OFFERING MEMORANDUM DATED 27 MARCH 2024

HSBC Holdings plc

(a company incorporated in England with registered number 617987; the liabilities of its members is limited)

as Issuer

USD 50,000,000,000
PROGRAMME FOR ISSUANCE OF PERPETUAL SUBORDINATED CONTINGENT CONVERTIBLE SECURITIES

On 2 September 2014, HSBC Holdings plc (the "**Issuer**") established a programme (the "**Programme**") for the issuance by the Issuer of Perpetual Subordinated Contingent Convertible Securities ("**Securities**"), which are described in this document. This document (and all documents incorporated by reference herein) (the "**Offering Memorandum**") has been prepared for the purpose of providing disclosure information with regard to the Securities to be admitted to the Official List of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"), and trading on its Global Exchange Market. The Global Exchange Market of Euronext Dublin is not a regulated market for the purposes of Directive (2014/65/EU), as amended ("**MiFID II**") or Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom ("**UK**") by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**") ("**UK MiFIR**"). This Offering Memorandum constitutes listing particulars for the purposes of listing on the Official List of Euronext Dublin and trading on its Global Exchange Market. Application has been made for this Offering Memorandum to be approved by Euronext Dublin and for the Securities to be admitted to the Official List of Euronext Dublin and to trading on its Global Exchange Market. Investors should note that securities to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

Pursuant to the UK Financial Conduct Authority ("**FCA**") Conduct of Business Sourcebook ("**COBS**") the Securities are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK. Prospective investors are referred to the section headed "*Important Notices*" of this Offering Memorandum for further information.

This Offering Memorandum does not constitute (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This Offering Memorandum has been prepared solely with regard to the Securities that are (i) not to be admitted to listing or trading on any regulated market for the purposes of MiFID II or UK MiFIR and (ii) not to be offered to the public in the UK (other than pursuant to one or more of the exemptions set out in section 86 of the FSMA) or a Member State (other than pursuant to one or more of the exemptions set out in Article 1.4 of the Prospectus Regulation). This Offering Memorandum has not been approved or reviewed by any regulator which is a competent authority under the Prospectus Regulation or Part VI of the FSMA.

In relation to any Securities, this Offering Memorandum must be read as a whole and together also with the pricing supplement (the "**Pricing Supplement**") relating to such Securities. Any Securities issued under the Programme on or after the date of this Offering Memorandum are issued subject to the provisions described herein.

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

Securities issued under the Programme shall be issued with a denomination of at least EUR 100,000 (or its equivalent in any other currency as of the date of issue of such Securities) or such higher amount as may be required pursuant to any relevant rules, laws or regulations, or any requirements of any relevant governmental authority or body in any relevant jurisdiction, which may be applicable in respect of the Securities from time to time.

AN INVESTMENT IN THE SECURITIES INVOLVES CERTAIN RISKS. SEE PAGE 1 FOR RISK FACTORS.

Securities issued under the Programme may or may not be rated. **A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.** Any credit ratings assigned to an issue of Securities will be specified in the Pricing Supplement relating to such Securities.

The Securities 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.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or the 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 and in compliance with any applicable state securities laws. The Securities may include Securities in bearer form that are subject to U.S. tax law requirements.

Arranger and Dealer

HSBC

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this document and the relevant Pricing Supplement for each Tranche of Securities issued under the Programme. Having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omissions likely to affect its import.

The dealer named under "Subscription and Sale" below (the "**Dealer(s)**", which expression shall include any additional dealers appointed under the Programme from time to time) and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include any successor to The Law Debenture Trust Corporation p.l.c. as trustee under the trust deed dated 2 September 2014 between the Issuer and the Trustee (such trust deed as last modified and restated on or about 27 March 2024 and as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**")) have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers or the Trustee as to the accuracy or completeness of this Offering Memorandum or any document incorporated by reference herein or any further information supplied in connection with any Securities. The Dealers and the Trustee accept no liability in relation to this Offering Memorandum or its distribution or with regard to any other information supplied by or on behalf of the Issuer.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee or any of the Dealers.

This Offering Memorandum should not be considered as a recommendation by the Issuer, the Trustee or any of the Dealers that any recipient of this Offering Memorandum should purchase any Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. No part of this Offering Memorandum constitutes an offer or invitation by or on behalf of the Issuer, the Trustee or the Dealers or any of them to any person to subscribe for or to purchase any Securities.

Neither the delivery of this Offering Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Securities shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that the information contained in this Offering Memorandum is correct at any time subsequent to the date hereof or that any other written information delivered in connection herewith or therewith is correct as of any time subsequent to the date indicated in such document. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or its subsidiary undertakings during the life of the Programme.

The distribution of this Offering Memorandum and the offer or sale of Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Memorandum or any Securities come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and on the distribution of this Offering Memorandum, see "*Subscription and Sale*" below.

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

In this Offering Memorandum and in relation to any Securities, references to the "**relevant Dealers**" are to whichever of the Dealers enters into an agreement for the issue of such Securities as described in "Subscription and Sale" below and references to the "**relevant Pricing Supplement**" are to the Pricing Supplement relating to such Securities.

The Securities may not be suitable investments for all investors. The Securities may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risk of investing in the relevant Securities and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;

(d) understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) Securities are legal investments for it; (2) Securities can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

The Securities have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are being sold pursuant to an exemption from the registration requirements of such Act.

EU MiFID II product governance / target market – The Pricing Supplement in respect of any Securities may include a legend entitled "*MiFID II product governanc*e" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II product governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Product Governance under UK MiFIR – The Pricing Supplement in respect of any Securities may include a legend entitled "*UK MiFIR product governance*" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. A distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Prohibition on marketing and sales to retail investors

1. The Securities are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities. Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).

2.

    (a) In the UK, the COBS requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.

    (b) Some or all of the Dealers are required to comply with COBS.

    (c) By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Issuer and/or the Dealers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Dealers that:

        (i) it is not a retail client in the UK; and

        (ii) it will not (A) sell or offer the Securities (or any beneficial interests therein) to retail clients in the UK or (B) communicate (including the distribution of this Offering Memorandum) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

(d) In selling or offering the Securities or making or approving communications relating to the Securities, it may not rely on the limited exemptions set out in COBS.

3. The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area ("**EEA**") or the UK) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), whether or not specifically mentioned in this Offering Memorandum (including (without limitation) any requirements under MiFID II or the FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) for investors in any relevant jurisdiction).

4. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or the Dealers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors - The Securities 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 EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (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. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

Product Classification Pursuant to Section 309B of the SFA – The Pricing Supplement in respect of any Securities may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Securities pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). If applicable, the Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue under the Programme of the classification of the Securities being offered for purposes of section 309B(1)(a) and section 309B(1)(c) of the SFA.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT - Prospective investors should be aware that certain intermediaries in the context of certain offerings of Securities pursuant to this Programme (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**Overall Coordinators**" or "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant

Securities and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Securities subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Securities distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than a 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

SECURITYHOLDER ACKNOWLEDGMENT OF POTENTIAL DISCLOSURE

EACH SECURITYHOLDER (INCLUDING EACH BENEFICIAL OWNER) ACKNOWLEDGES THAT THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "**HKSE**") AND THE SECURITIES AND FUTURES COMMISSION OF HONG KONG (THE "**SFC**") MAY REQUEST THE ISSUER AND/OR THE DEALERS TO REPORT CERTAIN INFORMATION WITH RESPECT TO SUCH SECURITYHOLDER, INCLUDING, AMONG OTHER THINGS, SUCH SECURITYHOLDER'S NAME, COUNTRIES OF OPERATION AND ALLOTMENT SIZES, THAT THE ISSUER AND THE DEALERS MAY PROVIDE THE HKSE AND THE SFC WITH ANY SUCH REQUESTED INFORMATION WITH RESPECT TO SUCH SECURITYHOLDER AND THAT THE ISSUER'S MAJOR SHAREHOLDERS (INCLUDING THOSE WHO INVESTED IN THE SECURITIES) AND THEIR RESPECTIVE SHAREHOLDING POSITIONS MAY BE DISCLOSED IN THE ISSUER'S ANNUAL REPORTS AND/OR OTHER PUBLIC FILINGS TO BE MADE BY THE ISSUER IN ACCORDANCE WITH APPLICABLE STOCK EXCHANGE RULES OR REGULATORY REQUIREMENTS.

In connection with the issue of any Tranche of Securities, the Dealer or Dealers (if any) which the Dealers have agreed is/are the Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) may, to the extent permitted by laws or regulations, over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant

Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with the applicable laws and rules.

*All references in this Offering Memorandum to "**£**", "**GBP**", "**pounds**", "**Pounds Sterling**" and "**Sterling**" are to the lawful currency of the UK, all references to "**$**", "**dollars**", "**U.S.$**", "**USD**" and "**U.S. Dollars**" are to the lawful currency of the United States of America and all references to "**€**", "**euro**" and "**EUR**", are 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 establishing the European Community, as amended and all references to "**CNY**" and "**Renminbi**" are to the lawful currency of mainland China, which excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.*

CONTENTS

Page

RISK FACTORS

*Any investment in the Securities is subject to a number of risks. Prior to investing in the Securities, prospective investors should carefully consider risk factors associated with any investment in the Securities, the business of the Issuer and the industry in which it operates together with the 2023 Form 20-F (as defined below) and all other information contained in this Offering Memorandum, including, in particular, the risk factors described below and the risk factors set out in the Issuer's registration document, incorporated by reference (the "**Registration Document**"). 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 Securities and/or risk factors that are material for the purposes of assessing the market risk associated with the Securities. Terms and expressions in these risk factors shall, unless otherwise defined or unless the context otherwise requires, have the same meaning and be construed in accordance with the Terms and Conditions (the "**Conditions**") of the Securities. References herein to "**HSBC**" or the "**Group**" refer to the Issuer and its subsidiaries.*

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Securities and should be used as guidance only. Additional risks and uncertainties relating to the Issuer or the Securities 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 and its subsidiaries, the value of the Securities and, if any such risk should occur, the price of the Securities may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Securities is suitable for them in light of the information in this Offering Memorandum and their personal circumstances.

Risks relating to the Issuer

The section entitled "*Risk Factors*" on pages 168 to 180 of the Form 20-F dated 22 February 2024 filed with the U.S. Securities and Exchange Commission (as set out at https://www.sec.gov/Archives/edgar/data/1089113/000108911324000004/hsbc-20231231.htm) (the "**2023 Form 20-F**"), as incorporated by reference herein on page 32, 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 Securities.

Risks relating to specific features of the Securities

The Securities do not contain events of default and the remedies available to Securityholders under the Securities are limited.

The terms of the Securities do not provide for any events of default. Securityholders may not at any time demand repayment or redemption of their Securities, although in a winding-up or administration prior to the Capital Adequacy Trigger the Securityholders will have a subordinated claim for an amount equal to the principal amount of the Securities plus any accrued interest that has not otherwise been cancelled. There is no right of acceleration in the case of non-payment of principal or interest on the Securities or of the Issuer's failure to perform any of its obligations under or in respect of the Securities.

The sole remedy in the event of any non-payment of principal under the Securities, subject to certain conditions as described under Condition 10 (*Enforcement*), is that the Trustee, on behalf of the Securityholders, may, at its discretion and without further notice or, if requested in writing by the Holders of at least one-fifth of the principal amount of the Securities of the relevant Series then outstanding or if it shall have been directed by an Extraordinary Resolution (as defined in Condition 15 (*Modification of Terms, Waiver and Substitution*)) of the Securityholders of the relevant Series, institute proceedings for the winding-up of the Issuer and/or prove in any winding-up or administration in England for any payment obligations of the Issuer arising under the Securities in respect of such non-payment.

Prior to the occurrence of any winding-up or administration, the Securities will remain subject to conversion upon the Capital Adequacy Trigger and the exercise of the "write-down and conversion of capital instruments and liabilities" power or the "bail-in" power (as described in "*Applicable Bank Resolution Powers*" below). None of these events constitutes an event of default under the Trust Deed. The Issuer is entitled to cancel any interest payment as described under Condition 5 (*Cancellation of Interest*) of the Conditions and such cancellation or deemed cancellation (in each case, in whole or in part) will not constitute an event of default. If Ordinary Shares are not issued and delivered to the Settlement Shares Depositary following a Capital Adequacy Trigger, the only claim Securityholders will have will be a claim for specific performance to have such Ordinary Shares issued, or subordinated claims to participate in the liquidation proceeds of the Issuer.

