentage equal to the product of the following formula:

$$Max [Protection Level; Relevant Final Performance].$$

(viii) *Partially Protected Capped Growth Redemption*

If Partially Protected Capped Growth Redemption is specified in relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of:

- (1) the Calculation Amount; and
- (2) either:
- (A) if the Relevant Final Performance is equal to or greater than 100%, the product of the following formula:

$$100\% + Min [Cap; Participation \times [Relevant Final Performance - 100\%]]; \text{ or}$$

- (B) if the Relevant Final Performance is less than 100%, the percentage equal to the product of the following formula:

$$Max [Protection Level; Relevant Final Performance].$$

(ix) *Digital Redemption*

If Digital Redemption is specified in the relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of:

- (1) the Calculation Amount; and
- (2) either:
- (A) if the Relevant Final Performance is equal to or greater than 100%, the percentage equal to the sum of 100% + Digital Amount; or
- (B) if the Relevant Final Performance is less than 100%, the percentage equal to the product of the following formula:

$$Max [Protection Level; Relevant Final Performance].$$

(x) *Fixed Amount Redemption*

If Fixed Amount Redemption is specified in relation to the Final Redemption Amount in the relevant Final Terms, the Final Redemption Amount shall be an amount in the Settlement Currency per Calculation Amount equal to the product of the Calculation Amount and the Fixed Amount Redemption Rate.



(b) ***Redemption for Taxation Reasons***

If in respect of a Series of Notes Condition 6B (*Taxation - Gross-up*) is specified as applicable in the relevant Final Terms, 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 6B (*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 6B (*Taxation – Gross-up*);

the Issuer may, having given not less than 30 nor more than 45 days' notice to the Noteholders in respect of such Series of Notes, redeem all, but not some only, of such Notes, at their Early Redemption Amount specified in the relevant Final Terms 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 prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to giving any notice of redemption pursuant to this Condition 5(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 United Kingdom (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 5(b) (*Redemption and Purchase – Redemption for Taxation Reasons*).

(c) ***Early Redemption for Autocallable Notes***

This Condition 5(c) (*Redemption and Purchase - Early Redemption for Autocallable Notes*) applies only where Early Redemption for Autocallable Notes is specified as being applicable in the relevant Final Terms.

If an Automatic Early Redemption Event occurs in relation to any Automatic Early Redemption Date, then unless previously redeemed or purchased and cancelled, the Notes will be automatically redeemed in whole, but not in part, on such Automatic Early Redemption Date and subject to Condition 5(h) (*Redemption and Purchase – Calculation and Rounding*), the redemption amount payable by the Issuer on such date upon redemption of each Note shall be an amount per Calculation Amount in the Settlement Currency equal to the relevant Automatic Early Redemption Amount.

(d) ***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 Final Terms, 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, judgement, 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 5(d) (*Redemption and Purchase – Early Redemption for Illegality*). In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount specified in the relevant Final Terms. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 12 (*Notices*).

(e) ***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, reissued or cancelled.

(f) ***Cancellation***

All Notes which are redeemed pursuant to Condition 5(a) (*Redemption and Purchase – At Maturity*), 5(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 5(c) (*Redemption and Purchase – Early Redemption for Autocallable Notes*) or 5(d) (*Redemption and Purchase – Early Redemption for Illegality*) shall, and all Notes purchased by the Issuer pursuant to Condition 5(e) (*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.

(g) ***No Other Redemption Provisions***

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 5(a) (*Redemption and Purchase – At Maturity*), 5(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 5(c) (*Redemption and Purchase – Early Redemption for Autocallable Notes*), 5(d) (*Redemption and Purchase – Early Redemption for Illegality*), Condition 9 (*Events of Default*), Condition 13A (*Consequences of an Administrator/Benchmark Event*), Condition 17(c) (*Adjustments to Indices – Index Cancellation*) and 18 (*Additional Disruption Events*).

(h) ***Calculation and Rounding***

Any redemption amount payable on redemption of a Note (the "**Redemption Amount**") shall be calculated pursuant to this Condition 5 (*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 Final Terms 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 Final Terms 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 Final Terms 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 Final Terms 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.

## 6. Taxation

### 6A – Taxation – No gross-up

This Condition 6A will be applicable to all Series of Notes unless it is specified in the relevant Final Terms that Condition 6B (*Taxation – 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 United Kingdom 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.**

### 6B – Taxation – Gross-up

This Condition 6B will only be applicable to a Series of Notes where it is specified in the relevant Final Terms that Condition 6B (*Taxation – 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 United Kingdom 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 United Kingdom 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 United Kingdom 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 12 (*Notices*).

If the Issuer becomes resident for tax purposes in any taxing jurisdiction other than the United Kingdom, references in this Condition 6 (*Taxation*) to the United Kingdom shall be construed as references to the United Kingdom 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 6 (*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 required by the rules of U.S. Internal Revenue Code of 1986, as amended, 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 ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA 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 FATCA withholding.

## 7. **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 (save in the case of partial payment, 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, 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 Final Terms so specify, 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 4A (*Interest – Fixed Rate Note Provisions*).

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 6 (*Taxation*)) for the payment of such principal, whether or not such Coupon has become void pursuant to Condition 10 (*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 10 (*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 Final Terms so specify, 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 4A (*Interest – Fixed Rate Note Provisions*).

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, in each case as specified in Condition 7(d) (*Payments - General Provisions*).

(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). 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 6 (*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 U.S. 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.

8. **Redenomination**

(a) ***General***

Where redenomination is specified in the relevant Final Terms as being applicable and in respect of Notes denominated in a National Currency Unit, the Issuer may, without the consent of the Noteholders, upon giving at least 30 days' prior notice to the Noteholders in accordance with Condition 12 (*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 on the Euro Exchange Date 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 8(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 Conditions 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 12 (*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 8(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; and

- (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.

#### 9. **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 12(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 (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 Final Terms, together with interest accrued and unpaid until the date of its redemption, without presentment, demand, protest or other notice of any kind.

#### 10. **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 6 (*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 10 (*Prescription*) or Condition 7 (*Payments*).

#### 11. **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 Final Terms, 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 Final Terms) 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 Final Terms, 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 7(b) (*Payments – Registered Notes*)) for such payment of interest and the date on which such payment of interest fall 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.

12. **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 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.

13. **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 7(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 12 (*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 a commercially reasonable manner.

- (d) The Agents and the Calculation Agent shall not act as agents for the Noteholders but shall be the 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.

### 13A Consequences of an Administrator/Benchmark Event

- (a) If the Issuer determines that an Administrator/Benchmark 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 Final Terms:
    - (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 Final Terms 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 Administrator/Benchmark 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 level of the Affected Relevant Benchmark set out in Condition 17(c) (*Index Cancellation*), as if the relevant Administrator/Benchmark Event were an Index Cancellation; 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 Final Terms 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 12 (*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 13A 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 Final Terms) following the postponed Relevant Benchmark Determination Date.
- (c) Unless Interest Adjustment is specified in the relevant Final Terms 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 13A (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 13A) unless, in the case of a Fixed Rate 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 4A (*Fixed Rate Note Provisions*).
- (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 12 (*Notices*)).
- (e) Without prejudice to Condition 17(b) (*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 13A, 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 13A.

14. **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 12 (*Notices*) as soon as practicable thereafter.

(b) ***Modification***

Subject in case of the Issuing and Paying Agency Agreement and the Master Note Issuance 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 Issuing and Paying Agency Agreement or the Master Note Issuance 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 Issuing and Paying Agency Agreement or the Master Note Issuance 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 final terms and conditions of the Note issue (comprising these Conditions as completed by the relevant Final Terms) 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 12 (*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 12 (*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.

15. **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.

16. **Consequences of Disrupted Days**

- (a) For the purposes of this Condition 16 (*Consequences of Disrupted Days*), "**Limit Valuation Date**" shall mean, if any Scheduled Valuation Date in respect of a Note is a Disrupted Day, the Specified Maximum Number of Disrupted Days following such Scheduled Valuation Date, notwithstanding the fact that such day is a Disrupted Day.
- (b) If any Scheduled Valuation Date is a Disrupted Day, then:
- (A) in the case of a Note which relates to a single 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, 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 estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and
- (B) in the case of a Note which relates to a basket of Indices, 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 estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date).
- (c) If Averaging Dates are specified in the relevant Final Terms, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index:
- (A) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Final Terms 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 Redemption Amount, Coupon Trigger Amount or Automatic Early Redemption Amount, as

applicable, **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Index, then Condition 16(b) (*Consequences of Disrupted Days*) will apply for purposes of determining the relevant level on the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates occur after the relevant Valuation Date as a result of the occurrence of a Disrupted Day, then the calculation of the relevant amount due under the relevant Note shall be made on the last such Averaging Date as though it were a Valuation Date and Condition 16(d) (*Consequences of Disrupted Days*) shall apply as if the relevant Valuation Date had been postponed to such last Averaging Date in accordance with this Condition 16 (*Consequences of Disrupted Days*);

- (2) "**Postponement**", then Condition 16(b) (*Consequences of Disrupted Days*) will apply for purposes of determining the relevant level 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 occur after the relevant Valuation Date as a result of the occurrence of a Disrupted Day, then the calculation of the relevant amount due under the relevant Note shall be made on the last such Averaging Date as though it were a Valuation Date and Condition 16(d) (*Consequences of Disrupted Days*) shall apply as if the relevant Valuation Date had been postponed to such last Averaging Date in accordance with this Condition 16 (*Consequences of Disrupted Days*); or
- (3) "**Modified Postponement**", then:
  - (aa) in the case of a Note which relates to a single Index, such 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 immediately following 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 the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 16(b)(A) (*Consequences of Disrupted Days*); and
  - (bb) in the case of a Note which relates to a basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index 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 the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 16(b)(B) (*Consequences of Disrupted Days*).

If any Averaging Dates occur after the relevant Valuation Date as a result of the occurrence of a Disrupted Day, then the calculation of the relevant redemption amount due under the relevant Note shall be made on the last such Averaging Date as though it were a Valuation Date and Condition 16(d) (*Consequences of Disrupted Days*) shall apply as if the relevant Valuation Date had been postponed to such last Averaging Date in accordance with this Condition 16 (*Consequences of Disrupted Days*).

For the purposes of this Condition 16(c)(A)(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 the Scheduled Final Averaging Date, notwithstanding the fact that such day is a Disrupted Day.

- (d) If a Valuation Date is postponed (x) in accordance with this Condition 16 (*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 Final Terms) following the postponed Valuation Date or, if later, the Limit Valuation Date, as applicable. In respect of a Note which relates to a basket of Indices, 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.

17. **Adjustments to Indices**

(a) ***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.

(b) ***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.

(c) ***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:

- (A) 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 12 (*Notices*);
- (B) if "Index Substitution" is specified as being applicable in the relevant Final Terms, 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 12 (*Notices*) and, with effect from the date so determined, the Substitute Index shall be deemed to be the Index; and
- (C) if no Substitute Index has been identified within 10 Business Days of the giving of such Index Cancellation Notice or if Index Substitution has not been specified as being applicable in the relevant Final Terms, the Issuer shall, in its sole and absolute discretion, determine whether or not the relevant Notes shall continue and:
- (1) if it determines that the Notes shall continue, then the Calculation Agent shall determine the Relevant Level, the Observation Index Level for such Valuation



Date, Automatic Early Redemption Valuation Date or Averaging Date 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 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

- (2) 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 12 (*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 such amount as is determined by the Calculation Agent to be the Fair Market Value of the Notes immediately prior to such early redemption.

(d) ***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.

18. **Additional Disruption Events**

Following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the relevant Notes shall continue and, if so, 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, the Coupon Trigger Amount, the Automatic Early Redemption Amount, the Early Redemption Amount or any amount of interest set out in the relevant Final Terms and 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 terminated, 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, Coupon Trigger Amount, Automatic Early Redemption Amount or Early 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.

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, the Coupon Trigger Amount, the Automatic Early Redemption Amount, the Early Redemption Amount or any amount of interest set out in the relevant Final Terms 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 existing, validity or redemption of the Notes or the consequence of their nullity).

## SECTION II.5 – FORM OF FINAL TERMS FOR NOTES

*Set out below is the template of the "Final Terms", a document which will be filled out for each issue of Notes and which will complete the terms and conditions in respect of each such issue of Notes.*

Final Terms dated: [•]

**HSBC Bank plc**

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

**Programme for the Issuance of Notes and Warrants**

**Legal Entity Identifier (LEI): MP6I5ZYZBEU3UXPYFY54**

**[Further] Issue of**

**[Aggregate Principal Amount of Tranche] [Title of Notes]**

**[(to be consolidated and form a single series with the existing Tranche[s] [ ])]**

### PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. 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 Base Prospectus dated 23 June 2023 in relation to the above Programme, together with each supplemental prospectus relating to the Programme published by the Issuer after 23 June 2023 but before the issue date or listing date of the Notes, whichever is later, to which these Final Terms relate which together constitute a base prospectus ("**Prospectus**") for the purposes of the Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation Rules sourcebook in the FCA Handbook (the "**UK Prospectus Rules**") and must be read in conjunction with such Prospectus. However, a summary of the issue of the Notes is annexed to these Final Terms.

*[The following alternative paragraph to be included instead of the above paragraph where either the Offer Period for the Notes, the Issue Date for the Notes or the date of admission to trading for the Notes is expected to span the update of the Base Prospectus:*

This document constitutes the Final Terms for the purposes of the Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**") relating to the issue of the Tranche of Notes described herein and must be read in conjunction with (i) in relation to the period to and including 21 June 2024 (the "**2023 Prospectus Expiry Date**"), the Base Prospectus dated 23 June 2023 relating to Index-Linked Notes issued under the above Programme, which together with each supplemental prospectus relating to the Programme published by the Issuer after 23 June 2023 but before the 2023 Prospectus Expiry Date (the "**2023 Prospectus**") for the purposes of the Prospectus Regulation, and (ii) from but excluding the 2023 Prospectus Expiry Date, such base prospectus relating to Index-Linked Notes issued under the above Programme as is published by the Issuer in replacement of the 2023 Prospectus, which together with each supplemental prospectus relating to the Programme published by the Issuer after such publication but before the issue date or listing date of the Notes, whichever is later, to which these Final Terms relate constitutes a base prospectus (the "**2024 Prospectus**") for the purposes of the Prospectus Regulation Rules sourcebook in the FCA Handbook (the "**UK Prospectus Rules**"). Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes set forth in the 2023 Prospectus (the "**Conditions**") and which are or will be incorporated by reference into the 2024 Prospectus. A summary of the issue of the Notes is annexed to these Final Terms.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering document with an earlier date:*

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. 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 Base Prospectus dated [ ] which are incorporated by reference in the Base Prospectus dated 23 June 2023 and are applicable to the Notes. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation Rules sourcebook in the FCA Handbook (the "**UK Prospectus Rules**") and must be read in conjunction with the Base Prospectus 23 June 2023 together with each supplemental prospectus relating to the Programme published by the Issuer after 23 June 2023 but before the issue date or listing date of the Notes to which the Final Terms relate, whichever is later, which together constitute a base prospectus ("**Prospectus**") for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**"). However, a summary of the issue of the Notes is annexed to these Final Terms.]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is 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.