The remedies under the Securities are more limited than those typically available to the Issuer's unsubordinated creditors. For further detail regarding the limited remedies of the Trustee and the Securityholders, see Condition 10 (*Enforcement*).

The Issuer's obligations under the Securities are subordinated and will be further subordinated upon conversion into Ordinary Shares.

The Issuer's obligations under the Securities will be unsecured and subordinated and will rank junior in priority of payment to the current and future claims of all of its senior and certain of its subordinated creditors including holders of its tier 2 capital. If a winding-up or administration of the Issuer in England occurs prior to the date on which a Capital Adequacy Trigger occurs, the Issuer will pay each Securityholder an amount that would have been payable if, throughout such winding-up or administration, such Securityholder had been the holder of a class of the Issuer's preference shares having an equal right to a return of assets in the winding-up or administration to, and so ranking *pari passu* with, the holders of the most senior class or classes of the Issuer's issued preference shares (if any) and which have a preferential right to a return of assets in the winding-up or administration of the Issuer in England over, and so rank ahead of, the holders of all other classes of issued shares for the time being in the capital of the Issuer but ranking junior to the claims of Prior Ranking Creditors as more fully described in Condition 2(c) (*Winding-up prior to a Capital Adequacy Trigger*). "Prior Ranking Creditors" include all unsubordinated creditors and those whose claims are subordinated to the claims of unsubordinated creditors but not further or otherwise (such as holders of the Issuer's tier 2 capital), among others. If a winding-up or administration of the Issuer in England occurs at any time on or following the date on which the Capital Adequacy Trigger occurs but the Ordinary Shares to be issued and delivered to the Settlement Shares Depositary on the Conversion Date have not been so delivered, the Issuer shall pay such amount, if any, as would have been payable to a Securityholder if, throughout such winding up or administration such Securityholder were the holder of such number of Ordinary Shares as that Securityholder would have been entitled to receive on the conversion, regardless of whether Condition 2(b) (*Subordination – conditions to payment*) in relation to solvency had been satisfied on such date and ignoring for these purposes the Issuer's right to elect for the Settlement Shares Depositary to carry out a Conversion Shares Offer.

Subject to complying with applicable regulatory requirements, the Issuer expects from time to time to incur additional indebtedness or other obligations that will constitute senior and subordinated indebtedness, and the Securities do not contain any provisions restricting the ability of the Issuer or its subsidiaries to incur senior or subordinated indebtedness. Although the Securities may pay a higher rate of interest than comparable securities which are not so subordinated, there is a real risk that an investor in the Securities will lose all or some of its investment in the Securities should the Issuer become insolvent since its assets would be available to pay amounts in respect of the Securities only after all of its senior and more senior subordinated creditors have been paid in full.

Therefore, if a winding-up or administration of the Issuer in England were to occur, any liquidator or administrator appointed in respect of the Issuer would first apply assets of the Issuer to satisfy all rights and claims of Prior Ranking Creditors. If the Issuer does not have sufficient assets to settle claims of such Prior Ranking Creditors in full, the claims of the Securityholders will not be settled and, as a result, Securityholders will lose the entire amount of their investment in the Securities. The Securities will share equally in payment with claims under Parity Securities (or, with claims in respect of Ordinary Shares, in the event of a winding-up or administration occurring in the intervening period between the Capital Adequacy Trigger and the Conversion Date) if the Issuer does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, Securityholders could lose all or part of their investment in the Securities.

In addition, investors should be aware that, upon conversion of the Securities following the Capital Adequacy Trigger, Securityholders will be, effectively, further subordinated as they will be treated as, and subsequently become, holders of Ordinary Shares, even if existing subordinated indebtedness and preference shares remain outstanding. There is a risk that Securityholders will lose the entire amount of their investment, regardless of whether the Issuer has sufficient assets available to settle what would have been the claims of Securityholders or of securities subordinated to the same or greater extent as the Securities, in winding-up proceedings in England or otherwise.

Investment in the Securities not equivalent to investment in a bank deposit

An investment in the Securities is not an equivalent to an investment in a bank deposit. Although an investment in the Securities may give rise to higher yields than a bank deposit placed with HSBC UK Bank plc or with any other investment firm in the Group, an investment in the Securities carries risks which are very different from the risk profile of such a deposit. The Securities are expected to have greater liquidity than a bank deposit since bank deposits are generally not transferable. However, the Securities may have no established trading market when issued, and one may never develop. See further under "*There is no active trading market for the Securities*".

Among other things, the Securities are unsecured and subordinated obligations of the Issuer, as further described above. Interest payments on the Securities are discretionary and the Issuer may be required to cancel interest payments on the Securities in certain circumstances, as further described below under "*Interest payments on the Securities are discretionary and the Issuer may cancel interest payments, in whole or in part, at any time. Cancelled interest will not be due and will not accumulate or be payable at any time thereafter and investors shall have no rights to receive such interest*" and "*In addition to the Issuer's right to cancel, in whole or in part, interest payments on any Series of Securities at any time, the Conditions also restrict the Issuer from making interest payments on the Securities if the Issuer has insufficient distributable items (based on its individual accounts and not on its consolidated accounts) and in certain other circumstances, in which case such interest shall be deemed to have been cancelled*". In addition, the Securities will be subject to conversion into shares following the occurrence of a Capital Adequacy Trigger, as further described below under "*The Securities will be subject to conversion following the occurrence of a Capital Adequacy Trigger, in which case the Securities will be converted into Ordinary Shares*". Investments in the Securities do not benefit from any protection provided pursuant to the UK law which implemented the Directive (2014/49/EU) of the European Parliament and of the Council on deposit guarantee schemes (such as the UK Financial Services Compensation Scheme). Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in the Securities could lose their entire investment in a worst case scenario.

In addition, the claims of investors in the Securities may be varied or extinguished pursuant to the exercise of powers under the Banking Act (as defined below), including the "write-down and conversion of capital instruments and liabilities" power and the "bail-in" power (see further under "*Applicable Bank Resolution Powers*"), which could lead to investors in the Securities losing some or all of their investment. The write-down and conversion of capital instruments and liabilities power does not apply to ordinary bank deposits and the bail-in power must be applied in a specified preference order which would generally result in it being applied to the Securities prior to its being applied to bank deposits (to the extent that such deposits are subject to the bail-in power at all).

Securities subject to optional redemption by the Issuer

The Securities are subject to optional redemption by the Issuer in a number of circumstances, namely: (a) on the occurrence of certain changes in the tax treatment of the Securities as described in Condition 6(b) (*Redemption for Taxation Reasons*), (b) (where Condition 6(c) (*Redemption at the Option of the Issuer*) is specified as being applicable in the relevant Pricing Supplement), in the event that the Issuer gives a notice exercising its option to redeem the Securities in whole or in part, (c) if Condition 6(d) (*Residual Call*) is specified as being applicable in the relevant Pricing Supplement, in the event that the outstanding aggregate principal amount of the Securities is the Relevant Percentage or less of the aggregate principal amount of the Securities originally issued (other than as a direct result of a redemption of some, but not all, of the Securities at the Make Whole Redemption Amount at the Issuer's option pursuant to Condition 6(c) (*Redemption at the Option of the Issuer*), if applicable) or (d) if Condition 6(f) (*Redemption upon Capital Disqualification Event*) is specified as being applicable in the relevant Pricing Supplement, in the event that there are changes in the applicable regulatory capital requirements, subject, in each case, to the Issuer having complied with any requirements under Condition 6(i) (*Supervisory Consent*).

If Condition 6(c) (*Redemption at the Option of the Issuer*) or Condition 6(d) (*Residual Call*) is specified as being applicable to any particular Tranche of Securities, the Issuer may choose to redeem the Securities at times when prevailing interest rates may be relatively low. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. In some circumstances redemption of the Securities may result in the investor receiving redemption proceeds that are less than the par value of the Securities being redeemed, resulting in a loss of part of their investment.

An optional redemption feature in relation to any Security is likely to limit its market value. During any period when the Issuer may, subject to first having complied with any requirement under Condition 6(i) (*Supervisory Consent*), elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

Furthermore, Securityholders will have no right to request the redemption of the Securities and should not invest in the Securities in the expectation that the Issuer would exercise its option to redeem the Securities. Any decision by the Issuer as to whether it will exercise its option to redeem the Securities will be taken at the absolute discretion of the Issuer with regard to factors such as, but not limited to, the economic impact of exercising such option to redeem the Securities, any tax consequences, the regulatory capital/loss absorbing capacity requirements and the prevailing market conditions. Securityholders should be aware that they may be required to bear the financial risks of an investment in the Securities until such time as the Issuer exercises its option to redeem the Securities or repurchases them, or indefinitely. In addition, to the extent that Securities are redeemed or purchased and cancelled in part, the number of Securities outstanding will decrease, which may result in a lessening of the liquidity of the Securities. A lessening of the liquidity of the Securities may cause, in turn, an increase in volatility associated with the price of the Securities.

The Issuer's right to redeem or repurchase any Securities is subject to its obtaining, following the giving of any required notice, any required permission of the Lead Regulator applicable to the Issuer (as defined in the Conditions) to the relevant redemption or repurchase. Under Article 78(1) of UK CRR (as defined in the Conditions) the Lead Regulator applicable to the Issuer is required to grant such permission where any of the following conditions is met, namely: (a) before or at the same time as such redemption or repurchase the Issuer replaces the Securities being redeemed or repurchased with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (b) the Issuer has demonstrated to the satisfaction of the Lead Regulator applicable to the Issuer that the own funds and eligible liabilities of the Issuer would, following such redemption or repurchase, exceed all relevant capital and MREL/TLAC and other requirements under the UK CRR, the UK legislation that implemented BRRD (as defined below) and Directive 2013/36/EU UK law (as defined below), by a margin that the Lead Regulator applicable to the Issuer considers necessary. "**Directive 2013/36/EU UK law**" means the law of the UK which was relied on by the UK immediately before exit day to implement Directive 2013/36/EU (the EU Capital Requirements Directive) and its implementing measures (i) as they had effect on 1 January 2022, in the case of rules made by the FCA or by the PRA under FSMA; and (ii) as amended from time to time, in all other cases.

In addition, in the case of a redemption of Securities pursuant to Condition 6(b) (*Redemption for Taxation Reasons*) or 6(f) (*Redemption upon Capital Disqualification Event*) or a repurchase of Securities pursuant to Condition 6(e) (*Purchases*) before the fifth anniversary of their Issue Date, the Issuer must comply with the Regulatory Preconditions (as defined in Condition 19 (*Definitions*)) in accordance with Condition 6(i) (*Supervisory Consent*).

The Securities have no scheduled maturity and Securityholders only have a limited ability to cash in their investment in the Securities.

The Securities are perpetual securities and have no fixed maturity date or fixed redemption date. Although under certain circumstances, as described under Condition 6 (*Redemption and Purchase*), the Issuer may redeem or repurchase the Securities, the Issuer is under no obligation to do so and Securityholders have no right to call for their redemption. Therefore, Securityholders have no ability to cash in their investment, except (i) if the Issuer exercises its rights to redeem or repurchase the Securities in accordance with their terms and applicable laws, (ii) by selling their Securities or, following the occurrence of the Capital Adequacy Trigger and the issue and delivery of Ordinary Shares, their Ordinary Shares (if the Issuer does not elect that a Conversion Shares Offer be made or where the Ordinary Shares issued upon conversion are not all sold pursuant to the Conversion Shares Offer), (iii) through the cash component of any Conversion Shares Offer, (iv) where the Trustee institutes proceedings for the winding-up of the Issuer where the Issuer has exercised its right to redeem the Securities but fails to make payment in respect of such redemption when due, in which limited circumstances the Securityholders may receive some of any resulting liquidation proceeds following payment being made in full to all senior and more senior subordinated creditors, or (v) upon a winding-up or administration, in which limited circumstances the Securityholders may receive some of any resulting liquidation proceeds following payment being made in full to all senior and more senior subordinated creditors.