*[The following alternative paragraph to be included instead of the above paragraph where either the Offer Period for the Notes, the Issue Date for the Notes or the date of admission to trading for the Notes is expected to span the update of the Base Prospectus:*

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and (i) in relation to the period to and including the 2023 Prospectus Expiry Date, the 2023 Prospectus, and (ii) from but excluding the 2023 Prospectus Expiry Date, the 2024 Prospectus. Each of the 2023 Prospectus and the 2024 Prospectus are available for viewing from their respective dates of publication 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.]

**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 Regulation (EU) 2017/1129 (as amended, 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.

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**CMP Regulations 2018**") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA), that the Notes are capital markets products other than "prescribed capital markets products" (as defined in the CMP Regulations 2018) and 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 Recommendations on Investment Products.)

1. Issuer: HSBC Bank plc

2. Tranche Number: [ ] [The Notes issued under these Final Terms are to be consolidated and form a single series with [ ] (the "**Original Issue**") issued on [ ] [(ISIN)]:[ ].]
3. Settlement Currency: [ ]
4. Aggregate Principal Amount [of Notes admitted to trading]:
- [(i) Series: [ ]]
- [(ii) Tranche: [ ]]
5. Issue Price: [ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [ ]]
6. (i) Denomination(s): [ ]
- (ii) Calculation Amount: [ ]
- (iii) Aggregate Outstanding Nominal Amount Rounding: [Applicable] [Not Applicable]
7. (i) Issue Date: [ ]
- (ii) Trade Date: [ ]
- (iii) Interest Commencement Date: [ ] [Issue Date] [Not Applicable]
8. Maturity Date: [ ] [or, if later, the [ ] Business Day following the [Final Valuation Date]] [adjusted in accordance with the [ ] Business Day Convention].
9. Interest basis: [Not Applicable]
- [[ ] per cent. Fixed Rate]
- [[ ] per cent. of the Calculation Amount Fixed Coupon Amount]
- [Coupon Trigger Event is Applicable. See Paragraph 11 for further details.]
- [Coupon Trigger Recovery Event is Applicable. See Paragraph 11 for further details.]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

10. Fixed Rate Note provisions: [Applicable] [Not Applicable] [Condition [4B (*Interest – Coupon Trigger Notes*)] [and 4C (*Coupon Trigger Recovery Event*)] applies with respect to such Notes].
- (i) Rate of Interest: [[ ] per cent.] [per annum] [ ] [payable in arrear on [each] [the first] [ ] Interest Payment Date] [[and] [ ] per cent. [per annum] in arrear on [ ] [the last] Interest Payment Date] [Fixed Coupon Amount applies]
- (ii) Interest Payment Date(s): [[ ] in [each year]] [ ] [Each date specified below] [adjusted in accordance with the Business Day Convention] [not adjusted]

<b>[Interest Payment Date(s)]</b>
[ ]

- (iii) Fixed Coupon Amount(s): [Calculation Amount multiplied by [ ] per cent.] [[ ] per Calculation Amount] [Not Applicable]
- (iv) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [Actual/Actual (ICMA)] [30E/360] [30E/360 (ISDA)] [Not Applicable]
- (v) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention/Modified Business Day Convention] [Preceding Business Day Convention] [No Adjustment]
11. Coupon Trigger Event: [Applicable] [Not Applicable]

[Coupon Trigger Valuation Date(s)]	[Coupon Trigger Level(s)]	[Coupon Trigger Payment Date (s)]	[Coupon Trigger Rate(s)]
[ ]	[ ]	[ ]	[ ]

- (i) Coupon Trigger Recovery Event: [Applicable] [Not Applicable]

[Coupon Trigger Valuation Date(s)]	[Coupon Trigger Recovery Level(s)]
[ ]	[ ]

- (ii) Averaging Dates: [ ] [Not Applicable]
- (iii) Averaging Date Market Disruption in respect of Coupon Trigger Event: [ ] [Omission] [Postponement] [Modified Postponement] [Not Applicable]
- (iv) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention/Modified Business Day Convention] [Preceding Business Day Convention] [No Adjustment]

#### PROVISIONS RELATING TO REDEMPTION

12. Method for determining the Final Redemption Amount of each Note: [Booster Redemption] [Airbag Redemption] [Autocallable Redemption] [Reverse Convertible Redemption] [100% Protected Growth Redemption] [100% Protected Capped Growth Redemption] [Partially Protected Growth Redemption] [Partially Protected Capped Growth Redemption] [Digital Redemption] [Fixed Amount Redemption]
13. Provisions relating to the calculation of the Final Redemption Amount of each Note:
- (i) Relevant Final Performance: [Final Index Performance of the Index] [Final Index Performance of the Worst Performing Index in the Index Basket] [the weighted arithmetic average of the Final Index Performances of the constituent Indices in the Index Basket]

- (ii) Relevant Level: [Final Index Level] [Average Index Level] [Not Applicable]
- (iii) Final Valuation Date: [ ] [Not Applicable]
- (iv) Averaging Dates: [ ] [Not Applicable]
- (v) Averaging Date Market Disruption: [ ] [Omission] [Postponement] [Modified Postponement] [Not Applicable]
- (vi) Barrier Level: [[ ] per cent.] [Not Applicable]
- (vii) Cap: [[ ] per cent.] [Not Applicable]
- (viii) Final Trigger Level: [[ ] per cent.] [Not Applicable]
- (ix) Digital Amount: [[ ] per cent.] [Not Applicable]
- (x) Participation: [[ ] per cent.] [Not Applicable]
- (xi) Protection Level: [[ ] per cent.] [Not Applicable]
- (xii) Redemption Rate: [[ ] per cent.] [Not Applicable]
- (xiii) Fixed Amount Redemption Rate: [[ ] per cent.] [Not Applicable]
14. Early Redemption:
- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): [[ ] per cent. of the Calculation Amount] [Fair Market Value] [Not Applicable]  
*(Condition 5(b) or 5(d))*
- (ii) Early Redemption Amount following an Event of Default: [[ ] per cent. of the Calculation Amount] [Fair Market Value]  
*(Condition 9)*
- (iii) Early Redemption Amount following an Administrator/Benchmark Event: [[ ] per cent. of the Calculation Amount] [Fair Market Value][Not Applicable]  
*(Condition 13A)*
- (iv) Other redemption provisions: [Not applicable] *[If the Notes are rated, specify: Ealy Redemption for Impracticability is not applicable.]*
15. Early Redemption for Autocallable Notes: [Applicable] [Not Applicable]

[Automatic Redemption Valuation Date(s)]	Early	[Automatic Redemption Percentage]	Early	[Automatic Redemption Date(s)]	Early	[Automatic Redemption Rate(s)]	Early

- (i) Averaging Date(s): [ ] [Not Applicable]

- (ii) Averaging Date Market Disruption in respect of Early Redemption for Autocallable Notes:  [Omission]  [Postponement]  [Modified Postponement]  [Not Applicable]
- (iii) Business Day Convention:  [Following Business Day Convention]  [Modified Following Business Day Convention/Modified Business Day Convention]  [Preceding Business Day Convention]  [No Adjustment]
16. Taxation:  [Condition 6B (*Taxation – Gross-up*) is applicable]  [Condition 6A (*Taxation – No gross-up*) is applicable]  
(*Condition 6*)

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

17. Form of Notes:  [Bearer Notes]  [Registered Notes]  [Uncertificated Registered Notes]
18. If issued in bearer form:  [Applicable]  [Not Applicable]
- (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]
- (iii) Permanent Global 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 (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]  [No]  [Not Applicable]
- (v) Talons for future Coupons to be attached to Definitive Notes:  [Yes]  [No]  [Not Applicable]
19. Exchange Date for exchange of Temporary Global Note:  [ ]  [Not earlier than 40 days after the Issue Date]
20. If issued in registered form (other than Uncertificated Registered Notes):  [Applicable; the Notes will initially be represented by a Regulation S Global Registered Note]  [Not Applicable]
- (i) Regulation S 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 does not apply. The Issuer may not elect to exchange a Regulation S Global Registered Note for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the Regulation S Global Registered Note]



21. Payments:

(i) Relevant Financial Centre Day: [ ]

(ii) Business Centre(s): [ ]

22. Redenomination: [Applicable] [Not Applicable]

23. Provisions relating to the underlying Ind[ex][ices]:

(i) [Index][Index Basket]: [ ] [Each of the Indices specified in the table below:]

[Index]	[Bloomberg Ticker]
[ ]	[ ]
[ ]	[ ]

[(each, an "**Index**" and together, the "**Indices**")]

(i) Index Sponsor(s): [ ] [As per the table below]

(ii) Index Rules: [ ] [Not Applicable] [As per the table below]

(iii) Exchange(s): [ ] [The Index is a Multiple Exchange Index] [As per the table below]

(iv) Related Exchange(s): [ ] [All Exchanges] [As per the table below]

(v) Initial Index Level: [ ] [The definition in Condition 1 applies] [As per the table below]

(vi) Strike Date: [ ]

(vii) Alternative Pre-nominated Index: [Applicable] [Not Applicable] [As per the table below]

(viii) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]] [Not Applicable]

(ix) Index Substitution: [Applicable] [Not Applicable]

[Index]	[Index Sponsor]	[Index Rules]	[Exchange]	[Related Exchange]	[Initial Index Level]	[Alternative Pre-nominated Index]	[Weighting]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

(x) Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 13A(c): (x) Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 13A(c):

24. Valuation Time: [ ] [The definition in Condition 1 applies]

25. Specified Maximum Number of Disrupted Days: [ ] [Not Applicable] [The definition in Condition 1 applies]

26. Number of local banking days for the [3] [ ]  
purpose of postponing Disrupted Day  
Related Payment Dates pursuant to  
Condition 16:

**CONFIRMED**

**HSBC BANK PLC**

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 the United Kingdom Financial Conduct Authority]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not Applicable]
- (ii) Admission to trading: [The Original Issue was admitted to trading on the main market of the London Stock Exchange plc on [ ].] [Application [will be] [has been] made for the Notes to be admitted to trading on [the main market of the London Stock Exchange plc]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not Applicable]

### 2. [RATINGS]

- Ratings: [The Notes are not rated.] [The Notes [have been] [are expected on issue to be rated]:
- S&P Global Ratings UK Limited: [ ]
- Moody's Investors Service Limited: [ ]
- Fitch Ratings Limited: [ ]

### 3. REASONS FOR THE OFFER AND USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer and use of proceeds: [ ] [See the "*Use of Proceeds*" section of the Base Prospectus] [Not Applicable] [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 "*Green Notes*" in the Base Prospectus. The Applicable Framework is the [HSBC Green Bond Framework] [*Specify other*]]
- (ii) Estimated net proceeds: [ ] [Up to [*issuance amount*]]
- (iii) Estimated total expenses: [ ] [Not Applicable]

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[ ]

[The Notes may be on-sold by the Dealer(s) to the Plan Manager at a discount to the Issue Price of [up to] [•%]. Such discount (the "**re-offer spread**") will be retained by the Plan Manager.

Save for the re-offer spread retained by the Plan Manager, no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the offer. The Dealer and its 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.]

[Save for the Distribution Fee (as defined in paragraph [6][7] below) payable to the Plan Manager (as defined below), no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the offer. The Dealer and its 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]

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: [ ]

6. **INFORMATION ABOUT THE UNDERLYING**

Information on the past and future performance and volatility of the [Index] [Indices comprised in the basket] can be obtained from [the following display pages on [Bloomberg (source: Bloomberg Financial Markets Service)]] [the following website [•] [(Source: [•])]]. Such information can be obtained [free of charge/set out charging arrangements].

**[DISTRIBUTION]**

7. (i) If syndicated, name[s] and address[es] of Dealers [and underwriting commitments]: [ ]
- (ii) Date of subscription agreement: [ ]
- (iii) Indication of the overall amount of the underwriting commission and of the placing commission: [[ ] per cent. of the Aggregate Nominal Amount [of the Tranche]] [The Issuer will pay to the Plan Manager a distribution fee (the "**Distribution Fee**") of [up to] per cent. of the principal amount of Notes sold by the Plan Manager.] [Not Applicable]
8. If non-syndicated, name and address of Dealer: [ ] [HSBC Bank plc, 8 Canada Square, London E14 5HQ]
9. TEFRA Rules applicable to Bearer Notes: [TEFRA C Rules] [TEFRA D Rules] [TEFRA Not Applicable]
10. Selling restrictions, United States of America: 40-day Distribution Compliance Period: [Applicable] [Not Applicable]
11. Public Offer: [Applicable] [Not Applicable]
- (i) Details of the Public Offer: A public offer of this Tranche of Notes may be made by the Dealers [and [insert plan manager's name]] ([the "**Plan Manager**", and together with the Dealers,] the "**Initial Authorised Offeror[s]**") and any other Authorised Offerors published on the Issuer's website www.hsbc.com (following links to 'Investors', 'Fixed income investors', 'Final terms and supplements') other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom only (the "**Public Offer Jurisdiction**") during the period from and including [ ] until but excluding [ ] (the "**Offer Period**").
- (ii) Conditions attached to the consent to use the Prospectus: [ ] [Not Applicable]
12. 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) of the U.S. Internal Revenue Code of 1986.]