The Issuer's right to redeem or repurchase is subject to any required permission of the Lead Regulator applicable to the Issuer under the prevailing Applicable Rules.

Limitation on gross-up obligation under the Securities

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of UK taxes under the terms of the Securities applies only to payments of interest in respect of the Securities and not to payments of principal. Accordingly, the Issuer would not be required to pay any additional amounts under the terms of the Securities to the extent any such withholding or deduction applied to payments of principal. In such circumstances, Securityholders may receive less than the full amount of principal due in respect of the Securities, and the market value of the Securities may be adversely affected.

The Securities may be subject to Singapore tax risk

It is not clear whether the Securities will be regarded as "debt securities" under the Income Tax Act 1947 of Singapore (the "**ITA**") and the tax treatment to holders of the Securities under Singapore law may differ depending on the characterisation and treatment of the Securities by the Inland Revenue Authority of Singapore ("**IRAS**"). Certain Securities to be issued from time to time under the Programme may be intended to be "qualifying debt securities" for the purpose of the Income Tax Act 1947 of Singapore subject to the fulfilment of certain conditions (including the condition that the Securities be regarded as "debt securities") more particularly described in the section "*Taxation – 3. Singapore Taxation*". However, should the relevant tax laws be amended or revoked at any time or should the required conditions cease to be fulfilled, there is a risk that the Securities will no longer benefit from the tax concessions in connection therewith which could have an adverse impact on the tax position of Securityholders.

Risks relating to interest provisions of the Securities, including benchmark reform and transition

Interest payments on the Securities are discretionary and the Issuer may cancel interest payments, in whole or in part, at any time. Cancelled interest will not be due and will not accumulate or be payable at any time thereafter and investors shall have no rights to receive such interest.

Subject to Condition 2(b) (*Subordination – conditions to payment*) in relation to the solvency of the Issuer at and following the time of payment and Condition 5(b) (*Restrictions on Interest Payments*) in relation to certain restrictions on the making of interest payments, interest on the Securities will be due and payable only at the sole discretion of the Issuer and the Issuer will have absolute discretion at all times and for any reason to cancel any interest payment in whole or in part that would otherwise be payable on any date on which interest is payable in respect of the relevant Securities. Interest will only be due and payable on such date to the extent it is not cancelled in accordance with the terms of the Securities. If the Issuer cancels any scheduled interest payment, such interest payment will not be or become due and payable at any time thereafter and in no event will Securityholders have any right to or claim against the Issuer with respect to such interest amount or be able to accelerate the principal of the Securities as a result of such interest cancellation. Furthermore, no cancellation of interest in accordance with the Conditions will constitute a default or event of default on the part of the Issuer for any purpose under the terms of the Securities. Accordingly, there can be no assurance that a Securityholder will receive all interest payments in respect of the Securities.

Following cancellation of any interest payment in respect of any Series of Securities, the Issuer will not be in any way limited or restricted from making any distribution or equivalent payments in connection with any Parity Securities or Junior Securities, including any interest payment in respect of another Series of Securities or dividend payments on the Issuer's Ordinary Shares or preference shares. The Issuer may therefore cancel (in whole or in part) any interest payment on a Series of Securities at its discretion and may pay dividends on its Ordinary Shares or preference shares or make interest payments or distributions on other additional tier 1 securities or other Series of Securities notwithstanding such cancellation. In addition, the Issuer may without restriction use funds that could have been applied to make such cancelled payments to meet its other obligations as they become due.

In addition to the Issuer's right to cancel, in whole or in part, interest payments on any Series of Securities at any time, the Conditions also restrict the Issuer from making interest payments on the Securities if the Issuer has insufficient distributable items (based on its individual accounts and not on its consolidated accounts) and in certain other circumstances, in which case such interest shall be deemed to have been cancelled.

Subject to the extent described as permitted in the following paragraphs in respect of partial interest payments, the Issuer shall cancel an interest payment on the Securities on any date for the payment of interest (and such interest payment thus shall not be due and payable on such date) if and to the extent that on any date on which interest is payable in respect of the Securities, (A) the Issuer would have an amount of Distributable Items that is less than the sum of (i) all distributions or interest payments made or declared by the Issuer since the end of the last financial year and prior to such date on or in respect of (x) the Securities and (y) any Parity Securities and any Junior Securities and (ii) all distributions or interest payments payable by the Issuer (and not cancelled or deemed to be cancelled) on such date on or in respect of (x) the Securities and (y) any Parity Securities and any Junior Securities, in each case, excluding any such payments already accounted for in determining the Distributable Items; (B) the aggregate of (i) the relevant interest amount payable in respect of the Securities and (ii) the amounts of any distributions of the kind referred to in Rule 4.3(2) of Chapter 4 ("**Chapter 4**") of the "*CRR Firms – Capital Buffers*" Part of the PRA Rulebook (or any succeeding provision amending or replacing such rule) exceeds the applicable maximum distributable amount (if any) relating to the Issuer required to be calculated in accordance with (i) Chapter 4 (or any succeeding provision(s) amending or replacing such chapter) or (ii) any analogous restrictions arising in respect of failure to meet capital adequacy, loss absorbing capacity, leverage or buffer requirements under the Applicable Rules applicable to the Issuer as of such date; or (C) the Lead Regulator applicable to the Issuer orders the Issuer to cancel (in whole or in part) the interest otherwise payable on such date.

Although the Issuer may, in its sole discretion, elect to make a partial interest payment on the Securities on any date on which interest is payable in respect of any Series of Securities, it may only do so to the extent that such partial interest payment may be made without breaching the restrictions described in the preceding paragraph.

Any interest cancelled on any relevant date on which interest is otherwise payable in respect of any Series of Securities shall not be due and shall not accumulate or be payable at any time thereafter, and Securityholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. Furthermore, no cancellation of interest in accordance with the Conditions shall constitute a default or event of default on the part of the Issuer for any purpose under the terms of the Securities.

It is the Board of Directors' current intention that, whenever exercising its discretion to declare dividends on Ordinary Shares, or its discretion to cancel interest on the Securities or any Parity Securities, the Board of Directors will take into account the relative ranking of the Securities in the Issuer's capital structure. However, the Board of Directors may at any time depart from this policy at its sole discretion.

See also "*As the Issuer is a holding company, the level of Distributable Items is affected by a number of factors, and insufficient Distributable Items may restrict the Issuer's ability to make interest payments on the Securities*" and "*Existing or new capital or leverage requirements may result in restrictions on distributions that will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will cancel such interest payments. In addition, the PRA has the power under sections 192C and 192T of the Financial Services and Markets Act 2000 to restrict or prohibit payments of interest by the Issuer to Securityholders*".

As the Issuer is a holding company, the level of Distributable Items is affected by a number of factors, and insufficient Distributable Items may restrict the Issuer's ability to make interest payments on the Securities.

As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, principally its ability to receive funds, directly or indirectly, from the Issuer's operating subsidiaries in a manner which creates Distributable Items. Consequently, the Issuer's future Distributable Items, and therefore the Issuer's ability to make interest payments, are a function of the Issuer's existing Distributable Items, the Issuer's operating profits, the Issuer's distributions and the Issuer's ability to distribute or dividend profits from its operating subsidiaries up the Group structure to the Issuer. In addition, the Issuer's Distributable Items may also be adversely affected by the redemption of equity instruments or the servicing of other debt or equity instruments. For further detail please see "*Structural Subordination*" below.

The ability of the Issuer's subsidiaries to pay dividends and the Issuer's ability to receive distributions from the Issuer's investments in other entities is subject to applicable local laws and other restrictions, including their respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws (including, without limitation, any legislation enacted by any jurisdiction in connection with the model rules for the Pillar II solution for the OECD G20 Project on Taxation of the Digital Economy published on 20 December 2021), and any changes thereto. These laws and restrictions could limit the payment of dividends and distributions to the Issuer by the Issuer's subsidiaries, and to the extent that the Issuer is dependent on the receipt of such dividends and distributions as opposed to other sources of income, such as interest and other payments from its subsidiaries, this could in turn restrict the Issuer's ability to fund other operations or to maintain or increase its Distributable Items. Further, the Issuer's rights to participate in assets of any subsidiary if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors, except to the extent that the Issuer may be a creditor with recognised claims ranking ahead of, or *pari passu* with, such prior claims against such subsidiary.

The level of the Issuer's Distributable Items may be further affected by changes to regulation or the requirements and expectations of applicable regulatory authorities. In particular, local capital or ring-fencing requirements outside the UK could adversely affect the Issuer's Distributable Items in the future, such as, for example, the implementation of measures under section 165 of the Dodd-Frank Act, including regulatory capital and internal TLAC requirements and buffers applicable to intermediate holding companies ("**IHCs**") in the United States and potential restrictions on such IHCs' ability to engage in capital distributions.

Further, the Issuer's Distributable Items may be adversely affected by the performance of the Group's business in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Issuer's control.

The Issuer's Distributable Items are also sensitive to the accounting impact of factors, including the redemption of preference shares, restructuring costs and impairment charges and the carrying value of its investments in subsidiaries which are carried at the lower of cost and their prevailing recoverable amount. Recoverable amounts depend on discounted future cash flows, which can be affected by restructurings, whether carried out for strategic reasons, to give effect to regulatory requirements (such as the implementation of the UK's ring-fencing regime) or otherwise. Any of these factors could limit the Issuer's ability to maintain sufficient Distributable Items.

Existing or new capital or leverage requirements may result in restrictions on distributions that will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will cancel such interest payments. In addition, the PRA has the power under sections 192C and 192T of the Financial Services and Markets Act 2000 to restrict or prohibit payments of interest by the Issuer to Securityholders.

The capital and leverage frameworks to which the Issuer is subject require it to hold certain levels of capital, including common equity tier 1 capital. A failure to hold sufficient levels of capital, including common equity tier 1 capital, as required by these frameworks, as may be amended from time to time, may result in restrictions on distributions being applied pursuant to which the Issuer may be required to cancel (in whole or in part) interest payments in respect of the Securities. Cancellation (in whole or in part) of interest payments in respect of the Securities may affect the value of an investment in the Securities.

The Issuer is required, on a consolidated basis, to hold a minimum amount of total regulatory capital of 8 per cent. of risk weighted assets, a minimum amount of tier 1 capital of 6 per cent. of risk weighted assets and a minimum amount of common equity tier 1 capital of 4.5 per cent. of risk weighted assets (the "**Pillar 1 requirements**"). In addition, the PRA requires the Issuer to hold extra capital to cover risks not covered or insufficiently covered by the Pillar 1 requirements (the "**Pillar 2A requirements**"). As at 31 December 2023, the Issuer's Pillar 2A requirement (set by the PRA) was US$22.2 billion, equivalent to 2.6 per cent. of risk weighted assets, of which 1.46 per cent. must be met by common equity Tier 1

In addition to the minimum requirements described above, the Applicable Rules impose several capital buffers, on a consolidated basis, which are required to be met with common equity tier 1 capital. The combination of (i) the capital conservation buffer (the "**CCB**") (which is now set at 2.5 per cent.), (ii) the countercyclical capital buffer (which will vary over time depending on the effective rates set by regulators in countries where the Issuer has relevant credit exposures – as at the date of this Offering Memorandum, the Bank of England's Financial Policy Committee has set the UK CCyB rate at 2.0 per cent.), and (iii) the global systemically important institutions ("**G-SII**") buffer (which is now set at 2.0 per cent. and may vary from time to time) constitutes the "**combined buffer**". If a systemic risk buffer ("**SRB**") were to be imposed in the future, it would likely form part of the combined buffer. As of 31 December 2023, the Group's combined buffer was 5.2 per cent. of risk weighted assets (comprising a CCB, a G-SII and a CCyB buffer of 2.5 per cent., 2.0 per cent. and 0.7 per cent., respectively).

In addition to the Pillar 1 and Pillar 2A requirements and the combined buffer, there are additional tools that the PRA and other relevant authorities in the UK have available to them to require UK firms to hold additional capital to address micro-prudential or macro-prudential risks as assessed by the relevant authorities in the UK. For example, the PRA introduced a firm-specific Pillar 2B buffer (the "**PRA buffer**"), which is an amount of capital firms should maintain in addition to the total capital requirements (Pillar 1 and Pillar 2A) and the combined buffer. The PRA buffer absorbs losses which could arise under a severe stress scenario, and is set at a level that the PRA believes will ensure that the firm can continue to meet minimum Pillar 1 and Pillar 2A requirements as well as to address any significant weaknesses in its risk management and governance. The PRA assesses the PRA buffer applicable to an institution annually (or more often if a firm's circumstances change). Where the PRA considers there is an overlap between the combined buffer (excluding systematic buffers like the G-SII buffer) and the PRA buffer, the PRA buffer will be set as the excess capital required over and above the combined buffer. To the extent the PRA buffer is applicable, it must be met with 100 per cent. common equity tier 1 capital, which will be in addition to the common equity tier 1 capital used to meet the Pillar 1 and Pillar 2A capital and combined buffer requirements. In addition, "sectoral capital requirements" could be imposed as a macro-prudential tool available to the Financial Policy Committee of the Bank of England as a means to temporarily increase firms' capital requirements as a result of exposure to specific sectors. Under the Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (the "**UK CRD V Regulations**") the PRA has the power to set sectoral capital requirements via a systemic risk buffer ("**SRB**"). In its policy statement PS26/20 ("**PS26/20**") published on 9 December 2020, the PRA confirmed that it would not introduce such an SRB at this time. However, the PRA may consult on introducing one in future should that be necessary and appropriate.

The PRA has also introduced requirements in relation to minimum leverage ratios pursuant to which the Issuer is required to meet (i) a minimum leverage ratio requirement set at 3.25 per cent. (calculated, in accordance with the PRA Rulebook, by dividing a firm's Tier 1 capital by its total exposure measure) (the "**PRA Leverage Ratio**"), (ii) an additional leverage ratio buffer that is calibrated at 35 per cent. of the G-SII buffer ("**ALRB**") and (iii) a countercyclical leverage ratio buffer that is calibrated at 35 per cent. of the CCyB ("**CCyLB**"). At least 75 per cent. of the Tier 1 capital required to meet the PRA Leverage Ratio must consist of common equity tier 1 capital (with the remaining to be met with additional Tier 1 capital), while the ALRB and CCyLB must be met entirely with common equity Tier 1 capital (and the common equity Tier 1 capital used for the purposes of the PRA Leverage Ratio must not be included for the purposes of the ALRB and CCyLB).

Under Rule 4.3 of Chapter 4 (or, if applicable, Rule 6.2(2) of section 6 of the PRA's Voluntary Requirement (VREQ) - Capital Buffers and Pillar 2A Model Requirements or any succeeding provision(s) amending or replacing such rule), relevant institutions that fail to meet the combined buffer will be subject to mandatory restrictions on certain distributions or payments, calculated by reference to a maximum distributable amount (which are defined broadly by Chapter 4 as distributions in connection with common equity tier 1, variable remuneration or discretionary pension benefits and payments on additional tier 1 instruments (such as the Securities)). These requirements apply to institutions on a consolidated basis. The restrictions for failing to meet the combined buffer is scaled according to the extent of the use of the combined buffer and currently calculated as a percentage of the profits from the past four calendar quarters, net of distributions or discretionary payment. Such calculation will result in a maximum distributable amount in each relevant period. As an example, the scaling is such that in the lowest quartile of the combined buffer, no discretionary payments will be permitted to be paid. As a consequence, in the event that the consolidated common equity tier 1 is insufficient to meet the combined buffer, it may be necessary to reduce discretionary payments in whole or in part, including potentially cancelling (in whole or in part) interest payments in respect of the Securities.

The PRA also has the power under sections 192C and 192T of the FSMA to impose requirements on the Issuer, the effect of which will be to restrict or prohibit payments of interest under the Securities, which is most likely to materialise if at any time the Issuer is failing, or is expected to fail, to meet its capital requirements. If the PRA exercises its discretion, the Issuer will cancel (in whole or in part, as required by the PRA) interest payments in respect of the Securities. The Issuer is an approved holding company pursuant to the measures introduced by the UK CRD V Regulations and is therefore subject to direct supervision by the PRA to ensure compliance with consolidated or sub-consolidated prudential requirements and the PRA has additional powers to enforce the Issuer's compliance.

The failure to meet the PRA buffer or leverage ratios or buffers will not automatically trigger restrictions on distributions; notwithstanding this, the PRA may impose requirements which could have the effect of imposing such restrictions under its supervisory powers envisaged in the Applicable Rules and FSMA (as applicable). In addition, failure to meet the PRA buffer or leverage ratios or buffers (each as described further below) could result in the preparation of a capital restoration plan. Such capital restoration plan may (but will not automatically) impose restrictions on discretionary payments, which may result in the cancellation (in whole or in part) of interest payments in respect of the Securities.

Separately, certain aspects of the UK regulatory regime may restrict or prohibit the Issuer further from making interest payments on the Securities in certain circumstances. For example, the BRRD requires member states of the EU to enable their resolution authorities to set a minimum requirement for eligible liabilities ("**MREL**") for banks in their jurisdiction. The UK implemented the MREL requirements through the Banking Act 2009, as amended (the "**Banking Act**") and the Bank Recovery and Resolution (No 2) Order 2014, (which has undergone several amendments since such original implementation and may subsequently be reviewed and further amended). The current UK MREL regime, which took effect on 1 January 2019 at a level which increased until 1 January 2022 (and which, for G-SIIs, such as HSBC, is effectively extended and supplemented by Regulation (EU) No. 2019/876 ("**CRR2**")), has been designed to be broadly compatible with the proposed term sheet published by the Financial Stability Board (the "**FSB**") on total loss absorbing capacity ("**TLAC**") requirements for global systemically important banks (referred to as G-SIIs under the EU proposals). Under PRA Supervisory Statement SS16/16 ("**SS16/16**"), if the Issuer does not have, or expects that it will not have, sufficient CET1, in addition to any own funds and liabilities counted towards its MREL, to meet the amount of CET1 it should maintain for the purposes of risk-weighted capital and leverage buffer requirements, the Issuer will be considered to have used, or be about to use, the buffers of the regime where the total amount of capital required to meet minimum requirements plus buffers (risk-weighted capital or leverage) is largest. Where that regime is the CRD IV (as defined below) regime, this means the Issuer would have to notify the PRA as soon as practicable explaining why this has happened or is expected to happen. The Issuer is aware that it can expect enhanced supervisory action and should prepare a capital restoration plan. If the PRA is not satisfied with the capital restoration plan, or with the Issuer's reasons for the shortfall, it will consider using its powers under section 192T of the FSMA to require a firm to take steps to strengthen its capital position (such steps could include restricting or prohibiting distributions where that is appropriate and proportionate). Likewise, if the Issuer does not have sufficient CET1 to meet its minimum risk-weighted capital requirements and the combined buffer, automatic restrictions on distributions will apply under the PRA rulebook and section 192T of the FSMA. As a result, MREL/TLAC requirements may result in the reduction of discretionary payments (in whole or in part), including the cancellation (in whole or in part) of interest payments in respect of the Securities.

The Group's capital requirements, including Pillar 2A requirements, by their nature are calculated by reference to a number of factors, any one or a combination of which may not be easily observable or capable of calculation by investors. Moreover, the interaction of restrictions on distributions (including interest payments on the Securities) with, and impact of, the capital requirements and buffers and leverage framework applicable to the Group, as well as the implementation of MREL/TLAC requirements, remain uncertain in many respects. Changes to these rules, in particular pursuant to the implementation of Basel 3.1 (for which see the risk factor called "*Changes to the calculation of the CET1 Capital and/or Risk Weighted Assets may negatively affect the Group's Common Equity Tier 1 Capital Ratio, thereby increasing the risk of a Capital Adequacy Trigger which will lead to conversion, as a result of which the Securities will automatically be converted into Ordinary Shares*") in the UK could result in more common equity tier 1 capital and MREL/TLAC required to be held by a financial institution in order to prevent the maximum distributable amount restrictions from applying. As a result of such uncertainty, investors may not be able to anticipate whether the Issuer will need to reduce discretionary payments, including by cancelling interest payments (in whole or in part) in respect of the Securities, which may affect the value of an investment in the Securities.

The Securities may be traded with accrued interest, but under certain circumstances described above, such interest may be cancelled and not paid on the relevant Interest Payment Date.

Any Series of Securities may trade, and/or the prices for such Series of Securities may appear on the Global Exchange Market of Euronext Dublin and in other trading systems, with accrued interest.

However, if a payment of interest on any date on which interest is payable is cancelled or deemed cancelled (in each case, in whole or in part) and thus is not due and payable, purchasers of such Securities will not be entitled to that interest payment (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant date. This may affect a Securityholder's ability to sell Securities in the secondary market and, as a result, the value of an investment in the Securities.

Floating Rate Securities and Resettable Securities – regulation and reform of Benchmarks

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of ongoing national, international and other regulatory guidance and reform. Some of these reforms are already effective whilst others are yet to apply. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to a "benchmark". For example, following an announcement by the FCA on 5 March 2021, (i) 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 an administrator or became unrepresentative of the relevant underlying market and (ii) immediately after 30 June 2023 the remaining U.S. Dollar settings ceased to be provided. The FCA has compelled the publication of the following LIBOR settings under an alternative "synthetic" methodology: 3-month sterling LIBOR until 31 March 2024, and 1-month, 3-month and 6-month U.S. Dollar LIBOR until 30 September 2024.

Regulation (EU) 2016/1011, as amended (the "**EU Benchmarks Regulation**") and the EU Benchmarks Regulation as it forms part of domestic law in the UK by virtue of the EUWA, as amended (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 Securities linked to a "benchmark". Such reforms could result in changes to the manner of administration of "benchmarks", with the result that such "benchmarks" may perform differently than in the past (and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level) or may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the discontinuance or unavailability of quotes for certain benchmarks.

A Benchmark Event or similar event could occur in relation to the Securities

Where Benchmark Replacement is specified as applicable in the relevant Pricing Supplement or where Condition 4(e) (*Benchmark Replacement*) is otherwise applicable with respect to the Securities. a "Benchmark Event" (as defined in the Conditions) may occur in relation to the Securities in a number of scenarios. including:

- upon the elimination or potential elimination of any benchmark;
- where the administrator of a benchmark does not obtain authorisation/registration or is not able to rely on one of the regimes available to non-UK benchmarks;
- prolonged non-availability of any benchmark;
- changes in the manner of administration of certain benchmarks; and/or

- certain other events determined by the Issuer in accordance with the Conditions to constitute Benchmark Events.

The occurrence of a Benchmark Event in relation to the Securities could result in the determination by an Independent Adviser of a Successor Rate or an Alternative Reference Rate or Adjustment Spread in accordance with the Conditions. If the Issuer is unable to appoint an Independent Adviser or if an Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate or Adjustment Spread in accordance with the Conditions, the Issuer may exercise its discretion to determine (or to elect not to determine) a Successor Rate or an Alternative Reference Rate or Adjustment Spread, if applicable.

In connection with the determination of a Successor Rate or an Alternative Reference Rate or Adjustment Spread in relation to such Securities, the Independent Adviser or the Issuer (in consultation, to the extent practicable, with the Calculation Agent) may also specify changes to the Conditions, including but not limited to the Relevant Time, Relevant Financial Centre, Reference Banks, Leading Banks, Day Count Fraction, Business Day Convention, Business Days and/or Interest Determination Date applicable to the Securities, and the method for determining the fallback rate in relation to the Securities, in order to follow market practice in relation to the Successor Rate, the Alternative Reference Rate (as applicable) and/or the Adjustment Spread, which changes shall apply to the Securities for all future Interest Periods.

The above determinations may require the exercise of discretion and the making of subjective judgments by the Issuer or the Independent Adviser, as applicable.

In circumstances where, following a Benchmark Event, it is not possible for an Independent Adviser or the Issuer (as applicable) to determine a Successor Rate or an Alternative Reference Rate, the floating interest rate on the Floating Rate Securities may accrue at the same rate as the immediately preceding Interest Period (or, in the case of the initial Interest Period, the initial interest rate), effectively converting the Floating Rate Securities (during the Interest Period) into fixed rate instruments.