### OPERATIONAL INFORMATION

13. ISIN Code:  [Not Applicable]
14. Common Code:  [Not Applicable]
15. Valoren Number:  [Not Applicable]
16. SEDOL:  [Not Applicable]
17. Other identifier / code:  [Not Applicable]
18. Clearing System: Euroclear] [Clearstream, Luxembourg] [CREST]
19. Delivery: Delivery [against] [free of] payment
20. (i) Principal Paying Agent/Registrar/Issue Agent/Transfer Agent:  [HSBC Bank plc]
- (ii) Additional Paying Agent(s) (if any):  [Not Applicable]
21. Common Depository:  [HSBC Bank plc] [Not Applicable]
22. Calculation Agent:  [HSBC Bank plc] [HSBC Continental Europe]

### [TERMS AND CONDITIONS OF THE OFFER

23. Offer Price: [Issue Price]
24. Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:  [Not Applicable]
25. The time period, including any possible amendments, during which the offer will be open:  [Not Applicable]
26. Conditions to which the offer is subject:  [Not Applicable]
27. Description of the application process:  [Not Applicable]
28. Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:  [Not Applicable]
29. Details of the minimum and/or maximum amount of application:  [Not Applicable]
30. Details of the method and time limits for paying up and delivering of the securities:  [Not Applicable]
31. Manner in and date on which results of the offer are to be made public:  [Not Applicable]

32. Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:  [Not Applicable]
33. Whether tranche(s) have been reserved for certain countries:  [Not Applicable]
34. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:  [Not Applicable]
35. Amount of any expenses and taxes specifically charged to the subscriber or purchaser:  [Not Applicable]
36. Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:  [Not Applicable]
37. Name and address of any paying agents and depositary agents in each country:  [Not Applicable]
38. Name and address if the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:  [Not Applicable]]

#### **BENCHMARKS**

39. Details of benchmarks administrators and registration under UK Benchmarks Regulation:  [[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*]  [appears]/ [does not appear] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation. [As far as the Issuer is aware, as at the date hereof [*specify benchmark*] does not fall within the scope of the UK Benchmarks Regulation.] [As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence).]]  [Not Applicable]

**ANNEX**

**ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO  
THE UNDERLYING**

**[The following Index disclaimer[s] [is][are] applicable in respect of the [ ] [Index] [Indices], as agreed between the Index Sponsor[s] and the Issuer: [ ]].**

## PART III – INFORMATION RELATING TO THE WARRANTS

### SECTION III.1 – DESCRIPTION OF THE WARRANTS

*This section provides details of how an investment in the Warrants works and how payments under the Warrants are calculated, including a number of worked examples.*

**Please note: The worked examples set out in this "Section III.1 – Description of the Warrants" are produced for illustrative purposes only.** The analysis is based on simplifying assumptions and hypothetical figures, and does not reflect a complete analysis of all possible gain and loss scenarios that may arise under any actual investment in the Warrants. No representation or warranty is made by the Issuer or any of its affiliates that any scenario shown above can be duplicated under any actual investment in Warrants. Actual results may vary from the results shown above, and variations may be material. The mark-to-market value of the Warrants can fluctuate either upward or downward due to changes in prevailing market conditions. Accordingly, if an investment in Warrants is unwound, repurchased or otherwise exercised whether at or prior to its stated expiry, investors in such Warrants may sustain a loss which in a worst case scenario may be equal to their invested amount.

#### (1) **Introduction**

The Issuer may from time to time issue Warrants. A document known as "**Final Terms**" will give further details of the amounts payable under the Warrants.

In this sub-section (1), the various types of cash payment which may be payable upon exercise of a Warrant (each, a "**Cash Settlement Amount**") are described. All Cash Settlement Amounts payable upon exercise of a Warrant require the performance of indices to be ascertained. In sub-section (2), the various processes used in ascertaining the performance of indices are described.

Unless a Warrant has been terminated earlier, a Warrant will be exercised at the end of its term on the "**Expiry Date**". The Cash Settlement Amount which an investor will receive will be calculated using the Cash Settlement Amount provisions specified in the relevant Final Terms. The relevant Final Terms will specify one of the following Cash Settlement Amount provisions as applying to a particular issue of Warrants:

- Protection Cash Settlement Put Warrant;
- Growth Cash Settlement Call Warrant;
- Capped Growth Cash Settlement Call Warrant;
- Partially Protected Cash Settlement Put Warrant;
- Conditional Growth Cash Settlement Call Warrant;
- Conditional Capped Growth Cash Settlement Call Warrant;
- Digital Cash Settlement Put Warrant; and
- Digital Cash Settlement Call Warrant.

The amount of the Cash Settlement Amount will depend on the performance of the index or basket of indices to which the Warrant is linked (the "**Index**" and "**Indices**" respectively) and the relevant Cash Settlement Amount provision.

Further details of the above Cash Settlement Amount provisions and the amounts which may be payable depending on which of the above Cash Settlement Amount provisions is specified in the relevant Final Terms are set out at sub-section (3) below, together with some worked examples.

Warrants may be issued in pairs. If so, in each pair, one of the Warrants will be a 'Put Warrant' and one will be a 'Call Warrant' for the relevant type of cash settlement. Each Warrant in a pair will be exercisable independently of the other Warrant in the pair. A Put Warrant provides protection against a downwards movement of the Index or Indices (as applicable) during the term of the Warrants. A Call Warrant provides



exposure to positive movement of the Index or Indices (as applicable) during the term of the Warrants. A more detailed description of Put Warrants and Call Warrants is set out at sub-section (3) below.

The following table sets out for each type of Cash Settlement Amount details of where an explanation of the Cash Settlement Amount for each Warrant and a related worked example may be found in this Base Prospectus.

<b>If the Final Terms specify that the following is applicable ...</b>	<b>... an explanation and worked example in this Base Prospectus may be found at:</b>
Protection Cash Settlement Put Warrant	Page 135
Growth Cash Settlement Call Warrant	Page 135
Capped Growth Cash Settlement Call Warrant	Page 135
Partially Protected Cash Settlement Put Warrant	Page 135
Conditional Growth Cash Settlement Call Warrant	Page 135
Conditional Capped Growth Cash Settlement Call Warrant	Page 135
Digital Cash Settlement Put Warrant	Page 138
Digital Cash Settlement Call Warrant	Page 138

(2) *Ascertaining the performance of the Indices*

Each Cash Settlement Amount which may be payable in respect of a Warrant is linked to the performance of the Index or basket of Indices to which the Warrant is linked. Details of how to ascertain the performance of an Index or a basket of Indices are set out below, together with worked examples.

(a) *The value of the Indices*

The calculations which are required to be made to calculate the Cash Settlement Amount, will be based on the level of the Index or the levels of the Indices (the "**Relevant Level**") determined by the Calculation Agent. The Calculation Agent will determine the Relevant Level by reference to the level of the Index quoted on a particular exchange or quotation system at a particular valuation time.

The value of the Relevant Level will be determined by reference to either a single date or several dates (the latter are referred to as "**Averaging Dates**"), as set out in the relevant Final Terms.

Consequently, there are two different valuation methods that may be used to ascertain the Relevant Level. Which valuation method is applicable will depend on whether there are Averaging Dates involved. The following matrix describes which method will be used to ascertain the Relevant Level in different circumstances:

Averaging Dates:	are not specified in the relevant Final Terms	Final Index Level  (see page 127)
Averaging Dates:	are specified in the relevant Final Terms	Average Index Level  (see page 127)

Details of each valuation method are set out below.

*Final Index Level valuation method*

If no Averaging Dates are specified in the relevant Final Terms, the Calculation Agent will obtain the level of the Index on a given date and time (the "**Valuation Date**" and the "**Valuation Time**").

**Final Index Level worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Warrant linked to the FTSE®100 Index.
- No Averaging Dates are specified in the Final Terms.
- The Valuation Date specified in the Final Terms is 30 June 2024.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time).
- The level of the FTSE®100 Index on 30 June 2024 at 5.00 pm (London time) is 6,800.

(1) ***What is the Final Index Level?***

In order to determine the Final Index Level, the Calculation Agent will obtain the level of the FTSE®100 Index on 30 June 2024 at 5.00 pm (London time). In this case, the Final Index Level will be 6,800.

*Average Index Level valuation method*

If Averaging Dates are specified in the relevant Final Terms, the Calculation Agent will obtain the levels of the Index on those Averaging Dates and calculate the arithmetic average of the levels obtained.

**Average Index Level worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Warrant linked to the FTSE®100 Index.
- Four Averaging Dates are specified in the Final Terms.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time).
- The levels of the FTSE®100 Index at the Valuation Time on each of the four Averaging Dates are 6,650, 7,050, 6,800 and 6,900.

(1) ***What is the Average Index Level?***

In order to calculate the Average Index Level, the Calculation Agent will obtain the arithmetic average of the levels of the Index on each of the four Averaging Dates. The Average Index Level is therefore 6,850, being  $(6,650 + 7,050 + 6,800 + 6,900)$  divided by 4.

(b) *The performance of the Index or Indices*

The calculations also rely on a determination by the Calculation Agent of the appreciation or depreciation in the performance of the Index or Indices (as applicable) over time. It does so by comparing the Relevant Level with an initial index level specified in the relevant Final Terms to ascertain the "**Relevant Final Performance**" of the Index or Indices (as applicable). The Relevant Final Performance is a percentage representing any appreciation or depreciation in the Index or Indices (as applicable) in comparison to the initial level of the Index or Indices (as applicable).

If a Warrant is linked to a basket of Indices and no Averaging Dates are specified in the relevant Final Terms, the Calculation Agent will determine the Relevant Final Performance as the weighted arithmetic average of the performance of each constituent Index on a given date and time (the "Valuation Date" and the "Valuation Time").

**Relevant Final Performance – Index Basket worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Warrant linked to an equally weighted basket consisting of the FTSE®100 Index and the S&P 500® Index.
- The initial index level of the FTSE®100 Index is 6,100.
- The initial index level of the S&P 500® Index is 2,300.
- The Valuation Date specified in the Final Terms is 30 June 2024.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time) in respect of the FTSE®100 Index and 5.00 pm (New York time) in respect of the S&P 500® Index.
- The level of the FTSE®100 Index on 30 June 2024 at 5.00 pm (London time) is 6,500.
- The level of the S&P 500® Index on 30 June 2024 at 5.00 pm (New York time) is 2,100.

(1) ***What is the performance of each constituent Index?***

In order to calculate the performance of each Index, the Calculation Agent will in respect of each Index divide the level of such Index determined on the Valuation Date at the Valuation Time by the initial index level of such Index. In respect of the FTSE®100 Index the performance is  $6,500 / 6,100 = 1.0656 = 106.56\%$ . In respect of the S&P 500® Index the performance is  $2,100 / 2,300 = 0.9130 = 91.30\%$ .

(2) ***What is the Relevant Final Performance?***

As the Indices are equally weighted the Relevant Final Performance is determined by adding the performance of each Index and dividing the outcome by 2. This means that the Relevant Final Performance is  $(106.56\% + 91.30\%) / 2 = 197.86\% / 2 = 98.93\%$ .

If a Warrant is linked to a basket of Indices and Averaging Dates are specified in the relevant Final Terms, the Calculation Agent will calculate the Relevant Final Performance as follows.

First, the Calculation Agent will calculate the Average Index Level in respect of each constituent Index in the basket. The process for this is described in paragraph titled "Average Index Level valuation method" on page 127 of this Base Prospectus.

Next, the Calculation Agent will determine the performance of each Index by dividing the relevant Average Index Level of such Index by the initial level of such index and express the outcome as a percentage.

Subsequently, the Relevant Final Performance will be calculated as the weighted arithmetic average of the performance of each of the Indices.

**Relevant Final Performance – Index Basket with Averaging Dates worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a Warrant linked to a weighted basket of indices comprised of the FTSE®100 Index, the Hang Seng Index and the S&P 500® Index.

- The weightings of each Index specified in the relevant Final Terms is as follows:

Weighting	Index
50%	FTSE®100 Index
30%	Hang Seng Index
20%	S&P 500® Index

- The initial index levels of the FTSE®100 Index, the Hang Seng Index and the S&P 500® Index are 6,400, 22,300 and 2,300 respectively.
- Three Averaging Dates are specified in the Final Terms.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time) in respect of the FTSE®100 Index, 5.00 pm (Hong Kong time) in respect of the Hang Seng Index and 5.00 pm (New York time) in respect of the S&P 500® Index.
- The levels of the FTSE®100 Index at 5.00 pm (London time) on the three Averaging Dates are 6,550, 6,575 and 6,525.
- The levels of the Hang Seng Index at 5.00 pm (Hong Kong time) on the three Averaging Dates are 22,000, 22,100 and 22,200.
- The levels of the S&P 500® Index at 5.00 pm (New York time) on the three Averaging Dates are 2,500, 2,520 and 2,495.

(1) ***What is the Average Index Level of each constituent Index?***

In order to calculate the Average Index Level, the Calculation Agent will obtain the arithmetic average of the levels of each Index on each of the Averaging Dates. The Average Index Levels of each Index are therefore as follows:

- FTSE®100 Index: 6,550 (being  $(6,550 + 6,575 + 6,525)$  divided by 3 = 6,550)
- Hang Seng Index: 22,100 (being  $(22,000 + 22,100 + 22,200)$  divided by 3 = 22,100)
- S&P 500® Index: 2,505 (being  $(2,500 + 2,520 + 2,495)$  divided by 3 = 2,505)

(2) ***What is the performance of each constituent Index?***

In order to calculate the performance of each Index, the Calculation Agent will in respect of each Index divide the relevant Average Index Level by the initial index level of such Index. The Relevant Final Performance is expressed as a percentage. In respect of the FTSE®100 Index the performance is  $6,550 / 6,400 = 1.0234$  and when expressed as a percentage 102.34%. In respect of the Hang Seng Index the performance is  $22,100 / 22,300 = 0.9910$  and when expressed as a percentage 99.10%. In respect of the S&P 500® Index the performance is  $2,505 / 2,300 = 1.0891$  and when expressed as a percentage 108.91%.

(3) ***What is the Relevant Final Performance?***

The Relevant Final Performance is the weighted average of the Indices and will be calculated as follows:

- FTSE®100 Index:  $102.34\% \times 50\% = 51.17\%$
- Hang Seng Index:  $99.10\% \times 30\% = 29.73\%$
- S&P 500® Index:  $108.91\% \times 20\% = 21.78\%$

The Relevant Final Performance is therefore  $51.17\% + 29.73\% + 21.78\% = 102.68\%$

(3) **Cash Settlement Amount**

The calculation of the Cash Settlement Amount in respect of each Warrant depends on the method specified for determining the Cash Settlement Amount in the relevant Final Terms. An investor in the Warrants should refer to the corresponding paragraphs below to understand how the Cash Settlement Amount is calculated for any particular Warrant.

Warrants may be issued in pairs. If so, in each pair, one of the Warrants will be a 'Put Warrant' and one will be a 'Call Warrant' for the relevant type of cash settlement. Each Warrant in a pair will be exercisable independently of the other Warrant in the pair.

A Put Warrant provides protection against a downwards movement of the Index or Indices (as applicable) during the term of the Warrants.

A Call Warrant provides exposure to positive movement of the Index or Indices (as applicable) during the term of the Warrants.

Together, a Put Warrant and Call Warrant provide investors protection against depreciation of the Index or Indices (as applicable) and exposure to the appreciation of the Index or Indices (as applicable) subject to a cap (if applicable) and multiplied by a participation (if applicable). In all pair combinations, if both Warrants are held by the same investor and exercised by them at the same time, then the sum of the Cash Settlement Amounts for both Warrants received by that investor will be a minimum of 100%, or a percentage equal to the partial protection level as specified in the relevant Final Terms, of the face value (as specified in the relevant Final Terms relating to both Warrants) (the "**Face Value**") (not, for the avoidance of doubt, 100% or a percentage equal to the partial protection level as specified in the relevant Final Terms of the combined Face Values of both Warrants in a pair).

The pair combinations of Warrants are:

- Protection Cash Settlement Put Warrant and Growth Cash Settlement Call Warrant
  - Protection Cash Settlement Put Warrant and Capped Growth Cash Settlement Call Warrant
  - Partially Protected Cash Settlement Put Warrant and Conditional Growth Cash Settlement Call Warrant
  - Partially Protected Cash Settlement Put Warrant and Conditional Capped Growth Cash Settlement Call Warrant
  - Digital Cash Settlement Put Warrant and Digital Cash Settlement Call Warrant
- (a) *Warrants specifying Protection Cash Settlement Put Warrant, Growth Cash Settlement Call Warrant or Capped Growth Cash Settlement Call Warrant*

A Warrant specifying "Protection Cash Settlement Put Warrant" may be paired with either a Warrant specifying "Growth Cash Settlement Call Warrant" or a Warrant specifying "Capped Growth Cash Settlement Call Warrant".

Overview of Warrants specifying Protection Cash Settlement Put Warrant,, Growth Cash Settlement Call Warrant or Capped Growth Cash Settlement Call Warrant

When a pair of Warrants consisting of a Protection Cash Settlement Put Warrants and a Growth Cash Settlement Call Warrants are exercised together they provide the investor with protection on its investment together with a potential upside (a specified participation factor expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable) not subject to a maximum cap) depending on the appreciation or depreciation of the Index or basket of Indices.

When a pair of Warrants consisting of a Protection Cash Settlement Put Warrants and a Capped Growth Cash Settlement Call Warrants are exercised together they provide the investor with protection on its investment together with a potential upside (a specified participation factor expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable) subject to a maximum cap) depending on the appreciation or depreciation of the Index or basket of Indices.

Accordingly, the Cash Settlement Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices;
- the participation factor specified; and
- the maximum cap specified (if applicable).

Calculation of the Cash Settlement Amount

(i) *Protection Cash Settlement Put Warrant*

If "Protection Cash Settlement Put Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the face value of the Warrant ("**Face Value**") by the product of the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(ii) *Growth Cash Settlement Call Warrant*

If "Growth Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the Face Value by the product of the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%] + \text{Participation} \\ \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]$$

(iii) *Capped Growth Cash Settlement Call Warrant*

If "Capped Growth Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the Face Value by the product of the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} \\ - 10\%] + \text{MIN} [\text{Cap}; \text{Participation} \times \text{MAX} [0; \text{Relevant Final Performance} \\ - 100\%]]$$

**Protection Cash Settlement Put Warrant, Growth Cash Settlement Call Warrant and Capped Growth Cash Settlement Call Warrant:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a pair of Warrants denominated in GBP linked to the FTSE®100 Index (the "**Index**"). The Final Terms of one (the "**Put Warrant**") specify Protection Cash Settlement Put Warrant and the Final Terms of the other Warrant specify either Growth Cash Settlement Call Warrant or Capped Growth Cash Settlement Call Warrant.
- The Face Value of each Warrant is GBP 1,000.
- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 6,450.
- The Relevant Level of the FTSE®100 Index is 6,800, as determined by the Calculation Agent using the "Final Index Level" valuation method.

- The Participation (being a percentage that expresses the increase in the Face Value of the Warrant if there is an appreciation of the Index or basket of Indices) is 120%.
- The Cap (being a percentage that expresses the maximum appreciation of the Index or basket of Indices that will be considered when determining the Cash Settlement Amount) is 10%.

(1) ***What is the Relevant Final Performance?***

To determine the Relevant Final Performance, the Relevant Level (6,800) is divided by the initial index level (6,450). This is equal to 1.0543 and, when expressed as a percentage, is 105.43%. Therefore the Relevant Final Performance is 105.43%.

(2) ***Calculating the formula for Protection Cash Settlement Put Warrant***

When working out the following formula, the first step is to determine the variables in the formula described using "MIN" and "MAX", which mean the lower of and the greater of, respectively.

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(a) ***What is MAX [0; 100% - Relevant Final Performance]?***

0 is greater than 100% - Relevant Final Performance (minus 5.43%, being 100% - 105.43%), and so 0 is used rather than minus 5.43%.

(b) ***What is MIN [90%; MAX [0; 100% - Relevant Final Performance]]?***

0 is less than 90%, and so 0 is used rather than 90%.

(c) ***Re-inserting the variable***

Once the variable is re-inserted into the formula, the calculation is  $\frac{1}{90}\% \times 0$ , which is equal to 0.

(3) ***Cash Settlement Amount for Protection Cash Settlement Put Warrant***

The Cash Settlement Amount per Put Warrant is:

GBP	$\frac{1000}{0\%}$	x	(The Face Value of the Warrant)
			(The percentage ascertained from the formula)
<b>GBP</b>	<b>0</b>		<b>The Cash Settlement Amount per Put Warrant</b>

(4) ***Calculating the formula for Growth Cash Settlement Call Warrant (if applicable)***

For the purposes of this paragraph (4), it is assumed that the investor also purchases a Warrant denominated in GBP linked to the FTSE®100 Index which specifies Growth Cash Settlement Call Warrant ("**Call Warrant**").

An investor will be entitled to an amount equal to the Face Value of the Warrant multiplied by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] + \text{Participation} \\ \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]$$

When working out the above formula, the first step is to determine the variables in the formula described using "MIN" and "MAX", which mean the lower of and the greater of, respectively.

(a) ***What is MAX [0; Relevant Final Performance - 10%]?***

The Relevant Final Performance - 10% is 95.43% (being 105.43% - 10%) which is greater than 0, and so 95.43% is used rather than 0%.

(b) *What is MIN [90%; MAX [0; Relevant Final Performance - 10%]]?*

90% is less than 95.43%, and so 90%, rather than 95.43%, is multiplied by 1/90% in the first part of the formula.

(c) *What is MAX [0; Relevant Final Performance - 100%]?*

The Relevant Final Performance - 100% is 5.43% (being 105.43% - 100%) which is greater than 0, and so 5.43% is used in the fourth part of the formula rather than 0.

(d) *Re-inserting the variables*

Once these variables are re-inserted into the formula, the calculation is  $1/90\% \times 90\% + 120\% \times 5.43\%$ , which is equal to 106.52%.

(e) *Cash Settlement Amount for Growth Cash Settlement Call Warrant*

The Cash Settlement Amount per Call Warrant will be:

GBP	1,000.00	x	(The Face Value of the Warrant)
	<u>106.52%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>1,065.20</b>		<b>The Cash Settlement Amount per Call Warrant</b>

(f) *Total amount which the investor will receive upon exercising a Warrant specifying "Protection Cash Settlement Put Warrant" and a Warrant specifying "Growth Cash Settlement Call Warrant"*

The total amount which the investor will receive upon exercising this pair of Warrants will be:

GBP	0	(The Cash Settlement Amount per Put Warrant)
+	<u>1,065.20</u>	(The Cash Settlement Amount per Call Warrant)
<b>GBP</b>	<b>1,065.20</b>	<b>The total amount received for this pair of Warrants</b>

(5) *Calculating the formula for Capped Growth Cash Settlement Call Warrant (if applicable)*

For the purposes of this paragraph (5), it is assumed that the investor purchases in addition to the Put Warrant a Warrant denominated in GBP linked to the FTSE®100 Index which specifies Capped Growth Cash Settlement Call Warrant ("**Capped Call Warrant**").

An investor will be entitled on exercise to an amount equal to the Face Value of the Warrant multiplied by the following formula:

$$1/90\% \times \text{MIN [90%; MAX [0; Relevant Final Performance - 10%]]} + \text{MIN [Cap; Participation} \\ \times \text{MAX [0; Relevant Final Performance - 100%]]}$$

When working out the above formula, the first step is to determine the variables in the formula described using "MIN" and "MAX", which mean the lower of and the greater of, respectively.

(a) *What is MAX [0; Relevant Final Performance - 10%]?*

The Relevant Final Performance - 10% is 95.43% (being 105.43% - 10%) which is greater than 0, and so 95.43% is used rather than 0.

(b) *What is MIN [90%; MAX [0; Relevant Final Performance - 10%]]?*

90% is less than 95.43%, and so 90%, rather than 95.43%, is multiplied by 1/90% in the first part of the formula.

(c) *What is MAX [0; Relevant Final Performance - 100%]?*

The Relevant Final Performance - 100% is 5.43% (being 105.43% - 100%) which is greater than 0%, and so 5.43% is used rather than 0%.



(d) *What is MIN [Cap; Participation x MAX [0; Relevant Final Performance - 100%]]?*

The Cap (10%) is greater than the Participation (120%) multiplied by the Relevant Final Performance - 100% (5.43%) (being 6.52%), so 6.52% will be used rather than the Cap (being 10%) in the second part of the formula.

(e) *Re-inserting the variables*

Once these variables are re-inserted into the formula, the calculation is  $1/90\% \times 90\% + 6.52\%$ , which is equal to 106.52%.

(f) *Cash Settlement Amount for Capped Growth Cash Settlement Call Warrant*

The Cash Settlement Amount per Capped Call Warrant will be:

GBP	1,000.00	x	(The Face Value of the Warrant)
	<u>106.52%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>1,065.20</b>		<b>The Cash Settlement Amount per Capped Call Warrant</b>

(g) *Total amount which the investor will receive upon exercising a Warrant specifying "Protection Cash Settlement Put Warrant" and a Warrant specifying "Capped Growth Cash Settlement Call Warrant"*

The total amount which the investor will receive upon exercising this pair of Warrants will be:

GBP	0	(The Cash Settlement Amount for the Put Warrant)
+	<u>1,065.20</u>	(The Cash Settlement Amount for the Capped Call Warrant)
<b>GBP</b>	<b>1,065.20</b>	<b>The total amount received for this pair of Warrants</b>

(b) *Warrants specifying Partially Protected Cash Settlement Put Warrant, Conditional Growth Cash Settlement Call Warrant or Conditional Capped Growth Cash Settlement Call Warrant*

A Warrant specifying "Partially Protected Cash Settlement Put Warrant" may be paired with either a Warrant specifying "Conditional Growth Cash Settlement Call Warrant" or a Warrant specifying "Conditional Capped Growth Cash Settlement Call Warrant".

Overview of Warrants specifying Partially Protected Cash Settlement Put Warrant, Conditional Growth Cash Settlement Call Warrant or Conditional Capped Growth Cash Settlement Call Warrant

When a pair of Warrants consisting of a Partially Protected Cash Settlement Put Warrants and a Conditional Growth Cash Settlement Call Warrants are exercised together they provide the investor with a potential upside (a specified participation factor expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable) not subject to a maximum cap) or downside (subject to a protection level which is a fixed percentage expressing the maximum amount of depreciation that is taken into account) depending on the appreciation or depreciation of the Index or basket of Indices.

When a pair of Warrants consisting of a Partially Protected Cash Settlement Put Warrants and a Conditional Capped Growth Cash Settlement Call Warrants are exercised together they provide the investor with a potential upside (a specified participation factor expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable) subject to a maximum cap) or downside (subject to a protection level which is a fixed percentage expressing the maximum amount of depreciation that is taken into account) depending on the appreciation or depreciation of the Index or basket of Indices.

Accordingly, the Cash Settlement Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices;
- the protection level specified;
- the participation factor specified; and

- the maximum cap specified (if applicable).

*Calculation of the Cash Settlement Amount*

(i) *Partially Protected Cash Settlement Put Warrant*

If "Partially Protected Cash Settlement Put Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the Face Value of the Warrant by the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% - \text{Protection Level}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(ii) *Conditional Growth Cash Settlement Call Warrant*

If "Conditional Growth Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ + \text{Participation} \times [\text{Relevant Final Performance} - 100\%]$$

- If the Relevant Final Performance is less than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

(iii) *Conditional Capped Growth Cash Settlement Call Warrant*

If "Conditional Capped Growth Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90}\% \\ \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] + \text{MIN} [\text{Cap}; \text{Participation} \times [\text{Relevant Final Performance} \\ - 100\%]]$$

- If the Relevant Final Performance is less than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

**Partially Protected Cash Settlement Put Warrant, Conditional Growth Cash Settlement Call Warrant and Conditional Capped Growth Cash Settlement Call Warrant worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

- An investor purchases a pair of Warrants denominated in GBP linked to the FTSE®100 Index and S&P 500® Index (together, the "**Basket**"). The Indices in the Basket are equally weighted. The Final Terms of one (the "**Put Warrant**") specify Partially Protected Cash Settlement Put Warrant and the Final Terms of the other Warrant specify either Conditional Growth Cash Settlement Amount Call Warrant or Conditional Growth Capped Cash Settlement Call Warrant.

- The Face Value of each Warrant is GBP 1,000.
- The initial index level of the FTSE®100 Index set out in the relevant Final Terms is 6,700 and the initial index level of the S&P 500® Index set out in the relevant Final Terms is 2,300.
- The Relevant Level of the FTSE®100 Index and of the S&P 500® Index are 7,250 and 1,750, respectively as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Participation (being a percentage that expresses the increase in the Face Value of the Warrant if there is an appreciation of the Index or basket of Indices) is 120%.
- The Cap (being a percentage that expresses the maximum appreciation of the Index or basket of Indices that will be considered when determining the Cash Settlement Amount) is 10%.
- The Protection Level (being a percentage that expresses the maximum amount of depreciation that is taken into account) is 85%.

(1) ***What is the Relevant Final Performance?***

To determine the Relevant Final Performance, the Relevant Level in respect of each Index is divided by the relevant initial index level. In respect of the FTSE®100 Index the performance is  $7,250 / 6,700 = 1.0821$  and when expressed as a percentage 108.21%. In respect of the S&P 500® Index the performance is  $1,750 / 2,300 = 0.7609$  and when expressed as a percentage 76.09%. The Relevant Final Performance is the weighted average of the performances of the Indices and will be calculated as  $(108.21\% + 76.09\%) / 2 = 184.30\% / 2 = 92.15\%$ . Therefore the Relevant Final Performance is 92.15%.