In addition to this, for Floating Rate Securities which reference the BBSW Rate, a Permanent Discontinuation Trigger or Temporary Disruption Trigger may occur in relation to the Securities, which could lead to the adjustment of the interest provisions on such Securities, including for the interest rate to be calculated by reference to a replacement benchmark (which replacement benchmark could potentially include the Australian Dollar interbank overnight cash rate ("**AONIA**")). A Temporary Disruption Trigger or a Permanent Discontinuation Trigger may occur in a number of circumstances, including where there is an obvious error in the BBSW Rate, an actual or potential discontinuation of the BBSW Rate or it becoming unlawful for the Issuer or the Calculation Agent to use the BBSW Rate.

More generally, although adjustment spreads (which may be a positive or negative value or zero and may be determined pursuant to a formula or methodology) may be applied to a Successor Rate, an Alternative Reference Rate or a replacement benchmark (as the case may be), the application of such adjustment spreads may not reduce or eliminate any economic prejudice or benefits (as applicable) to investors arising out of the replacement of the relevant benchmark used to calculate interest in respect of the Securities.

The circumstances which can lead to the trigger of a Benchmark Event, Permanent Discontinuation Trigger or Temporary Disruption Trigger are beyond the Issuer's control and the subsequent use of a Successor Rate, an Alternative Reference Rate or (as applicable) replacement benchmark following any of such events may result in changes to the Conditions and/or interest payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on such Securities 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 Securities.

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

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

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

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

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

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

Historical levels are not an indication of its future levels

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

Calculation of Rates of Interest based on RFRs are only capable of being determined at the end of the relevant Interest Period

Interest on Securities which reference SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Securities that reference such rates to reliably estimate the amount of interest that will be payable on such Securities. Further, if the Securities become due and payable under Condition 10 (*Enforcement*), the Rate of Interest applicable to the Securities shall be determined on the date the Securities became due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decisions with respect to any such Securities.

The Issuer has no control over the determination, calculation or publication of SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA

The Issuer has no control over the determination, calculation or publication of SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA. There can be no guarantee that such rates will not be discontinued, suspended or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Securities linked to the relevant rate. In particular, the Bank of England, the Federal Reserve Bank of New York, the European Central Bank, the Monetary Authority of Singapore, the SIX Swiss Exchange AG, the Bank of Canada or the Treasury Markets Association, as administrators of SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA respectively, may make methodological or other changes that could change the value of these RFRs, including changes related to the method by which such RFRs are calculated, eligibility criteria applicable to the transactions used to calculate such rates, or timing related to the publication of such rates. An administrator has no obligation to consider the interests of Securityholders when calculating, adjusting, converting, revising or discontinuing any such RFR.

If the manner in which SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Securities and the trading prices of such Securities.

SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA may be modified or discontinued

In relation to SONIA, €STR, SORA, SARON, CORRA or HONIA such modification or discontinuation may constitute (as applicable) a Benchmark Event or an Index Cessation Event. Where an applicable Benchmark Event occurs, this would have the impact that is described above in the risk factor entitled "*A Benchmark Event could occur in relation to the Securities*". If an Index Cessation Event occurs, this may result in the relevant RFR applicable to the Securities being replaced with a rate which has been recommended as a replacement for that RFR by a relevant government or regulatory body or committee. These replacement rates are uncertain and no market convention currently exists, or may ever exist for their determination. In the event that the relevant replacement rate is not available, or if an Index Cessation Event subsequently occurs with respect to the relevant replacement rate, then the rate applicable to the Securities may be determined by reference to a further fallback rate, which may be an official central bank rate or (in the case of Securities which have a Reference Rate of SORA or HONIA) be determined in accordance with the benchmark replacement provisions set out in Condition 4(e) (*Benchmark Replacement*). In each of these circumstances, the Issuer may without the consent of the Securityholders be entitled to make conforming changes to the Conditions relating to the calculation and determination of interest to give effect to the relevant replacement rate in a manner that may be materially adverse to the interest of investors in the Securities.

In relation to SOFR, such modification or discontinuation may result in the rate applicable to the Securities being replaced with a successor or equivalent rate selected or recommended by the relevant governmental body, an overnight funding rate or a rate determined by reference to ISDA provisions relating to SOFR. These alternative rates are uncertain and no market convention currently exists, or may ever exist, for their determination. Further, in such circumstances the Issuer (in consultation with its designee) may, without the consent of Securityholders be entitled to make conforming changes to the Conditions relating to the calculation and determination of interest to give effect to such replacement rate in a manner that may be materially adverse to the interests of investors in Floating Rate Securities linked to SOFR.

Any of the above-mentioned determinations may require the exercise of discretion and the making of subjective judgments. If it is not possible to determine a successor or other fallback rate in accordance with the relevant provisions in the Conditions, the floating interest rate on the Floating Rate Securities may accrue at the same rate as the immediately preceding Interest Period (or, in the case of the initial Interest Period, the initial interest rate), effectively converting the Floating Rate Securities (during the Interest Period) into fixed rate instruments.

The circumstances which can lead to the trigger of a Benchmark Event, Index Cessation Event, SOFR Transition Event or a SOFR Index Cessation Event are beyond the Issuer's control and the subsequent use of a replacement rate following any such event may result in changes to the Conditions and/or interest payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on any such Securities if the relevant RFR remained available in its current form. Any such consequence could have a material adverse effect on the value of and return on any such Securities.

Resettable Securities

In the case of any Series of Resettable Securities, the rate of interest on such Resettable Securities will be reset by reference to the then prevailing Resettable Security Reference Rate, as adjusted for any applicable margin, on the reset dates specified in the relevant Pricing Supplement. This is more particularly described in Condition 3(b) (*Interest on Resettable Securities*). The reset of the rate of interest in accordance with such provisions may affect the secondary market for and the market value of such Resettable Securities. Following any such reset of the rate of interest applicable to the Securities, the First Reset Rate of Interest or any Subsequent Reset Rate of Interest on the relevant Resettable Securities may be lower than the Initial Rate of Interest, the First Reset Rate of Interest and/or any previous Subsequent Reset Rate of Interest.

Risks related to the potential conversion of the Securities

The Securities will be subject to conversion following the occurrence of a Capital Adequacy Trigger, in which case the Securities will be converted into Ordinary Shares.

Upon conversion following a Capital Adequacy Trigger (as defined in the Conditions), the Affected Securities will be converted into Ordinary Shares on the Conversion Date; once the Ordinary Shares have been issued and delivered to the Settlement Shares Depositary, all of the Issuer's obligations under the Affected Securities will be irrevocably discharged and satisfied and under no circumstances will such released obligations be reinstated. As a result, Securityholders could lose all or part of the value of their investment in the Securities, as, following conversion, they will receive only (i) the Ordinary Shares (if the Issuer does not elect that a Conversion Shares Offer be made), or (ii) the Alternative Consideration, which shall be composed of Ordinary Shares and/or cash depending on the results of the Conversion Shares Offer (if the Issuer elects that a Conversion Shares Offer be made) and the value of any Ordinary Shares received upon conversion may have a market value significantly below the principal amount of the Securities they hold. Although the market value of the Ordinary Shares received could over time increase in value, at the time the Ordinary Shares are issued, the Conversion Price may not reflect the market price of the Issuer's Ordinary Shares, which could be significantly lower than the Conversion Price. Furthermore, upon the occurrence of a Capital Adequacy Trigger, Securityholders will no longer have a debt claim in relation to principal or any other amount (other than, in the case of a winding-up of the Issuer or the appointment of an administrator, any amounts payable under Condition 2(d) (*Winding-up after a Capital Adequacy Trigger*)) and any accrued but unpaid interest on the Securities will be cancelled and will not become due and payable at any time.

Any such conversion will be irrevocable and, upon conversion, Securityholders will not be entitled to any form of compensation in the event of the Issuer's potential recovery or change in the Group's Common Equity Tier 1 Capital Ratio. In addition, on or after the occurrence of a Capital Adequacy Trigger, if the Issuer does not deliver Ordinary Shares to the Settlement Shares Depositary, the only claims Securityholders will have against the Issuer will be for specific performance to have such Ordinary Shares issued and delivered to the Settlement Shares Depositary and to participate in the liquidation proceeds of the Issuer as if the Ordinary Shares had been issued. Once the Ordinary Shares to be delivered on conversion have been issued and delivered to the Settlement Shares Depositary, the only claims Securityholders will have will be against the Settlement Shares Depositary for delivery of Ordinary Shares or Alternative Consideration, as applicable.

A Capital Adequacy Trigger will occur if at any time the Group's Common Equity Tier 1 Capital Ratio (on a consolidated basis) is below 7.00 per cent. This will be determined by the Issuer, the Lead Regulator applicable to the Issuer or any agent appointed for the purpose by the Lead Regulator applicable to the Issuer.

For a discussion of the risks associated with the calculation of the Group's Common Equity Tier 1 Capital Ratio see "*Changes to the calculation of CET1 Capital and/or risk weighted assets may negatively affect the Group's Common Equity Tier 1 Capital Ratio, thereby increasing the risk of a Capital Adequacy Trigger which will lead to conversion, as a result of which the Securities will automatically be converted into Ordinary Shares*".

The circumstances surrounding or triggering a conversion are inherently unpredictable and may be caused by factors outside of the Issuer's control. The Issuer has no obligation to operate its businesses in such a way, or take any mitigating actions, to maintain or restore the Group's Common Equity Tier 1 Capital Ratio to avoid a Capital Adequacy Trigger and actions the Issuer takes could result in the Group's Common Equity Tier 1 Capital Ratio falling.

The occurrence of a Capital Adequacy Trigger and, therefore, conversion, is inherently unpredictable and depends on a number of factors, some of which may be outside of the Issuer's control.

The Issuer currently publicly reports the Group's Common Equity Tier 1 Capital Ratio on a non-transitional basis (i.e. on a consolidated basis and without applying the transitional provisions set out in Part Ten of the UK CRR (as defined in the Conditions)) and on a transitional basis (i.e. applying the transitional provisions set out in Part Ten of the UK CRR (which currently means the phase-in arrangements for the regulatory capital impact of IFRS 9)). Although such reporting is currently only as of each quarterly period end, the Lead Regulator applicable to the Issuer, as part of its supervisory activity, may instruct the Issuer to calculate the Group's non-transitional Common Equity Tier 1 Ratio (which is the ratio relevant to the Securities) as of any date, including if the Issuer is subject to recovery and resolution actions by the relevant UKRA, or the Issuer might otherwise determine to calculate such ratio in its own discretion. As such, conversion could occur at any time.

A Capital Adequacy Trigger could occur at any time if the Issuer determines that the non-transitional Common Equity Tier 1 Capital Ratio of the Group is below 7.00 per cent. as of any date.

Such calculation could be affected by, among other things, the growth of the Issuer's business and the Issuer's future earnings, dividend payments, regulatory changes (including changes to definitions and calculations of regulatory capital, including CET1 Capital and Risk Weighted Assets (each of which shall be calculated by the Issuer on a non-transitional, consolidated basis)), actions that the Issuer is required to take at the direction of the Lead Regulator applicable to the Issuer, and the Group's ability to manage risk weighted assets in both its ongoing businesses and those which it may seek to exit. In addition, the Group has capital resources and risk weighted assets denominated in foreign currencies, and changes in foreign exchange rates will result in changes in the U.S. Dollars equivalent value of non-U.S. Dollars denominated capital resources and risk weighted assets.

Actions that the Issuer takes could also affect the Group's Common Equity Tier 1 Capital Ratio, including causing it to decline. The Issuer has no obligation to increase the Group's CET1 Capital, reduce its Risk Weighted Assets or otherwise operate its business in such a way, take mitigating actions in order to prevent the Group's Common Equity Tier 1 Capital Ratio from falling below 7.00 per cent., to maintain or increase the Group's Common Equity Tier 1 Capital Ratio or otherwise to consider the interests of the Securityholders in connection with any of its business decisions that might affect the Group's Common Equity Tier 1 Capital Ratio.

The calculation of the Group's Common Equity Tier 1 Capital Ratio may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules, or changes to regulatory adjustments which modify accounting rules, are not yet in force as of the relevant calculation date, the Lead Regulator applicable to the Issuer could require the Issuer to reflect such changes in any particular calculation of the Group's Common Equity Tier 1 Capital Ratio.

Because of the inherent uncertainty regarding whether a Capital Adequacy Trigger will occur and there being no obligation on the Issuer's part to prevent its occurrence, it will be difficult to predict when, if at all, conversion could occur. Accordingly, the trading behaviour of any Securities may not necessarily follow the trading behaviour of other types of subordinated securities, including the Issuer's other subordinated debt securities and the trading behaviour of any Affected Securities may not necessarily follow the trading behaviour of other Securities (if any) which are not Affected Securities. Fluctuations in the Common Equity Tier 1 Capital Ratio may be caused by changes in the amount of CET1 Capital and Risk Weighted Assets as well as changes to their respective definitions under the capital adequacy standards and guidelines set by the Lead Regulator applicable to the Issuer. Any indication that the Group's Common Equity Tier 1 Capital Ratio is moving towards the level which would cause the occurrence of a Capital Adequacy Trigger may have an adverse effect on the market price and liquidity of the Securities. Therefore, investors may not be able to sell their Securities (including Affected Securities) easily or at prices that will provide them with a yield comparable to other types of subordinated securities, including the Issuer's other subordinated debt securities. In addition, the risk of conversion could drive down the price of the Ordinary Shares and have a material adverse effect on the market value of Ordinary Shares received upon conversion.

Changes to the calculation of the CET1 Capital and/or Risk Weighted Assets may negatively affect the Group's Common Equity Tier 1 Capital Ratio, thereby increasing the risk of a Capital Adequacy Trigger which will lead to conversion, as a result of which the Securities will automatically be converted into Ordinary Shares.

The Basel Committee on Banking Supervision (the "**Basel Committee**") proposed a number of fundamental reforms to the regulatory capital framework for internationally active banks which are designed, in part, to ensure that capital instruments issued by such banks fully absorb losses before tax payers are exposed to loss (the "**Basel III Reforms**"). The implementation of the Basel III Reforms by relevant authorities in the EU consisted of a legislative package including Directive (EU) 2013/36 ("**CRD IV**") and the Regulation (EU) No 575/2013, as amended ("**CRR**"), collectively known herein as the "**Capital Requirements Legislative Package**", which has been revised over the years, and the most significant upcoming changes are pursuant to Basel 3.1 (as discussed below).

For the purposes of the Securities, the Issuer will determine the Group's CET1 Capital and Risk Weighted Assets without applying the transitional provisions set out in Part Ten of the UK CRR (which currently means the phase-in arrangements for the regulatory capital impact of IFRS 9). As a result, the Issuer's Common Equity Tier 1 Capital Ratio may be lower and, if that were the case, there may be less headroom before a Capital Adequacy Trigger occurs than there would be were the Issuer to calculate its Common Equity Tier 1 Capital Ratio applying the IFRS 9 phase-in arrangements.

As of 31 December 2023, the Group's Common Equity Tier 1 Capital Ratio, giving full effect to the Applicable Rules (as defined in the Conditions) on a consolidated basis (and without applying the transitional phase-in arrangements in relation to IFRS 9), based on the Issuer's interpretation of the current rules was 14.8 per cent. The Group's Common Equity Tier 1 Capital Ratio is a non-IFRS measure, and the Issuer's interpretation of the Applicable Rules and the basis of the Issuer's calculation of this financial measure may be different from those of other financial institutions. The Issuer's estimates are also based on a number of assumptions. For further information, see the section entitled '*Capital Overview*' in the 2023 Form 20-F, which is incorporated by reference herein.

The actual impact of the Capital Requirements Legislative Package on UK capital ratios is also subject to ongoing change, as a result of further changes to the Capital Requirements Legislative Package and changes to the way in which the PRA interprets and applies these requirements to UK banks (including as regards individual model approvals granted under the predecessors to the Capital Requirements Legislative Package). Following Brexit, the UK regime continues to develop, and the PRA is taking an increasingly significant role in developing the relevant rules, having been granted increased statutory authority to do so pursuant to the Financial Services Act 2021. To date, the PRA has revoked elements of the onshored CRR and has replaced them with PRA-made rules. We can expect this process to continue as, among other things, the PRA gives effect to the outstanding Basel III standards (as discussed below) and adapted versions of those standards where appropriate. The PRA's approach to the making of such rules is set out in its Policy Statements PS17/21 (published 9 July 2021) and PS22/21 (published 14 October 2021).

The PRA has published several other supervisory statements and consultation papers setting out the PRA's expectations in relation to capital and leverage ratios and the quality of capital, respectively, including SS 45/15 (as amended by PS 28/18), PS 27/15 (each released on 7 December 2015), PS 28/18, released in November 2018, PS 21/21, released in October 2021 and, most recently, SS45/15 (released in May 2023) which took effect on 1 January 2024. Nonetheless, if the PRA rules, guidance or expectations in relation to capital or leverage were to be amended in the future in a manner other than as set out in the statements, it could be materially more difficult for the Group to maintain compliance with prudential requirements. Moreover, the Basel Committee remains focused on changes that will increase, or recalibrate, measures of risk weighted assets. While they are at different stages of maturity, a number of initiatives across risk types and business lines are in progress which are expected to impact the calculation of risk weighted assets. Any such changes, either individually and/or in aggregate, may lead to further unexpected enhanced requirements in relation to the Group's capital and may result in a need for further management actions to meet the changed requirements, such as: increasing capital, reducing leverage and risk weighted assets, modifying legal entity structure (including with regard to issuance and deployment of capital and funding for the Group) and changing the Group's business mix or exiting other businesses and/or undertaking other actions to strengthen the Group's capital position.

On 7 December 2017, the Basel Committee published "*Basel III: Finalising Post-Crisis Reforms*". This set out proposals for a major reform of the calculation of bank capital requirements (commonly known as Basel 3.1, alongside broadly contemporaneous changes known as the Fundamental Review of the Trading Book). In the UK, a two-stage approach to implementation has been adopted for these changes. Amendments to UK CRR along with corresponding new PRA rules, which took effect from 1 January 2022, represented the first tranche of changes to implement Basel 3.1. This included the standardised approach for measuring counterparty risk, the equity investments in funds rules, amendments to the large exposures rules, and the implementation of the net stable funding ratio. The PRA's approach to the making of such rules was set out in its Policy Statements PS17/21 (published 9 July 2021) and PS22/21 (published 14 October 2021). The remaining elements of Basel 3.1 will be implemented as a second tranche of changes. This includes changes to the market risk rules under the Fundamental Review of the Trading Book, changes to the rules on credit risk, operational risk and credit valuation adjustment, and the implementation of the output floor. On 30 November 2022, the PRA published Consultation Paper CP16/22 setting out its proposed rules for the implementation of the outstanding changes, with an original proposed implementation date of 1 January 2025 (subsequently extended to 1 July 2025), subject to certain transitional provisions. In November 2022, His Majesty's Treasury ("**HM Treasury**") also launched a consultation on the technical and legislative changes necessary to facilitate the PRA's proposed implementation of the outstanding Basel 3.1 reforms under CP16/22; this was followed by a Policy Statement, PS17/23, published on 12 December 2023, which only partly addressed the subject matter of CP16/22. A second Policy Statement addressing the bulk of the remainder of CP16/22 is due to be published in the second quarter of 2024.

Investors should be aware that the implementation of future changes to the regulatory regime under the Capital Requirements Legislative Package or the successor rules in the UK subsequent to the date hereof may individually and/or in the aggregate further negatively affect the Group's Common Equity Tier 1 Capital Ratio and thus increase the risk of a Capital Adequacy Trigger, which will lead to conversion.

Further, the value of the Securities is expected to be affected by changes in the Group's Common Equity Tier 1 Capital Ratio. Any indication that the Group's Common Equity Tier 1 Capital Ratio is moving towards the level of a Capital Adequacy Trigger may have an adverse effect on the value of the Securities. Moreover, the Issuer currently only publicly reports the Group's Common Equity Tier 1 Capital Ratio quarterly as of the last day of each financial quarter of the Issuer and therefore there may be no prior warning of adverse changes in the Group's Common Equity Tier 1 Capital Ratio. Any unexpected change in the Group's Common Equity Tier 1 Capital Ratio that the Issuer reports or anticipates in its financial statements or otherwise, or that is anticipated by the market, may lead to an immediate and significant decrease in the value of the Securities.

Securityholders may receive Alternative Consideration instead of Ordinary Shares upon a Capital Adequacy Trigger and would not know the composition of any Alternative Consideration until the end of the Conversion Shares Offer Period.

Securityholders may not ultimately receive Ordinary Shares upon a Capital Adequacy Trigger because the Issuer may elect, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Settlement Shares Depositary.

If all of the Ordinary Shares are sold in the Conversion Shares Offer, Securityholders will be entitled to receive, in respect of each Affected Security and as determined by the Issuer, the *pro rata* share of the cash proceeds from the sale of the Ordinary Shares attributable to such Affected Security, converted, if necessary, into the Specified Currency at the Prevailing Rate as of the day which is three Settlement Shares Depositary Business Days prior to the relevant Settlement Date (less an amount equal to the *pro rata* share of any foreign exchange transaction costs and an amount equal to the *pro rata* share of certain taxes that may arise as a result of the Conversion Shares Offer). If some but not all of the Ordinary Shares are sold in the Conversion Shares Offer, Securityholders will be entitled to receive, in respect of each Affected Security, (a) the *pro rata* share of the cash proceeds from the sale of the Ordinary Shares attributable to such Affected Security converted, if necessary, into the Specified Currency at the Prevailing Rate as of the day which is three Settlement Shares Depositary Business Days prior to the relevant Settlement Date (less an amount equal to the *pro rata* share of any foreign exchange transaction costs and an amount equal to the *pro rata* share of certain taxes that may arise as a result of the Conversion Shares Offer) together with (b) the *pro rata* share of the Ordinary Shares not sold pursuant to the Conversion Shares Offer attributable to such Affected Security rounded down to the nearest whole number of Ordinary Shares.

No interest or other compensation is payable in respect of the period from the Conversion Date to the date of delivery of the Ordinary Shares or the cash proceeds from the sale of the Ordinary Shares in the circumstances described above. Furthermore, neither the occurrence of a Capital Adequacy Trigger nor, following the occurrence of a Capital Adequacy Trigger, the election (if any) by the Issuer to undertake a Conversion Shares Offer, will preclude the Issuer from undertaking a rights issue or other equity issue at any time on such terms as the Issuer deems appropriate, at the Issuer's sole discretion, including, for the avoidance of doubt, the offer of Ordinary Shares at or below the Conversion Shares Offer Price.

Notice of the results of any Conversion Shares Offer will be provided to Securityholders only at the end of the Conversion Shares Offer Period. Accordingly, Securityholders would not know the composition of the Alternative Consideration to which they may be entitled until the end of the Conversion Shares Offer Period.

As the Conversion Price is fixed at the time of issue of the Securities, Securityholders will bear the risk of fluctuation in the value of Ordinary Shares and/or the currency in which Ordinary Shares trade and other relevant exchange rates (if any).

Upon the occurrence of a Capital Adequacy Trigger, the Securities will automatically be converted into Ordinary Shares on the Conversion Date. Because a Capital Adequacy Trigger will occur when the Group's Common Equity Tier 1 Capital Ratio will have deteriorated, a Capital Adequacy Trigger will likely be accompanied by a prior deterioration in the market price of the Issuer's Ordinary Shares, which may be expected to continue after the occurrence of the Capital Adequacy Trigger. Therefore, if a Capital Adequacy Trigger were to occur, investors would receive Ordinary Shares at a time when the market price of the Issuer's Ordinary Shares was diminished. In addition, there may be a delay in a Securityholder receiving its Ordinary Shares following a Capital Adequacy Trigger, during which time the market price of the Issuer's Ordinary Shares may further decline. As a result, the realisable value of the Ordinary Shares may be below the Conversion Price.

The Conversion Price in relation to any Series of Securities will be fixed as of or before the Issue Date relating to the Securities. The Conversion Price so fixed is subject to limited anti-dilution adjustments, as described under Condition 9(i) (*Adjustments to Conversion Price*). Although the market value of the Ordinary Shares Securityholders receive could over time increase, at the time the Ordinary Shares are issued, the Conversion Price may not reflect the market price of the Issuer's Ordinary Shares, which could be significantly lower than the Conversion Price.