(2) ***Calculating the formula for Partially Protected Cash Settlement Put Warrant***

When working out the following formula, the first step is to determine the variables in the formula described using "MIN" and "MAX", which mean the lower of and the greater of, respectively.

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% - \text{Protection Level}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(a) ***What is MAX [0; 100% - Relevant Final Performance]?***

100% - the Relevant Final Performance is 7.85% (being 100% - 92.15%) which is greater than 0, and so 7.85% is used in both parts of the formula rather than 0.

(b) ***What is MIN [90%; MAX [0; 100% - Relevant Final Performance]]?***

7.85% is less than 90% and so 7.85% is used in the first part of the formula rather than 90%.

(c) ***What is 100% - Protection Level?***

100% - the Protection Level (85%) is 15%.

(d) ***What is MIN [100% - Protection Level, MAX [0; 100% - Relevant Final Performance]]?***

7.85% is less than 15%, so 7.85% is used in the second part of the formula rather than 15%.

(e) ***Re-inserting the variables***

Once the variables are re-inserted into the formula, the calculation is  $1/90\% \times 7.85\% - 7.85\%$ , which is equal to 0.872%.

(3) ***Cash Settlement Amount for Partially Protected Cash Settlement Put Warrant***

The Cash Settlement Amount per Put Warrant is:

GBP	1,000.00	x	(The Face Value of the Warrant)
	<u>0.872%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>8.72</b>		<b>The Cash Settlement Amount per Put Warrant</b>

(4) ***Calculating the formula for Conditional Growth Cash Settlement Call Warrant (if applicable)***

For the purposes of this paragraph (4), it is assumed that the investor also purchases a Warrant denominated in GBP linked to an equally weighted basket comprised of the FTSE®100 Index and S&P 500® Index which specifies Conditional Growth Cash Settlement Call Warrant (the "**Call Warrant**").

(a) *Is the Relevant Final Performance equal to or greater than 100%?*

The Relevant Final Performance (92.15%) is not equal to or greater than 100%

Therefore, an investor will be entitled on exercise to an amount equal to the Face Value of the Call Warrant multiplied by the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

When working out the above formula, the first step is to determine the variables in the formula described using "MIN" and "MAX", which mean the lower of and the greater of, respectively.

(b) *What is MAX [0; Relevant Final Performance - 10%]*

Relevant Final Performance - 10% is 82.15% (being 92.15% - 10%) which is greater than 0, and so 82.15% is used rather than 0.

(c) *What is MIN [90%; MAX [0; Relevant Final Performance - 10%]]?*

82.15% is less than 90%, and so 82.15%, rather than 90%, is used in the second part of the formula.

(d) *Re-inserting the variable*

Once the variable is re-inserted into the formula, the calculation is 1/90% x 82.15%, which is equal to 91.278%.

(e) ***Cash Settlement Amount for Conditional Growth Cash Settlement Call Warrant***

The Cash Settlement Amount per Call Warrant will be:

GBP	1,000.00	x	(The Face Value of the Warrant)
	<u>91.278%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>912.78</b>		<b>The Cash Settlement Amount per Call Warrant</b>

(f) *Total amount which the investor will receive upon exercising a Warrant specifying "Partially Protected Cash Settlement Put Warrant" and a Warrant specifying "Conditional Growth Cash Settlement Call Warrant"*

The total amount which the investor will receive upon exercising this pair of Warrants will be:

GBP	8.72	(The Cash Settlement Amount for the Put Warrant)
	<u>+ 912.78</u>	(The Cash Settlement Amount for the Call Warrant)
<b>GBP</b>	<b>921.50</b>	<b>The total amount received for this pair of Warrants (which equals the performance of the Warrants if the Warrants are held in a pair)</b>

(5) ***Calculating the formula for Conditional Capped Growth Cash Settlement Call Warrant) (if applicable)***

If, in addition to the Put Warrant, the investor purchases a Warrant denominated in GBP linked to the FTSE®100 Index and S&P 500® Index which specifies Conditional Capped Growth Cash Settlement Call Warrant (the "**Capped Call Warrant**") the calculations for determining the Cash Settlement Amount for the Capped Call Warrant will be as for the Call Warrant, save that if there is any appreciation of the basket of Indices (as opposed to the depreciation demonstrated in this example), the maximum appreciation that will be considered when determining the Cash Settlement Amount for the Capped Call Warrant will be the Cap (i.e. in this example, 10%).

(c) *Warrants specifying Digital Cash Settlement Put Warrant and Digital Cash Settlement Call Warrant*

A Warrant specifying "Digital Cash Settlement Put Warrant" will be paired with a Warrant specifying "Digital Cash Settlement Call Warrant".

Overview of Warrants specifying Digital Cash Settlement Put Warrant and Digital Cash Settlement Call Warrant

When a pair of Warrants consisting of a Digital Cash Settlement Call Warrant and a Digital Cash Settlement Cash Settlement Put Warrant are exercised together they provide the investor either with an upside (an amount (a so-called digital amount) which is a fixed percentage increase expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable)) or a downside (subject to a protection level which is a fixed percentage expressing the maximum amount of depreciation of the underlying Index or Indices (as applicable) that is taken into account) depending on the appreciation or depreciation of the Index or basket of Indices.

Accordingly, the Cash Settlement Amount payable to the investor will depend on:

- the performance of the Index or basket of Indices;
- the protection level specified; and
- the digital amount specified.

*Calculation of the Cash Settlement Amount*

(i) *Digital Cash Settlement Put Warrant*

If "Digital Cash Settlement Put Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the face value of the Warrant ('Face Value') by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% - \text{Protection Level}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(ii) *Digital Cash Settlement Call Warrant*

If "Digital Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then an investor will be entitled upon settlement to the Cash Settlement Amount which will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$1/90\% \times \text{MIN} [90\%; \text{MAX} [0; [\text{Relevant Final Performance} - 10\%]]] + \text{Digital Amount}$$

- If the Relevant Final Performance is less than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

**Digital Cash Settlement Put Warrant and Digital Cash Settlement Call Warrant worked example:**

*The hypothetical scenario*

For the purposes of this example, it is assumed that:

An investor purchases a Warrant denominated in GBP linked to the FTSE®100 Index (the "**Index**") which specifies Digital Cash Settlement Put Warrant (the "**Put Warrant**") and a Warrant denominated in GBP linked to the FTSE®100 Index which specifies Digital Cash Settlement Call Warrant (the "**Call Warrant**").

The Face Value of each Warrant is GBP 1,000.

The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 6,500.

There are four Averaging Dates and the levels of the Index on these dates are 6,650, 7,050, 6,800 and 6,900.

The Relevant Level of the Index is 6,850 (being (6,650 + 7,050 + 6,800 + 6,900) divided by 4), as determined by the Calculation Agent using the "Average Index Level" valuation method.

The Protection Level (being a percentage that expresses the maximum amount of depreciation of the Index that is taken into account) is 85%.

The Digital Amount (being a fixed percentage increase which expresses an enhanced return following an appreciation of the Index) is 7%.

(1) ***What is the Relevant Final Performance?***

To determine the Relevant Final Performance, the Relevant Level (6,850) is divided by the initial index level (6,500). This is equal to 1.10 and, when expressed as a percentage, is 110%. Therefore the Relevant Final Performance is 110%.

(2) ***Calculating the formula for Digital Cash Settlement Put Warrant***

When working out the following formula, the first step is to determine the variables in the formula described using "MIN" and "MAX", which mean the lower of and the greater of, respectively.

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% \\ - \text{Protection Level}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(a) ***What is MAX [0; 100% - Relevant Final Performance]?***

0 is greater than 100% - Relevant Final Performance which is minus 10% (being 100% - 110%), and so 0 is used in the second and third parts of the formula rather than minus 10%.

(b) ***What is MIN [90%; MAX [0; 100% - Relevant Final Performance]]?***

0 is less than 90%, and so 0 is multiplied by 1/90% in the first part of the formula, rather than 90%.

(c) ***What is MIN [100% - Protection Level; MAX [0; 100% - Relevant Final Performance]]?***

100% - 85% (the Protection Level) is 15%.

0 is less than 15%, so 0 is used in the third part of the formula rather than 15%.

(d) *Re-inserting the variables*

Once these variables are re-inserted into the formula, the calculation is  $1/90\% \times 0 - 0$ , which is equal to 0.

(3) ***Cash Settlement Amount for Digital Cash Settlement Put Warrant***

The Cash Settlement Amount per Put Warrant is:

GBP	1,000	x	(The Face Value of the Put Warrant)
	0%		(The percentage ascertained from the formula)
<b>GBP</b>	<b>0</b>		<b>The Cash Settlement Amount per Put Warrant</b>

(4) ***Calculating the formula for Digital Cash Settlement Call Warrant***

(a) *Is the Relevant Final Performance equal to or greater than 100%?*

The Relevant Final Performance (110%) is greater than 100%.

Therefore, an investor will be entitled on exercise to an amount equal to the Face Value of the Call Warrant multiplied by the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] + \text{Digital Amount}$$

When working out the above formula, the first step is to determine the variables in the formula described using "MIN", which means the lower of.

(b) *What is MAX [0; Relevant Final Performance - 10%]?*

The Relevant Final Performance - 10% is 100% (being 110% - 100%) so 100% is used in the second part of the formula.

(c) *What is MIN [90%; [Relevant Final Performance - 10%]]?*

90% is less than 100%, and so 90% is multiplied by  $1/90\%$  in the first part of the formula, rather than 100%.

(d) *Re-inserting the variables*

Once these variables are re-inserted into the formula, the calculation is  $1/90\% \times 90\% + 7\%$ , which is equal to 107%.

(5) ***Cash Settlement Amount for Digital Cash Settlement Call Warrant***

The Cash Settlement Amount per Call Warrant is:

GBP	1,000	x	(The Face Value of the Call Warrant)
	107%		(The percentage ascertained from the formula)
<b>GBP</b>	<b>1,070</b>		<b>The Cash Settlement Amount per Call Warrant</b>

(6) ***Total Cash Settlement Amount***

The total amount which the investor will receive upon exercising this pair of Warrants will be:

GBP	0	(The Cash Settlement Amount for the Put Warrant)
+	1,070	(The Cash Settlement Amount for the Call Warrant)
<b>GBP</b>	<b>1,070</b>	<b>The total amount received for this pair of Warrants</b>

## **SECTION III.2 – FORM OF WARRANTS AND 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 Final Terms) 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 Regulation S, and represented by a Regulation S global registered warrant (the "**Regulation S Global Registered Warrant**").

### ***Regulation S Global Registered Warrants***

A Tranche of Registered Warrants will be offered and sold pursuant to Regulation S and will be issued in the form of Regulation S Global Registered Warrants. The Issuer will deliver a Regulation S Global Registered Warrant subject to the Master Warrant Issuance Agreement (as defined herein) in accordance with its terms.

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 depositary 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 Regulation S Global Registered Warrants for Regulation S 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.

### ***Owner of Regulation S 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 Euroclear, Clearstream, Luxembourg, or the nominee of their common depositary, is the registered owner or holder of a Regulation S Global Registered Warrant, 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 Regulation S Global Registered Warrant for all purposes under the Master Warrant Issuance Agreement and the Warrants. Payments on Regulation S Global Registered Warrants will be made to Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as 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 Regulation S Global Registered Warrants or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Each such payment in respect of a Regulation S 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 Regulation S 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 Regulation S Global Registered Warrants for Regulation S Definitive Registered Warrants***

Beneficial interests in a Regulation S Global Registered Warrant will be exchangeable, in whole but not in part, for Regulation S 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) at the option of the Issuer, if 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.

In such circumstances, (a) the Warrant Registrar will be required to notify all Holders of interests in the relevant Regulation S Global Registered Warrants registered in the name of Euroclear, Clearstream, Luxembourg, or the nominee of their common depository, as the case may be, of the availability of Regulation S Definitive Registered Warrants and (b) the Issuer will, at the cost of the Issuer, cause sufficient Regulation S Definitive Registered Warrants 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 Regulation S 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 Regulation S Definitive Registered Warrant.

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 Regulation S 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.

The Warrant Registrar will not register the transfer of or exchange of interests in a Regulation S Global Registered Warrant for Regulation S Definitive Registered Warrants for a period of 15 calendar days preceding the due date for any payment in respect of the Warrants.

### SECTION III.3 – PURCHASE AND SALE OF WARRANTS

*This section sets out details of the arrangements between the Issuer and the Manager(s) as to the offer and sale of Warrants and summarises selling restrictions that apply to the offer and sale of Warrants in various jurisdictions.*

#### **General**

- (1) The 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) 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 other than in the United Kingdom. Persons into whose hands this Base Prospectus or any Final Terms 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 Base Prospectus or any Final Terms or related offering material, in all cases at their own expense.

#### **European Economic Area**

##### ***Prohibition of Sales to EEA Retail Investors***

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 Base Prospectus as completed by the Final Terms 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 Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants.

#### **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 would not, if it was not an authorised person, apply to the Issuer.

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.

This Base Prospectus has not been registered with the Guernsey Financial Services Commission and it is not intended that this Base Prospectus 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 the London Stock Exchange.

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 the London Stock Exchange is so communicated must not exceed fifty.

### **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.

### **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.

### **United Kingdom**

***Public Offer Selling Restriction Under the UK Prospectus Regulation***

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 Base Prospectus as completed by the Final Terms 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.

**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 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 Final Terms, (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 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 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 Final Terms, 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; 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.

## SECTION III.4 – TERMS AND CONDITIONS OF THE WARRANTS

*The following are the terms and conditions of the Warrants (the "**Conditions**") which apply to all Warrants and which are completed by the Final Terms for each issue of Warrants.*

The Warrants are issued by HSBC Bank plc (the "**Issuer**") pursuant to a programme for the issuance of notes and warrants (the "**Programme**") established by the Issuer. The Warrants also have the benefit of a warrant agency agreement dated 24 February 1999 as most recently amended and restated on or about 26 May 2022 (as further modified and/or amended from time to time, the "**Warrant Agency Agreement**") made between, among others, the Issuer, 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, which expression shall include any successor or other Calculation Agent appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms), HSBC Bank plc as principal warrant agent (the "**Principal Warrant Agent**", which expression includes any successor or other principal warrant agent appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms, and together with any successor or other warrant agent appointed pursuant to the Warrant Agency Agreement or the Computershare Agency Agreement (as defined below), as specified in the relevant Final Terms, the "**Warrant Agents**"), HSBC Bank plc as authentication agent (the "**Authentication Agent**", which expression includes any successor or other authentication agent appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms), HSBC Bank USA, National Association as warrant transfer agent (the "**Warrant Transfer Agent**", which expression shall include any successor or other warrant transfer agent appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms), HSBC Bank USA, National Association as warrant registrar (the "**Warrant Registrar**", which expression shall include any successor or other warrant registrar appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms) and the other parties specified therein.