In addition, as the Issuer's Ordinary Shares trade primarily in Sterling as well as in Hong Kong Dollars, the market price of any Securities which are denominated in a currency other than Sterling (or any other currency in which the Ordinary Shares may trade) may also be affected by fluctuations in the exchange rate between the currency in which such Security is denominated and Sterling (or such currency). Upon conversion, the Securities will convert into Ordinary Shares at the Conversion Price. Fluctuations in the exchange rate between the two currencies could therefore affect the realisable value of the Ordinary Shares to be issued for such Securities following a Capital Adequacy Trigger (and the cash component of any Alternative Consideration).

Furthermore, there may be a delay in a Securityholder receiving its Ordinary Shares following a Capital Adequacy Trigger (in particular if the Issuer elects that the Settlement Shares Depositary make a Conversion Shares Offer, as the Conversion Shares Offer Period may last up to 40 London Business Days after the delivery of the Conversion Shares Offer Election Notice), during which time the market price of the Ordinary Shares or the exchange rate of the currency in which the Ordinary Shares are trading against the currency in which the relevant Securities are denominated may further decline.

No interest or other compensation is payable in respect of the Securities in the event of loss due to foreign currency conversions.

Securityholders have limited anti-dilution protection.

The number of Ordinary Shares to be issued to the Settlement Shares Depositary on the Conversion Date will be determined by dividing the aggregate principal amount of the Affected Securities outstanding immediately prior to conversion on the Conversion Date by the Conversion Price in respect of such Affected Securities prevailing on the Conversion Date in relation to such Affected Securities. Fractions of Ordinary Shares will not be delivered to the Settlement Shares Depositary or to Securityholders upon a conversion and no cash payment will be made in lieu thereof.

The Conversion Price will be adjusted upon the occurrence of the following events, to the extent such events are specified as being applicable in respect of the Affected Securities in the relevant Pricing Supplement: (i) a consolidation, reclassification, redesignation or subdivision of the Ordinary Shares which alters the number of Ordinary Shares in issue, (ii) an issuance of Ordinary Shares in certain circumstances by way of capitalisation of profits or reserves, (iii) an Extraordinary Dividend or (iv) an issue of Ordinary Shares to shareholders as a class by way of rights, in each case only in the situations and to the extent provided in Condition 9(i) (*Adjustments to Conversion Price*) and the relevant Pricing Supplement. These may include any modifications as an Independent Adviser (as defined in Condition 19 (*Definitions*)) shall determine to be appropriate, including for certain situations falling between the Conversion Date and the Settlement Date. Any New Conversion Price applied in respect of any Series of Securities following a Qualifying Relevant Event will be similarly adjusted, subject to any modifications by the Independent Adviser. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. Accordingly, events in respect of which no adjustment to the Conversion Price is made may adversely affect the value of the Securities.

If a Relevant Event occurs, the Securities may be convertible into shares in an entity other than the Issuer.

If a Qualifying Relevant Event occurs, then following conversion, the Securities will become convertible into the share capital of the Acquiror (as more fully described under Condition 9(d) (*Occurrence of a Relevant Event*)) at the New Conversion Price. There can be no assurance as to the nature of any such Acquiror, or of the risks associated with becoming an actual or potential shareholder in such Acquiror, and accordingly a Qualifying Relevant Event may have an adverse effect on the value of the Securities.

In addition, the Issuer and the Acquiror have certain discretions in determining whether a Qualifying Relevant Event has occurred. A Qualifying Relevant Event requires the New Conversion Condition to be satisfied. For the New Conversion Condition to be satisfied, by not later than seven London Business Days following the occurrence of a Relevant Event where the Acquiror is an Approved Entity, the Issuer shall have entered into arrangements to its satisfaction with the Approved Entity pursuant to which the Approved Entity irrevocably undertakes to the Trustee, for the benefit of Holders of Affected Securities, to (i) deliver the Relevant Shares to the Settlement Shares Depositary upon a conversion of the Securities and (ii) ensure that, for so long as the Securities are outstanding, its ordinary share capital shall continue to constitute Relevant Shares. If the Issuer and the Acquiror are unable to enter into such arrangements within this timeframe, the New Conversion Condition would not be satisfied.

If the Ordinary Shares become delisted following a Non-Qualifying Relevant Event or otherwise, the Securities will, upon conversion following a Capital Adequacy Trigger, be convertible into unlisted Ordinary Shares. Unlisted shares may be more illiquid than listed shares, and therefore may have little or no resale value. In addition, where a Non-Qualifying Relevant Event occurs because the Acquiror is not an Approved Entity (for example, because it is a governmental entity), the Securities will not be convertible into, or exchangeable for, any securities or other instruments of such Acquiror or any other person or entity other than the Issuer. Accordingly, a Non-Qualifying Relevant Event is likely to have an adverse effect on the value of the Securities.

Following conversion, the Securities will remain in existence until the applicable Settlement Date or Long-Stop Date for the sole purpose of evidencing the holder's right to receive Ordinary Shares or Alternative Consideration, as applicable, from the Settlement Shares Depositary and the rights of the Securityholders will be limited accordingly.

Following conversion, the Affected Securities will remain in existence until the applicable Settlement Date or Long-Stop Date for the sole purpose of evidencing the holder's right to receive Ordinary Shares or

Alternative Consideration, as applicable. All obligations of the Issuer under the Affected Securities will be irrevocably released in consideration of the Issuer's issuance and delivery of the Ordinary Shares to the Settlement Shares Depositary on the Conversion Date, and under no circumstances will such released obligations be reinstated. The Affected Securities will be cancelled on the applicable Settlement Date or Long-Stop Date.

Following the occurrence of a Capital Adequacy Trigger, the Affected Securities may have only limited transferability. There may also be a delay in Securityholders being able to transfer any Ordinary Shares to be delivered to them following conversion. Furthermore, transfers of Registered Securities, whether in definitive or global form, and of beneficial interests in Bearer Securities which are in global form, will not be registered after the Suspension Date.

The Securities may also cease to be admitted to trading on the Global Exchange Market of Euronext Dublin or any other stock exchange on which the Securities are then listed or admitted to trading following the giving of a Capital Adequacy Trigger Notice.

Moreover, although the Securityholders will become beneficial owners of the Ordinary Shares upon the issuance of such Ordinary Shares to the Settlement Shares Depositary and the Ordinary Shares will be registered in the name of the Settlement Shares Depositary (or the relevant recipient in accordance with the terms of the Securities), no Securityholder will be able to sell or otherwise transfer any Ordinary Shares until such time as they are finally delivered to such Securityholder and registered in their name.

Securityholders will have to submit a Conversion Notice in order to receive delivery of the Ordinary Shares or Alternative Consideration.

In order to obtain delivery of the Ordinary Shares or Alternative Consideration, as applicable, following conversion, Holders of Affected Securities must deliver a Conversion Notice (and the relevant Securities, if applicable) to the Settlement Shares Depositary. The Conversion Notice must contain certain information, including relevant account details of the Securityholder. Accordingly, Securityholders (or their nominee, custodian or other representative) will have to have appropriate accounts (including with CREST) in order to receive the Ordinary Shares or the Alternative Consideration, as applicable. If a Securityholder fails properly to complete and deliver a Conversion Notice on or before the Notice Cut-Off Date, the Settlement Shares Depositary will continue to hold the relevant Ordinary Shares or the Alternative Consideration, as the case may be, until a Conversion Notice (and the relevant Securities, if applicable) is or are so validly delivered. However, the relevant Securities will be cancelled on the Long-Stop Date and any Securityholder delivering a Conversion Notice after the Notice Cut-Off Date will have to provide evidence of its entitlement to the relevant Ordinary Shares or Alternative Consideration, as applicable, satisfactory to the Settlement Shares Depositary in its sole and absolute discretion in order to receive delivery of such Ordinary Shares or Alternative Consideration. The Issuer will have no liability to any Securityholder for any loss resulting from such Securityholder not receiving any Ordinary Shares or the relevant Alternative Consideration, as applicable, or from any delay in the receipt thereof, in each case as a result of such Securityholder failing to submit a valid Conversion Notice on a timely basis or at all. Moreover, the Settlement Shares Depositary will determine, in its absolute discretion, whether a Conversion Notice has been properly completed and delivered, and such determination will be conclusive and binding on the relevant Securityholder. If the relevant Securityholder fails to properly complete and deliver a Conversion Notice (and, if the Securities are held in definitive form, the relevant Affected Securities), the Settlement Shares Depositary will be entitled to treat such Conversion Notice as null and void.

Prior to the Conversion Date, Securityholders will not be entitled to any rights with respect to the Ordinary Shares, but will be subject to all changes made with respect to the Ordinary Shares.

The exercise of voting rights and rights related thereto with respect to any Ordinary Shares is only possible after delivery of the Ordinary Shares following the Conversion Date and the registration of the person entitled to the Ordinary Shares in the Issuer's share register as a shareholder with voting rights in accordance with the provisions of, and subject to the limitations provided in, the articles of association of the Issuer.

As a result of Securityholders receiving Ordinary Shares upon the Capital Adequacy Trigger, they are particularly exposed to changes in the market price of the Ordinary Shares.

Many investors in convertible or exchangeable securities seek to hedge their exposure in the underlying equity securities at the time of acquisition of the convertible or exchangeable securities, often through short-selling of the underlying equity securities or through similar transactions. Prospective investors in the Securities may look to sell Ordinary Shares in anticipation of taking a position in, or during the term of, the Securities. This could drive down the price of the Ordinary Shares. Since the Securities will mandatorily convert into Ordinary Shares upon the Capital Adequacy Trigger, the price of the Ordinary Shares may be more volatile if the Issuer is trending toward the Capital Adequacy Trigger.

Securityholders may be subject to disclosure obligations and/or may need approval by the Lead Regulator applicable to the Issuer.

As the Securities are mandatorily convertible into Ordinary Shares following a Capital Adequacy Trigger, an investment in the Securities may result in Securityholders, following such conversion, having to comply with certain disclosure and/or approval requirements pursuant to laws and regulations applicable in the UK. For example, pursuant to Chapter 5 of the Disclosure Rules and Transparency Rules Sourcebook of the FCA Handbook, the Issuer (and the FCA) must be notified by a person when the percentage of voting rights in the Issuer controlled by that person (together with its concert parties), by virtue of direct or indirect holdings of shares aggregated with direct or indirect holdings of certain financial instruments, reaches or crosses three (3) per cent. and every percentage point thereafter.

Furthermore, as the Ordinary Shares are of a parent undertaking of a number of regulated Group entities, under the laws of the UK and other jurisdictions, ownership of an interest in the Ordinary Shares to be delivered following conversion above a certain level may require the Securityholder to obtain regulatory approval or subject the Securityholder to additional regulation.

Non-compliance with such disclosure and/or approval requirements may lead to the incurrence by Securityholders of substantial fines, public censure and/or suspension of voting rights associated with the Ordinary Shares. Each potential investor should consult its legal advisers as to the terms of the Securities and the level of holding it would have if it receives Ordinary Shares following a Capital Adequacy Trigger.

A Securityholder may be subject to taxes following conversion.

Neither the Issuer, nor any member of the Group will pay any taxes or capital, stamp, issue and registration or transfer taxes or duties arising upon conversion or that may arise or be paid as a consequence of the issue and delivery of Ordinary Shares to the Settlement Shares Depositary. A Securityholder must pay any taxes and capital, stamp, issue and registration and transfer taxes or duties arising upon conversion (other than on the transfer and delivery of any Ordinary Shares to a purchaser in any Conversion Shares Offer which in each case shall be payable by the relevant purchaser of the Ordinary Shares) and such Securityholder must pay all, if any, such taxes or duties arising by reference to any disposal or deemed disposal of such Securityholder's Security or interest therein.

Receipt by the Settlement Shares Depositary of the Ordinary Shares will irrevocably discharge and satisfy the Issuer's obligations in respect of the Securities.