In addition, the Issuer 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 27 May 2021 (such deed, as amended and/or supplemented and/or restated from time to time, the "**Warrant Deed of Covenant**") for the purposes of constituting Uncertificated Registered Warrants.

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 amended and restated on or about 25 May 2023 (as further modified and/or amended from time to time, the "**Master Warrant Issuance Agreement**") and made between, among others, the Issuer, HSBC Bank plc and HSBC Continental Europe as Managers (each a "**Manager**" and together the "**Managers**", which expression shall include any additional or successor Manager) and The Hongkong and Shanghai Banking Corporation Limited (which entity shall not be a manager for the purposes of the Warrants).

Copies of the Warrant Agency Agreement, the Computershare Agency Agreement and the Warrant Deed of Covenant are available for inspection by Holders (as defined below) of Warrants, and copies of the relevant Final Terms, this Base Prospectus and any supplemental base prospectus may be obtained in each case during normal business hours at the specified offices of the Principal Warrant Agent and the CREST Registrar, respectively. The Warrant holders (as defined in Condition 2 (*Form and Transfer*)) 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 referred to in Condition 5 (*Exercise Procedure*)) of the Warrant Agency Agreement, the Computershare Agency Agreement and the 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 final terms (each, the "**Final Terms**"). In the case of a Tranche of Warrants in relation to which application has not been made to admit to trading on the main market of the London Stock Exchange plc copies of the relevant Final Terms will only be available to a Holder (as defined in Condition 2 (*Form and Transfer*)) of such Warrants. Other than the issue date and the issue price, the Warrants of each Series will have identical terms and conditions. The Warrants of each Tranche will have identical terms and conditions.

Words and expressions defined in the Warrant Agency Agreement or the Computershare Agency Agreement or used in the relevant Final Terms 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 Warrant Agency Agreement, the Computershare Agency Agreement and the relevant Final Terms, the relevant Final Terms will prevail.

1. **Definitions**

"**Additional Disruption Event**" means such of Change in Law, Hedging Disruption and/or Increased Costs of Hedging, as are specified as such in the relevant Final Terms;

"**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 an Administrator/Benchmark Event;

"**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 Final Terms as an "Alternative Pre-nominated Index" and which is not subject to an Administrator/Benchmark Event;

"**Averaging Date**" means:

- (i) in respect of a Warrant relating to a single Index, each date specified as such in the relevant Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (ii) in respect of a Warrant relating to an Index Basket, each date specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day in respect of any Index comprising the Index Basket, the Averaging Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

in each case, subject to the provisions of Condition 17 (*Consequences of Disrupted Days*);

"**Average Index Level**" means, in respect of an Index and the determination of the Cash Settlement Amount, the arithmetic average of the Averaging Index Levels relating to such determination of the Cash Settlement Amount, as determined by the Calculation Agent, rounded up to four decimal places (with 0.00005 being rounded up);

"**Averaging Index Level**" means (a) with respect to an Index and an Averaging Date, the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Averaging Date or (b) with respect to 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, in each case, as rounded up to four decimal places (with 0.00005 being rounded up);

"**Basket**" means, in respect of a Warrant, a basket composed of each Index specified in the relevant Final Terms in the relative proportions indicated in the Final Terms;

"**Business Centre**" means the city or cities specified as such in the relevant Final Terms;

"**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 (other than a Saturday or Sunday) 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 Warrant, a day (other than a Saturday or Sunday) 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;

"**Cap**" means the percentage specified as such in the relevant Final Terms;

"**Cash Settlement Amount**" has the meaning given to it in Condition 7 (*Cash Settlement Amount*);

"**Cash Settlement Date**" means the date specified as such in the relevant Final Terms or if such day is not a Business Day, the following Business Day or, if later, 5 Business Days following the Exercise Date;

"**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 in its sole and absolute discretion 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 or disposal of, Component Securities or other components comprised in an 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 or (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);

"**Clearing System**" means, in relation to a Series of Warrants, Euroclear, Clearstream, Luxembourg and/or CREST in which Warrants of the relevant Series are for the time being held, or in relation to an individual Warrant, in which that Warrant is for the time being held, in each case as specified in the relevant Final Terms;

"**Clearstream, Luxembourg**" means Clearstream Banking S.A.;

"**Component Security**" means, with respect to an Index, each component security of that Index;

"**CREST**" means Euroclear UK & International Limited (formerly known as Euroclear UK & Ireland Limited);

"**Digital Amount**" means the percentage specified as such in the relevant Final Terms;

"**Disrupted Day**" means in respect of an Index (a) any Scheduled Trading Day in respect of such Index 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 in respect of such Index has occurred; (b) if the Warrants are Multiple Exchange Index-Linked Warrants, any Scheduled Trading Day in respect of such Index on which (i) the Index Sponsor fails to publish the level of such Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred ;

"**Early Closure**" means (a) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index 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;

"**EMU Event**" means the occurrence of any of the following, as determined by the Calculation Agent:

- (i) the redenomination of any security into euro;
- (ii) the change by any organised market, exchange or clearing, payment or settlement system in the unit of account of its operating procedures to the euro;
- (iii) any change in the currency of denomination of any Index; or
- (iv) any change in the currency in which some or all of the securities or other property comprising any Index is denominated;

"**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 SA/NV;

"**Exchange**" means (a) with respect to an Index, each exchange or quotation system specified as such in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in components of the Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such components 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 Final Terms);

"**Exchange Business Day**" means in respect of an Index (a) any Scheduled Trading Day in respect of such Index on which each Exchange and any relevant Related Exchange for such Index 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 in respect of such Index on which (i) the Index Sponsor publishes the level of such Index and (ii) the Related Exchange for such Index 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 on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, future or options contracts relating to the relevant Index 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 in the relevant Final Terms the Expiry Date, in accordance with the provisions of Condition 4(d) (*Rights on Exercise - 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*);

**"Expiry Date"** means the date specified as such in the relevant Final Terms; **provided, however, that** if:

- (X) Automatic Exercise is specified as "Not Applicable" in the relevant Final Terms, if the Scheduled Valuation Date on or immediately preceding the Expiry Date is postponed (x) pursuant to the provisions of Condition 17 (*Consequences of Disrupted Days*) 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 Exchange Business Day following the later of the postponed Scheduled Valuation Date and the Limit Valuation Date. In respect of a Warrant which relates to an Index 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
- (Y) Automatic Exercise is specified as "Applicable" in the relevant Final Terms, if the Scheduled Valuation Date on or immediately preceding the Expiry Date is postponed (x) pursuant to the provisions of Condition 17 (*Consequences of Disrupted Days*) 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 the postponed Scheduled Valuation Date and the Limit Valuation Date. In respect of a Warrant which relates to an Index 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;

**"Face Value"** means, in respect of a Warrant, the face value of such Warrant identified or specified as such in the relevant Final Terms;

**"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;

**"Final Index Level"** means, with respect to an Index, (a) the level of such Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Final Valuation Date or (b) with respect to a Multiple Exchange Index, the official closing level of such Index on the Final Valuation Date as calculated and published by the Index Sponsor, in each case, as rounded up to four decimal places (with 0.00005 being rounded up);

**"Final Index Performance"** means:

- (i) in relation to an Index, if no Averaging Dates are specified in the relevant Final Terms, a percentage calculated by the Calculation Agent in respect of the Final Valuation Date in accordance with the following formula:

$$\left[ \frac{\text{Final Index Level}}{\text{Initial Index Level}} \right] \times 100\%$$

- (ii) in relation to an Index, if Averaging Dates are specified in the relevant Final Terms, a percentage calculated by the Calculation Agent in respect of such Averaging Dates in accordance with the following formula:

$$\left[ \frac{\text{Average Index Level}}{\text{Initial Index Level}} \right] \times 100\%$$

**"Final Valuation Date"** means:

- (i) in respect of a Warrant relating to a single Index, the date specified as such in the relevant Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (ii) in respect of a Warrant relating to an Index Basket, the date specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day in respect of any Index comprising the Index Basket, the Final Valuation Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

in each case, subject to the provisions of Condition 17 (*Consequences of Disrupted Days*);

**"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 or any of its designated affiliates wholly 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);

**"Holder"** has the meaning given to it in Condition 2 (*Form and Transfer*);

**"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 relevant price risk (including without limitation, 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;

**"Index"** means, in relation to a Series of Warrants, the (or in the case of Index Basket Warrants, an) index to which such Warrant relates, as specified in the relevant Final Terms, subject to adjustment pursuant to Condition 18 (*Adjustments to Indices*) and **"Indices"** shall be construed accordingly;

**"Index Basket"** means, in relation to a Series of Warrants, the basket of indices to which such Warrants relate, as specified in the relevant Final Terms, subject to adjustment pursuant to Condition 18 (*Adjustments to Indices*) and **"Index Baskets"** shall be construed accordingly;

**"Index Rules"** means in respect of an Index the rules of such Index Sponsor in relation to the Index, specified as such in the relevant Final Terms;

**"Index Sponsor"** means, in respect of an Index, the corporation or other entity specified as such in the relevant Final Terms and any successor corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during or at the end of each Scheduled Trading Day;

**"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;

**"Initial Index Level"** means with respect to an Index, the level of such Index specified as such in the relevant Final Terms or, if no such level is so specified, the level of such 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 such 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);

**"Issue Date"** means the date specified as such in the relevant Final Terms;

**"Limit Valuation Date"** has the meaning given to it in Condition 16 (*Consequences of Disrupted Days*);

**"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 Warrant Agent, the Warrant Agent, or the Warrant Registrar or the Warrant Transfer Agent, to which the relevant Warrant is presented for payment is located;

**"Market Disruption Event"** means in respect of an Index (a) the occurrence or existence of (i) a Trading Disruption, (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** if a Market Disruption Event occurs in respect of a Component Security at any 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 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 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 such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such 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 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 such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor of such Index as part of the market "opening data";

**"Minimum Exercise Number"** has the meaning given to it in Condition 6 (*Minimum Number of Warrants Exercisable*);

**"Multiple Exchange Index"** means an Index specified as such in the relevant Final Terms;

**"Multiple Exchange Index-Linked Warrants"** means Warrants which relate to a Multiple Exchange Index;

**"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 given to it in Condition 16 (*Substitution*);

**"Participation"** means the percentage in excess of 100% specified as such in the relevant Final Terms;

**"Participating Member State"** 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 given to it in Condition 6 (*Minimum Number of Warrants Exercisable*);

**"Protection Level"** means the percentage specified as such in the relevant Final Terms;

**"Related Exchange"** means, subject to the proviso below, in respect of an Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms, 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 Index 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 Index as on the original Related Exchange) **provided, however, that** where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, **"Related Exchange"** shall mean in respect of an Index 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 Index, as the case may be;

**"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;

**"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 Final Terms 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 Final Terms 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 Final Terms as being applicable to such Warrants (or, if applicable, the index, benchmark or other price source that is referred to in such Index);
- (d) any other index, benchmark or price source specified in the relevant Final Terms 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 9A (*Consequences of an Administrator/Benchmark 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 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 Final Performance"** means the Final Index Performance or the weighted arithmetic average of the Final Index Performance of each constituent Index in the Index Basket as is specified in the relevant Final Terms as being applicable in relation to the calculation of the Cash Settlement Amount;

**"Relevant Level"** means the Final Index Level or the Average Index Level as is specified as such in the relevant Final Terms;

**"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;

**"Replacement Index"** has the meaning given to it in Condition 9A(a)(ii)(A) (*Consequences of an Administrator/Benchmark Event*);

**"Scheduled Averaging Date"** means any original date specified in the relevant Final Terms that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date;

**"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"** means the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date;

**"Scheduled Trading Day"** means in respect of an Index (a) any day on which the relevant Exchange and the relevant Related Exchange for such Index are scheduled to be open for trading for their respective regular trading sessions; or (b) with respect to a Multiple Exchange Index, any day on which (i) the Index Sponsor for such Index is scheduled to publish the level of such Index and (ii) the Related Exchange for such Index 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 the Final Valuation Date;

**"Securities Act"** means the United States Securities Act of 1933, as amended;

**"Settlement Currency"** means the currency specified as such in the relevant Final Terms;

**"Settlement Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Final Terms;

**"Specified Maximum Number of Disrupted Days"** means the eighth Scheduled Trading Day or such other number of Scheduled Trading Days specified as such in the relevant Final Terms;

**"Strike Date"** means,

- (a) in respect of a Warrant relating to a single Index, the date specified as such in the relevant Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in respect of a Warrant relating to an Index Basket, the date specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day in respect of any Index comprising the Index Basket the Strike Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

in each case, subject to the provisions of Condition 17 (*Consequences of Disrupted Days*), which shall apply as if such Strike Date were the Final Valuation Date;

**"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 such Index in effect immediately prior to the occurrence of the Index Cancellation;

**"Successor Index"** has the meaning given in Condition 18(a);

**"T2"** means the real time gross settlement system operated by the Eurosystem, or any successor system;

**"Taxes"** has the meaning given to it in Condition 5(a)(E) (*Exercise Procedure – Exercise Notice*);

**"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) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to 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;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**Valid Date**" means, in respect of an Index, a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Final Valuation Date does not or is not deemed to occur;

"**Valuation Time**" means (a) in relation to an Index the level of which falls to be determined on any date, the time on such date specified as such in the relevant Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on such date in relation to such Index; 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 in respect of such Index has occurred, in respect of any options contracts or future contracts on such Index, the close of trading on the Related Exchange for such Index; and (c) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor for such Index and/or set out in the Index Rules for such Index (as applicable);

"**USD**" means the lawful currency of the United States of America;

"**Warrantholder**" has the meaning given to it in Condition 2 (*Form and Transfer*); and

"**Weighting**" means, in respect of each Index comprised in the relevant Basket, the percentage weighting assigned to such Index and specified as such in the relevant Final Terms.

## 2. **Form and Transfer**

### (a) **Form**

Each Tranche of Warrants will (as specified in the relevant Final Terms) 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 Regulation S, and represented by a Regulation S global registered warrant (the "**Regulation S Global Registered Warrant**").

References in these Conditions to "**Global Registered Warrants**" are to 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**").

### (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 all purposes other than payment, the persons for the

time being appearing in the books of the relevant Clearing System shall be treated as the Warrantheolders 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.

(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 Uncertificated Securities 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 "**Warrantheolder**" 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 relevant Final Terms 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 relevant Final Terms, 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 Uncertificated Securities Regulations, and (C) for the avoidance of doubt, the Conditions and the relevant Final Terms 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 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 12 (*Notices*).

If at any time:

- (A) a Warrantheader ceases for any reason to be a member of CREST; or
- (B) 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**

The Warrants of each Series constitute direct, unsubordinated and unsecured 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.

4. **Rights on Exercise**

(a) ***"European Style" Exercise***

If the Warrants are specified in the relevant Final Terms as being European Style Warrants, then this Condition 4(a) (*Rights on Exercise – "European Style" Exercise*) 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(d) (*Rights on Exercise – 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(a) (*Exercise Procedure – Exercise Notice*) shall become void in accordance with Condition 4(c) (*Rights on Exercise – Warrants Void on Expiry*).

(b) ***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 Final Terms) a Cash Settlement Amount (as defined in Condition 7 (*Cash Settlement Amount*)) in the Settlement Currency specified in the relevant Final Terms. 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 Warrantheader being aggregated for the purpose of determining the aggregate Cash Settlement Amount payable in respect of such Warrants.

(c) ***Warrants Void on Expiry***

Warrants which are not deemed automatically exercised in accordance with Condition 4(d) (*Rights on Exercise – 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.

(d) ***Automatic Exercise***

Notwithstanding Condition 4(c) (*Rights on Exercise – Warrants Void on Expiry*) unless Automatic Exercise is specified as "Not Applicable" in the relevant Final Terms, any Warrant which in the determination of the Calculation Agent is "in-the-money" and 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 automatically exercised by the Principal Warrant Agent on behalf of the Warrantholders on the Expiry Date and the provisions of Condition 5(f) (*Exercise Procedure – 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 automatically exercised in accordance with this Condition 4(d) (*Rights on Exercise – Automatic Exercise*).

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 or email (such email to be sent to [ctla.payingagency@hsbc.com](mailto:ctla.payingagency@hsbc.com), or such other email address as notified to the Warrantholders by the Principal Warrant Agent from time to time), 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) on the Expiry Date, subject to Condition 4(a) (*Rights on Exercise – "European Style" Exercise*).

Subject to Condition 4(c) (*Rights on Exercise – 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) shall be null and void.

Each Exercise Notice shall:

- (A) specify the name, address, telephone and facsimile details of the Warrantholder in respect of the Warrants being exercised;
- (B) 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*)));
- (C) 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;
- (D) 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
- (E) 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 or sufficient funds equal to the number of Warrants being exercised 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, as the case may be, 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 System to which the Cash Settlement Amount 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.

(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 Final Terms on the date specified therefor in the relevant Final Terms 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 Procedure – 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) ***Exercise Risk***

Exercise of the Warrants and in 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 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.

(g) ***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.

(h) ***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 Procedure – 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.

6. **Minimum Number of Warrants Exercisable**

The Warrants are exercisable in the minimum number (the "**Minimum Exercise Number**") specified in the relevant Final Terms and integral multiples thereof (or, if a "**Permitted Multiple**" is specified in the relevant Final Terms, 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 Warrantholders in accordance with Condition 12 (*Notices*).

7. **Cash Settlement Amount**

Subject to Condition 5(e) (*Exercise Procedure – Payment of Alternative Currency Equivalent*), the amount payable by the Issuer to the Holder pursuant to Condition 4(b) (*Rights on Exercise - Cash Settlement*) (the "**Cash Settlement Amount**") means a cash amount calculated in accordance with this Condition.

(a) ***Protection Cash Settlement Put Warrant***

If Protection Cash Settlement Put Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(b) ***Growth Cash Settlement Call Warrant***

If Growth Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) the product of the following formula:

$$\begin{aligned} &\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ &\quad + \text{Participation} \\ &\quad \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%] \end{aligned}$$

(c) ***Capped Growth Cash Settlement Call Warrant***

If Capped Growth Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) the product of the following formula:

$$\begin{aligned} &\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ &\quad + \text{MIN} [\text{Cap}; \text{Participation}] \\ &\quad \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%] \end{aligned}$$

(d) ***Partially Protected Cash Settlement Put Warrant***

If Partially Protected Cash Settlement Put Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) the product of the following formula:

$$\begin{aligned} &\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ &\quad - \text{MIN} [100\% \\ &\quad - \text{Protection Level}; \text{MAX} [0; 100\% \\ &\quad - \text{Relevant Final Performance}]] \end{aligned}$$

(e) ***Conditional Growth Cash Settlement Call Warrant***

If Conditional Growth Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) either:
  - (A) if the Relevant Final Performance is equal to or greater than 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ + \text{Participation} \\ \times [\text{Relevant Final Performance} - 100\%]; \text{ or}$$

- (B) if the Relevant Final Performance is less than 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

(f) ***Conditional Capped Growth Cash Settlement Call Warrant***

If Conditional Capped Growth Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) either:
  - (A) if the Relevant Final Performance is equal to or greater than 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ + \text{MIN} [\text{Cap}; \text{Participation} \times [\text{Relevant Final Performance} \\ - 100\%]]; \text{ or}$$

- (B) if the Relevant Final Performance is less than 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]].$$

(g) ***Digital Cash Settlement Put Warrant***

If Digital Cash Settlement Put Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% \\ - \text{Protection Level}; \text{MAX} [0; 100\% \\ - \text{Relevant Final Performance}]].$$

(h) ***Digital Cash Settlement Call Warrant***

If Digital Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) either:
  - (A) if the Relevant Final Performance is equal to or greater 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ + \text{Digital Amount}; \text{ or}$$

- (B) if the Relevant Final Performance is less than 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]].$$

8. **Effects of European Economic and Monetary Union**

- (a) Following the occurrence of an EMU Event, the Calculation Agent may make such adjustment (and determine the effective date of such adjustment) as it determines appropriate, if any, to the formula for the Cash Settlement Amount and any other variable relevant to the exercise, settlement or payment terms of the relevant Warrants which in the discretion of the Calculation Agent 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 conversion rates and rounding rules established by the Council of the European Union pursuant to the Treaty as it, acting in good faith and a commercially reasonable manner, 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, acting in good faith and a commercially reasonable manner considers necessary to the formula for the Cash Settlement Amount and any other amount as it determines, acting in good faith and a commercially reasonable manner, 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.

9. **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. 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 Warrantheolders in accordance with Condition 12 (*Notices*). In acting under the Warrant Agency Agreement, the Principal Warrant Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantheolders.

(b) ***Calculation Agent***

The Warrant Agent, the Authentication Agent, the Warrant Transfer Agent, the Warrant Registrar and 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 of any Cash Settlement Amount.

All calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Warrants (including any determinations 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.

**9A Consequences of an Administrator/Benchmark Event**

(a) If the Issuer (in consultation with the Calculation Agent) determines that an Administrator/Benchmark 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 Final Terms:

(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 the 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 Final Terms 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 Administrator/Benchmark 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 level of the Affected Relevant Benchmark set out in Condition 18(c) (*Index Cancellation*), as if the relevant Administrator/Benchmark Event were an Index Cancellation; 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 the Early Termination Amount specified in the relevant Final Terms 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 12 (*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) In making any determination under this Condition 9A, the Issuer shall take account of such facts and circumstances as it considers relevant, including, without limitation, any determinations made in respect of any of the Issuer's hedging arrangements in relation to the Warrants (including in respect of any termination or re-establishment of hedging arrangements) and the Issuer's funding costs.
- (c) If the Issuer is not able to determine the Relevant Benchmark in accordance with the provisions of this Condition 9A 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 Final Terms) following the postponed Relevant Benchmark Determination Date.

- (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 Warrantheolders (in accordance with Condition 12 (*Notices*)).
- (e) Without prejudice to Condition 18(b) (*Index Modification*), if the definition, methodology or formula for a Relevant Benchmark in 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.

10. **Taxes**

A Warrantheolder subscribing for, purchasing or exercising a Warrant shall pay all Taxes and securities transfer taxes and any other charges, if any, payable in connection with the subscription, purchase or exercise of such Warrant and the delivery of the Cash Settlement Amount as a result of such exercise. The Issuer shall have the right, but not the duty (unless required by law), to withhold or deduct from any amounts otherwise payable to a Warrantheolder such amount as is necessary for the payment of any such taxes, duties or charges or for effecting reimbursement in accordance with the next sentence.

In any case where the Issuer is obliged to pay any such tax, duty or charge referred to in the previous paragraph, the relevant Warrantheolder shall promptly reimburse the Issuer therefor.

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.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986, as amended, 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 ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Warrant 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 FATCA withholding.

11. **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 by this Condition 10. In such circumstances the Issuer will, however, pay to each Warrantheolder 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 Warrantheolders in accordance with Condition 12 (*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 Warranholders) 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.

12. **Notices**

All notices to Warranholders 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 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 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 delivery 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 the required newspapers).

13. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Holders of the Warrants of any Series to create and issue further warrants ranking equally in all respects with the Warrants of such Series so that the same shall be consolidated and form a single series with such Warrants for the time being outstanding.

14. **Purchase by the Issuer**

Each of the Issuer and any person directly or indirectly connected with the Issuer may at any time purchase Warrants at any price in the open market or otherwise, and such Warrants may be held, reissued, resold or, provided such Warrants are held by the Issuer, at the option of the Issuer, reissued or cancelled.

15. **Modification**

Subject in case of the Warrant Agency Agreement and the Master Warrant Issuance Agreement (as applicable) to the agreement of the other parties thereto, the Issuer may agree, without consent of the Warranholders, to:

- (a) any modification (except as mentioned above) of the Warrant Agency Agreement or the Master Warrant Issuance Agreement or the Conditions which is not materially prejudicial to the interests of the Warranholders as a whole;
- (b) any modification of the Conditions or the Warrant Agency Agreement or the Master Warrant Issuance 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 final terms and the conditions of the Warrant issue (comprising these Conditions as completed by the relevant Final Terms) and the relevant termsheet relating to the Warrants.

Any such modification shall be binding on the Warrantholders and any such modification shall be notified to the Warrantholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

16. **Substitution**

The Issuer may also agree, without the consent of the Warrantholders, 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 Warrantholders in accordance with Condition 12 (*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 Warrantholders 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 Warrantholder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Warrantholder.

17. **Consequences of Disrupted Days**

For the purposes of this Condition 17 (*Consequences of Disrupted Days*) "**Limit Valuation Date**" shall mean, if any Scheduled Valuation Date in respect of a Warrant is a Disrupted Day, the Specified Maximum Number of Disrupted Days following such Scheduled Valuation Date, notwithstanding the fact that such day is a Disrupted Day.

- (a) If any Scheduled Valuation Date is a Disrupted Day, then:
- (i) in the case of a Warrant which relates to a single Index, the Final Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, **provided that** the Scheduled Valuation Date shall not fall after the Limit Valuation Date. In that case 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 estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and
  - (ii) in the case of a Warrant which relates to a basket of Indices, the Final Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Final 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 Final 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 of the relevant security or other property on the Limit Valuation Date, its estimate of the

value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date).

- (b) If Averaging Dates are specified in the relevant Final Terms, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index:
- (i) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Final Terms in relation to "**Averaging Date Market Disruption**" is:
- (A) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Cash Settlement Amount **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Index, then Condition 17(a) (*Consequences of Disrupted Days*) will apply for purposes of determining the relevant level on the final Averaging Date as if such final Averaging Date were a Scheduled Final Averaging Date that was a Disrupted Day. If any Averaging Dates occur after that Scheduled Final Averaging Date as a result of the occurrence of a Disrupted Day, then the calculation of such Cash Settlement Amount shall be made on the last such Averaging Date as though it were a Scheduled Final Averaging Date and the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall at least one Exchange Business Day following such Averaging Date;
- (B) "**Postponement**", then Condition 17(a) (*Consequences of Disrupted Days*) will apply for purposes of determining the Relevant Level on that Averaging Date as if such Averaging Date were a Scheduled Averaging 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 Warrants. If any Averaging Dates occur after the relevant Scheduled Final Averaging Date as a result of the occurrence of a Disrupted Day, then the calculation of the Cash Settlement Amount shall be made on the last such Averaging Date as though it were a Scheduled Final Averaging Date and the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall at least one Exchange Business Day following such Averaging Date; or
- (C) "**Modified Postponement**", then:
- (aa) in the case of a Warrant which relates to a single Index, such 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 immediately following the Scheduled Final Averaging Date in relation to the relevant Scheduled Averaging 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 the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 17(a)(i) (*Consequences of Disrupted Days*); and
- (bb) in the case of a Warrant which relates to a basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index 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, notwithstanding the fact that such day is a Disrupted Day (irrespective of whether that Limit Valuation Date is already an Averaging Date) and the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 17(a)(ii) (*Consequences of Disrupted Days*).

If any Averaging Dates occur after a Scheduled Final Averaging Date as a result of the occurrence of a Disrupted Day, then the calculation of the Cash Settlement Amount shall be made on the last such Averaging Date as though it were a Scheduled Final Averaging Date and the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall at least one Exchange Business Day following such Averaging Date.

For the purposes of this Condition 17(b)(C), "**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 the Scheduled Final Averaging Date, notwithstanding the fact that such day is a Disrupted Day.

18. **Adjustments to Indices**

(a) *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.

(b) *Index Modification*

If on or prior to any Final 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.

(c) *Index Cancellation*

If on or prior to the Final 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:

- (i) 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 Warrantheolders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*);
- (ii) if "Index Substitution" is specified as being applicable in the relevant Final Terms, 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 Warranholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*) and, with effect from the date so determined, the Substitute Index shall be deemed to be the Index; and

- (iii) if no Substitute Index has been identified within 10 Business Days of the giving of such Index Cancellation Notice or if "Index Substitution" has not been specified as being applicable in the relevant Final Terms, the Issuer shall, in its sole and absolute discretion, 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 Relevant Level for such Final Valuation Date or Averaging Date using, in lieu of a published level of that Index, the level for that Index as at that Final Valuation Date or Averaging Date 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 Warranholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*), specifying the early termination amount and early termination date, and the entitlements of the relevant Warranholders 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 immediately prior to such early termination.

(d) *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 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.

19. **Additional Disruption Events**

Following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the Warrants shall continue and, if so, 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 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 Warranholders 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.

20. **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.

21. **Governing Law**

(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 consequences of their nullity).



## SECTION III.5 – FORM OF FINAL TERMS FOR WARRANTS

*Set out below is the template of the "Final Terms", a document which will be filled out for each issue of Warrants and which will complete the terms and conditions in respect of each such issue of Warrants.*

Final Terms dated: [•]

### HSBC Bank plc

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

### Programme for the Issuance of Notes and Warrants

**Legal Entity Identifier (LEI): MP6I5ZYZBEU3UXPYFY54**

**[Further] Issue of**

**[Aggregate Number of Tranche] [Title of Warrants]**

**[(to be consolidated and form a single series with the existing Tranche[s] [ ]]**

### PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Warrants described herein. 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 Base Prospectus dated on or about 23 June 2023 relating to Index-Linked Warrants issued under the above Programme, together with each supplemental prospectus relating to the Programme published by the Issuer after 23 June 2023 but before the issue date or listing date of the Warrants to which these Final Terms relate, whichever is later, which together constitute a base prospectus ("**Prospectus**") for the purposes of the Prospectus Regulation (EU) 2017/1129), as amended, as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation Rules sourcebook in the FCA Handbook (the "**UK Prospectus Rules**") and must be read in conjunction with such Prospectus. However, a summary of the issue of the Notes is annexed to these Final Terms.

*[The following alternative paragraph to be included instead of the above paragraph where either the Offer Period for the Notes, the Issue Date for the Warrants or the date of admission to trading for the Warrants is expected to span the update of the Base Prospectus:*

This document constitutes the Final Terms for the purposes of the Regulation (EU) 2017/1129) as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**") relating to the issue of the Tranche of Warrants described herein and must be read in conjunction with (i) in relation to the period to and including 21 June 2024 (the "**2023 Prospectus Expiry Date**"), the Base Prospectus dated 23 June 2023 relating to Index-Linked Warrants issued under the above Programme, which together with each supplemental prospectus relating to the Programme published by the Issuer after 23 June 2023 but before the 2023 Prospectus Expiry Date (the "**2023 Prospectus**") for the purposes of the Prospectus Regulation, and (ii) from but excluding the 2023 Prospectus Expiry Date, such base prospectus relating to Index-Linked Warrants issued under the above Programme as is published by the Issuer in replacement of the 2023 Prospectus, which together with each supplemental prospectus relating to the Programme published by the Issuer after such publication but before the issue date or listing date of the Warrants, whichever is later, to which these Final Terms relate constitutes a base prospectus (the "**2024 Prospectus**") for the purposes of the Prospectus Regulation Prospectus Regulation Rules sourcebook in the FCA Handbook (the "**UK Prospectus Rules**"). Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants set forth in the 2023 Prospectus (the "**Conditions**") and which are or will be incorporated by reference into the 2024 Prospectus. A summary of the issue of the Warrants is annexed to these Final Terms.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering document with an earlier date:*

This document constitutes the Final Terms relating to the issue of the Tranche of Warrants described herein. 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 Base Prospectus dated [ ] which are incorporated by reference in the Base Prospectus dated 23 June 2023 and are applicable to the Warrants. This document constitutes the Final Terms of the Warrants described herein for the purposes of the Prospectus Regulation Rules sourcebook in the FCA Handbook (the "**UK Prospectus Rules**") and must be read in conjunction with the Base Prospectus 23 June 2023 together with each supplemental prospectus relating to the Programme published by the Issuer after 23 June 2023 but before the issue date or listing date of the Warrants to which the Final Terms relate, whichever is later, which together constitute a base prospectus ("**Prospectus**") for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**"). However, a summary of the issue of the Notes is annexed to these Final Terms.]

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is 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

*[ The following alternative paragraph to be included instead of the above paragraph where either the Offer Period for the Notes, the Issue Date for the Warrants or the date of admission to trading for the Warrants is expected to span the update of the Base Prospectus:*

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and (i) in relation to the period to and including the 2023 Prospectus Expiry Date, the 2023 Prospectus, and (ii) from but excluding the 2023 Prospectus Expiry Date, the 2024 Prospectus. Each of the 2023 Prospectus and the 2024 Prospectus are available for viewing from their respective dates of publication 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.]

**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 Regulation (EU) 2017/1129 (as amended, 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.

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**CMP Regulations 2018**") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A 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 Recommendations on Investments Products.)

1. Issuer: HSBC Bank plc
2. Tranche Number: [ ] [The Warrants issued under these Final Terms are to be consolidated and form a single series with [ ] (the "**Original Issue**") issued on [ ] [(ISIN)]: [ ]]

3. Settlement Currency: [ ]
4. Aggregate Number of Warrants in the:
- (i) Series: [ ]
- (ii) Tranche: [ ]
5. Face Value: [ ] per Warrant
6. Issue Price: [ ] [ ] per Warrant
7. (i) Issue Date: [ ]
- (ii) Trade Date: [ ]
8. Expiry Date: [ ] [(or if such date is not a Business Day the immediately following day that is a Business Day)]
9. Type of Warrants: [Index] [Index Basket]
10. Series represented by: [Global Registered Warrant] [Not Applicable] [Warrants in definitive form [will/will not] be issued.]
11. Form of Warrant: [Uncertificated Registered Warrants]
- [Regulation S Global Registered Warrants] [Definitive Registered Warrants]
12. Style of Warrants: The Warrants are European Style [Call] [Put] Warrants. Condition 4(a) is applicable.
13. (i) Automatic Exercise: [Applicable] [Not Applicable]
- (ii) Minimum Exercise Number: [ ] Warrants
- (iii) Permitted Multiple: [ ] Warrants

**PROVISIONS RELATING TO CASH SETTLEMENT**

14. Method for determining the Cash Settlement Amount of each Warrant: [Protection Cash Settlement Put Warrant] [Growth Cash Settlement Call Warrant] [Capped Growth Cash Settlement Call Warrant] [Partially Protected Cash Settlement Put Warrant] [Conditional Growth Cash Settlement Call Warrant] [Conditional Capped Growth Cash Settlement Call Warrant] [Digital Cash Settlement Put Warrant] [Digital Cash Settlement Call Warrant]
15. Cash Settlement Date: [ ] [or, if later, the fifth Business Day following the Exercise Date]
16. Provisions relating to the calculation of the Cash Settlement Amount:
- (i) [Index]/[Index Basket]: [ ] [The Index is a Multiple Exchange Index]

[Each of the indices specified in the table below:]

<i>Index</i>	<i>Multiple Exchange Index</i>	<i>Weighting</i>
[ ]	[Yes] [No]	[ ]

[(each, an "**Index**" and together, the "**Indices**")]

- (iii) Cap: [[ ] per cent.] [Not Applicable]
- (iv) Digital Amount: [[ ] per cent.] [Not Applicable]
- (v) Participation: [[ ] per cent.] [Not Applicable]
- (vi) Protection Level: [[ ] per cent.] [Not Applicable]
- (vii) Relevant Final Performance: [Final Index Performance] [the weighted arithmetic average of the Final Index Performance of each constituent Index in the Basket]
- (viii) Relevant Level: [Final Index Level] [Average Index Level] [Not Applicable]
- (ix) Averaging Dates: [ ] [Not Applicable]
- (x) Averaging Date Market Disruption: [ ] [Omission] [Postponement] [Modified Postponement] [Not Applicable]

17. Further provisions relating to the underlying Ind[ex] [ices]:

- (i) Index Sponsor(s): [ ]
- (ii) Index Rules: [ ] [Not Applicable]
- (iii) Exchange(s): [ ]
- (iv) Related Exchange(s): [ ] [All Exchanges]
- (v) Initial Index Level: [ ] [The definition in Condition 1 applies]
- (vi) Strike Date: [ ]
- (vii) Final Valuation Date: [ ] [Not Applicable]
- (viii) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]] [Not Applicable]
- (ix) Index Substitution: [Applicable] [Not Applicable]
- (x) Alternative Pre-nominated Index: [Applicable] [Not Applicable]

<b>Underlying Index(ices)</b>	<b>Alternative Pre-nominated Index</b>	<b>Index Sponsor</b>	<b>Exchanges</b>	<b>Related Exchanges</b>	<b>Multiple Exchange Index</b>
[ ]	[ ]	[ ]	[ ]	[All Exchanges]	[ ]

- (xi) Number of local banking days for the [3] [ ]

purpose of postponing  
Relevant Benchmark  
Related Payment Date  
pursuant to Condition  
9A(c):

- 18. Business Day: [ ]
- 19. Business Centre(s): [ ]
- 20. Valuation Time: [ ] [The definition in Condition 1 applies]

**CONFIRMED**

**HSBC BANK PLC**

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 the United Kingdom Financial Conduct Authority]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not Applicable]
- (ii) Admission to trading: [The Original Issue was admitted to trading on the main market of the London Stock Exchange plc on [ ].] [Application [will be] [has been] made for the Warrants to be admitted to trading on [the main market of the London Stock Exchange plc]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not Applicable]

### 2. [REASONS FOR THE OFFER AND USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer and use [ ] [Not Applicable] of proceeds:
- (ii) Estimated net proceeds: [ ] [Up to [*issuance amount*]]
- (iii) Estimated total expenses: [ ] [Not Applicable]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE] [OFFER]

[ ]

[The Warrants may be on-sold by the Manager(s) to the Plan Manager at a discount to the Issue Price of [up to] [•%]. Such discount (the "**re-offer spread**") will be retained by the Plan Manager.]

Save for the re-offer spread retained by the Plan Manager, no person involved in the issue of the Warrants has, so far as the Issuer is aware, an interest material to the offer. The Manager(s) 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.]

[Save for the Distribution Fee (as defined in paragraph [4][5] below) payable to the Plan Manager (as defined below), no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the offer. The Manager(s) 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. INFORMATION ABOUT THE UNDERLYING

Information on the past and future performance and volatility of the [Index] [Indices comprised in the basket] can be obtained from [the following display pages on [ ] [Bloomberg (source: Bloomberg Financial Markets Service)]] [the following website [ ] [(Source: [ ])]]. Such information can be obtained [free of charge/set out *charging arrangements*].

### 5. DISTRIBUTION

- (i) If syndicated, name[s] of [ ] Manager[s] [and underwriting commitments]:

- (ii) Date of subscription agreement: [ ]
- (iii) Indication of the overall amount of the underwriting commission and of the placing commission: [ ] [The Issuer will pay to the Plan Manager a distribution fee (the "**Distribution Fee**") of [up to] percent. Of the principal amount of Warrants sold by the Plan Manager.] [Not Applicable]
6. If non-syndicated, name and address of Manager: [ ] [HSBC Bank plc, 8 Canada Square, London E14 5HQ]
7. Public Offer: [Applicable] [Not Applicable]
- (i) Details of the Public Offer: A public offer of this Tranche of Warrants may be made by the Managers [and [*insert plan manager's name*]] ([the "**Plan Manager**", and together with the Managers,] the "**Initial Authorised Offeror[s]**") and any other Authorised Offerors published on the Issuer's website www.hsbc.com (*following links to 'Investors', 'Fixed income investors', 'Final terms and supplements'*) other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom only (the "**Public Offer Jurisdiction**") during the period from and including [ ] until but excluding [ ] (the "**Offer Period**").
- (ii) Conditions attached to the consent to use the Prospectus: [ ] [Not Applicable]
8. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
9. Prohibition of Sales to UK Retail Investors: [Applicable] [Not applicable]
10. 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) of the U.S. Internal Revenue Code of 1986.]
11. Selling restrictions, United States of America: 40-day Distribution Compliance Period: [Applicable] [Not Applicable]

#### OPERATIONAL INFORMATION

12. ISIN Code: [ ] [Not Applicable]
13. Common Code: [ ] [Not Applicable]
14. Valoren Number: [ ] [Not Applicable]
15. SEDOL: [ ] [Not Applicable]
16. Other identifier / code: [ ] [Not Applicable]
17. Clearing System: [Euroclear] [Clearstream, Luxembourg] [CREST]

18. Delivery: Delivery [against] [free of] payment
- (i) Authentication Agent/  
Warrant Registrar/Warrant  
Transfer Agent: [ ] [HSBC Bank plc]
- (ii) Additional Warrant Agent(s)  
(if any): [ ] [None]
19. Common Depository: [ ] [HSBC Bank plc] [Not Applicable]
20. Principal Warrant Agent: [HSBC Bank plc] [ ]
21. Calculation Agent: [HSBC Bank plc] [HSBC Continental Europe]
22. Warrant Agent: [HSBC Bank plc] [ ]

**[TERMS AND CONDITIONS OF THE OFFER**

23. Offer Price: [Issue Price] [ ]
24. Total amount of the issue/offer; if the  
amount is not fixed, description of the  
arrangements and time for  
announcing to the public the definitive  
amount of the offer: [ ] [Not Applicable]
25. The time period, including any  
possible amendments, during which  
the offer will be open: [ ] [Not Applicable]
26. Conditions to which the offer is  
subject: [ ] [Not Applicable]
27. Description of the application  
process: [ ] [Not Applicable]
28. Description of possibility to reduce  
subscriptions and manner for  
refunding excess amount paid by  
applicants: [ ] [Not Applicable]
29. Details of the minimum and/or  
maximum amount of application: [ ] [Not Applicable]
30. Details of the method and time limits  
for paying up and delivering of the  
securities: [ ] [Not Applicable]
31. Manner in and date on which results  
of the offer are to be made public: [ ] [Not Applicable]
32. Procedure for exercise of any right of  
pre-emption, negotiability of  
subscription rights and treatment of  
subscription rights not exercised: [ ] [Not Applicable]
33. Whether tranche(s) have been  
reserved for certain countries: [ ] [Not Applicable]
34. Process for notification to applicants  
of the amount allotted and the



indication whether dealing may begin before notification is made:

35. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [ ] [Not Applicable]
36. Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [ ] [Not Applicable]
37. Name and address of any paying agents and depositary agents in each country: [ ] [Not Applicable]
38. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [ ] [Not Applicable]

#### **BENCHMARKS**

39. Details of benchmarks administrators and registration under UK Benchmarks Regulation: *[[specify benchmark]* is provided by *[administrator legal name]*. As at the date hereof, *[administrator legal name]* *[appears]/[does not appear]* in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation. *[As far as the Issuer is aware, as at the date hereof [specify benchmark] does not fall within the scope of the UK Benchmarks Regulation.]* *[As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that [administrator legal name] is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence).]* [Not Applicable]

**ANNEX**

**ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO THE UNDERLYING**

**[The following Index disclaimer[s] [is][are] applicable in respect of the [ ] [Index] [Indices], as agreed between the Index Sponsor[s] and the Issuer: [ ]].**

## **PART IV – INFORMATION RELATING TO UNDERLYING INDICES**

### **SECTION IV.1 – INDEX DISCLAIMERS**

*This section sets out disclaimers which may be applicable in respect of an issue of Notes or Warrants which are linked to the performance of an Index.*

Where a Series of Notes or Warrants relates to any of the indices specified below, a statement regarding such index will be included in an annex to the relevant Final Terms in or substantially in the form for such index set out below or in such other form as the Issuer may from time-to-time determine:

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