Following a Capital Adequacy Trigger, the relevant Ordinary Shares will be issued and delivered by the Issuer to the Settlement Shares Depositary, which, subject to a Conversion Shares Offer, will hold the Ordinary Shares on behalf of the Securityholders. Receipt by the Settlement Shares Depositary of the Ordinary Shares will irrevocably discharge and satisfy the Issuer's obligations in respect of the Securities and a Securityholder will, with effect on and from the Conversion Date, only have recourse to the Settlement Shares Depositary for the delivery to it of the relevant Ordinary Shares or, if the Issuer elects that a Conversion Shares Offer be made as described in Condition 9(f) (*Conversion Shares Offer*), of any Alternative Consideration to which such Securityholder is entitled as described herein. The Issuer will not have any liability for the performance of the obligations of the Settlement Shares Depositary.

In addition, the Issuer has not yet appointed a Settlement Shares Depositary, may not have appointed a Settlement Shares Depositary in respect of any Series of Security as of the Issue Date of such Series of Securities and the Issuer may not be able to appoint a Settlement Shares Depositary if conversion occurs.

In such a scenario, the Issuer would inform Securityholders via Euroclear, Clearstream, Luxembourg or otherwise, as practicable, of any alternative arrangements in connection with the issuance and/or delivery of the Ordinary Shares or Alternative Consideration, as applicable, and such arrangements may be disadvantageous to, and more restrictive on, the Securityholders. For example, such arrangements may involve Securityholders having to wait longer to receive their Ordinary Shares or Alternative Consideration than would be the case under the arrangements expected to be entered into with a Settlement Shares Depositary. Under these circumstances, the Issuer's issuance of the Ordinary Shares to the relevant recipient in accordance with these alternative arrangements shall constitute a complete and irrevocable release of all of the Issuer's obligations in respect of the Securities.

Risks relating to Securities generally

Applicable Bank Resolution Powers

Directive 2014/59/EU (as amended, supplemented or replaced from time to time) (the "**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 UK, 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 UK 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, as the parent company of a UK bank, 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/or the FCA (each a "**relevant UKRA**") in circumstances where a UK bank or its parent company 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 Securities 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 Securityholders' claims

The powers granted to the relevant UKRA also include powers to vary or extinguish the claims of certain creditors. These powers include a "write-down and conversion of capital instruments and liabilities" power and a "bail-in" power.

The write-down and conversion of capital instruments and liabilities power may be used where the relevant UKRA has determined that the institution concerned and/or in the case of a holding company, an institution in its group has reached the point of non-viability, but that no bail-in of instruments other than capital instruments or (where the institution concerned is not a resolution entity) certain internal non-own funds liabilities ("**relevant internal liabilities**") is required (however the use of the write-down and conversion power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down or conversion effected using this power must be carried out in a specific order such that common equity must be written off, cancelled or appropriated from the existing shareholders in full before additional tier 1 instruments are affected, additional tier 1 instruments must be written off or converted in full before tier 2 instruments are affected and (in the case of a non-resolution entity) tier 2 instruments must be written off or converted in full before relevant internal liabilities are affected. Where the write-down and conversion of capital instruments and liabilities power is used, the write-down is permanent and investors receive no compensation (save that common equity tier 1 instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments and liabilities power is not subject to the "no creditor worse off" safeguard (unlike the bail-in power described below). The write-down and conversion of capital instruments and liabilities power could be exercised in relation to the Securities.

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 Securities) of a failing financial institution or its holding company, to convert certain debt claims (which could be amounts payable under the Securities) 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 Securities or amendment of the amount of interest payable on the Securities, 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. As a result, Securities which qualify as capital instruments may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. This could effectively subordinate such Securities to the Issuer's other subordinated indebtedness that is not additional tier 1 or tier 2 capital in the event that the bail-in power is applied by the relevant UKRA. The claims of some creditors whose claims would rank equally with those of the Securityholders may be excluded from bail-in. The more of such creditors there are, the greater will be the impact of bail-in on the Securityholders. 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.

Any exercise of the write-down and conversion of capital instruments and liabilities power or the bail-in power in respect of the Securities could occur before a Capital Adequacy Trigger occurs pursuant to the terms of the Securities and any consequent conversion of the Securities into Ordinary Shares. The outcome of any such exercise of these powers may include the Securities being fully written down, in which case investors in the Securities will not have their Securities converted as contemplated by the Conditions following the occurrence of a Capital Adequacy Trigger.

Moreover, any securities that may be issued to Securityholders upon conversion of the Securities pursuant to the exercise of the bail-in power 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 Securityholders receive upon conversion of such Securities (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, including, for example, the Issuer's American depositary receipts listed on the New York Stock Exchange or ordinary shares listed on the London Stock Exchange or otherwise. 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 Securities, or the disclosure with respect to any existing issuer may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the bail-in power.

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

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of 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 Securities). 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 such 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 depositary 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 Group

As well as a write-down and conversion of capital instruments and liabilities power and 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 and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution, impose a temporary suspension of payments, discontinue the listing and admission to trading of debt instruments and/or transfer securities of the relevant financial institution to a third party appointed by the Bank of England.

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 repayment obligation under the Securities and the exercise of any such powers (including especially the write-down and conversion of capital instruments power and the bail-in power) could lead to the Securityholders losing some or all of their investment.

Moreover, trading behaviour in relation to the securities of the Issuer (including the Securities), 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 Securities 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 Securityholders, the market value of an investment in the Securities and/or the Issuer's ability to satisfy its obligations under the Securities.

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 Securities will benefit from such support even if it were provided.

Structural subordination

The Securities are obligations exclusively of the Issuer and are not guaranteed by any other person, including any of its subsidiaries. The Issuer is a non-operating holding company and, as such, its principal source of income is from operating subsidiaries which hold the principal assets of the Group. As a separate legal entity, the Issuer relies on, among other things, remittance of its subsidiaries' loan and debt securities interest payments and dividends in order to be able to meet its obligations to Securityholders as they fall due. The ability of the Issuer's subsidiaries and affiliates to pay dividends and (in certain circumstances) interest payments could be restricted by changes in regulation, statutory/contractual restrictions, exchange controls, tax laws and other requirements.

In addition, as a holder of ordinary shares in its subsidiaries, the Issuer's right to participate in the assets of any subsidiary if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors and preference shareholders, except where the Issuer is a creditor with claims that are recognised to be ranked ahead of or *pari passu* with such claims of the subsidiary's creditors and/or preference shareholders against such subsidiary.

The Issuer has absolute discretion as to how it makes its investments in or advances funds to its subsidiaries, including any proceeds of issuances of debt securities such as the Securities, and as to how it may restructure existing investments and funding in the future. The ranking of the Issuer's claims in respect of such investments and funding in the event of the liquidation of a subsidiary, and their treatment in resolution, will depend in part on their form and structure and the types of claim to which they give rise. The purposes of such investments and funding, and any such restructuring, may include, among other things, the provision of different amounts or types of capital or funding to particular subsidiaries, including for the purposes of meeting regulatory requirements, such as the implementation of MREL and TLAC requirements in respect of such subsidiaries, which may require funding to be made on a subordinated basis, or the implementation of the Basel 3.1 requirements.

In addition, the terms of some loans or investments made by the Issuer in capital instruments or relevant internal liabilities issued by its subsidiaries may contain contractual mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition or viability of such subsidiary and/or other entities in the Group or the taking of certain actions under the relevant statutory or regulatory powers (including the write-down or conversion of own funds instruments or relevant internal liabilities or certain entities being the subject of resolution proceedings), would, subject to certain conditions, result in a write-down of the claim or a change in the ranking and type of claim that the Issuer has against such subsidiary. Such loans to and investments in the Issuer's subsidiaries may also be subject to the exercise of the statutory write-down and conversion of capital instruments and liabilities power or the bail-in power – see "*Applicable Bank Resolution Powers*" above - or any similar statutory or regulatory power that may be applicable to the relevant subsidiary. Any changes in the legal or regulatory form and/or ranking of a loan or investment could also affect its treatment in resolution.

For the reasons described above, if any subsidiary of the Issuer were to be wound up, liquidated or dissolved (i) the Securityholders would have no right to proceed against the assets of such subsidiary and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of such subsidiary's creditors and/or preference shareholders (including holders of such subsidiary's senior or subordinated debt, including eligible liabilities, tier 2 and additional tier 1 capital instruments, all of which may include the Issuer) before the Issuer would be entitled to receive any distributions in respect of such subsidiary's ordinary shares. Similarly, if any of the Issuer's subsidiaries were subject to resolution proceedings Securityholders (i) may have no direct recourse against such subsidiary and (ii) may also be exposed to losses pursuant to the exercise by the relevant resolution authority of resolution powers (including any applicable bail-in power).

No restriction on the amount or type of further securities or indebtedness that the Issuer or its subsidiaries may issue, incur or guarantee

Subject to complying with applicable regulatory requirements in respect of the Group's leverage and capital ratios, there is no restriction on the amount or type of further securities or indebtedness that the Issuer or its subsidiaries may issue, incur or guarantee, as the case may be, that rank senior to, or *pari passu* with, the Securities. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by Securityholders on a liquidation or winding-up of the Issuer and may limit the Issuer's ability to meet its obligations under the Securities. In addition, the Securities do not contain any restriction on the Issuer issuing securities that may have preferential rights to the Securities or securities with similar or different provisions to those described herein.

Change of law

The Conditions of the Securities are based on English law in effect as at the date of issue of the relevant Securities. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Memorandum. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Securities, which may have an adverse effect on an investment in the Securities.

In addition, any change in law or regulation which would trigger any of the limbs in Condition 6(b) (*Redemption for Taxation Reasons*) or a Capital Disqualification Event would entitle the Issuer, at its option (subject to the Issuer having complied with any requirements under Condition 6(i) (*Supervisory Consent*)), to redeem the Securities, in whole but not in part, as provided under Conditions 6(b) (*Redemption for Taxation Reasons*) or 6(f) (*Redemption upon Capital Disqualification Event*), as applicable.

Such legislative and regulatory uncertainty could also affect an investor's ability to accurately value the Securities and, therefore, affect the trading price of the Securities given the extent and impact on the Securities that one or more regulatory or legislative changes, including those described above, could have on the Securities.

The financial services industry has been and continues to be the focus of significant regulatory change and scrutiny. In addition, the UK's withdrawal from the European Union (the "**EU**") continues to create significant political, regulatory and macroeconomic uncertainty. For instance, while the UK's withdrawal from the EU does not affect the validity of the Banking Act (through which BRRD was implemented), UK and EU law have diverged with respect to certain aspects of recovery and resolution, as well as regulatory capital requirements, and may diverge further, particularly as a result of the enactment of the Financial Services and Markets Act 2023 on 29 June 2023, which gives HM Treasury powers to revoke EU-derived laws (known as "retained EU laws" or "REUL" before the end of 2023 and as of 1 January 2024, known as "assimilated law") related to financial services (including the UK CRR) and replace such laws with a new UK legislative framework. HM Treasury, along with the UK FCA and PRA, have been consulting on the new UK legislative framework. HM Treasury and the PRA are expected to publish consultations, along with draft legislation and rules, on a number of matters relating to the repeal and replacement of UK CRR throughout 2024, the outcomes of which are likely to have effect over the next few years.

Any significant changes in financial services regulation, including through powers derived from the Financial Services and Markets Act 2023, may adversely affect the Group's business, financial performance, capital and risk management strategies. Such regulatory changes and the resulting actions taken to address such regulatory changes may include higher capital and additional loss absorbency requirements and increased powers of competent authorities which together may have an adverse impact on the Group's, and may therefore affect the Issuer's, performance and financial condition. It is not possible to predict changes to legislation or regulatory rulemaking or the ultimate consequences of any such changes to the Group or the Holders, which could be material to the rights of Holders and/or the ability of the Issuer to satisfy its obligations under the Securities.

Credit ratings may not reflect all risks; effect of reductions in credit ratings.

One or more independent credit rating agencies may assign credit ratings to the Issuer and to any Series of Securities. Such credit ratings may not reflect the potential impact of all risks related to structure, market, risk factors discussed herein or other factors that may affect the value of the Securities, including risks relating to the current macroeconomic environment, the Russia-Ukraine war and the Israel-Hamas war. Accordingly, an investor may suffer losses if the credit rating assigned to any Securities does not reflect the true credit risks relating to such Securities. A credit rating is not a recommendation to buy, sell or hold Securities and may be revised or withdrawn by the relevant rating agency at any time.

There can be no assurance that rating agencies will maintain the current ratings or outlook assigned to the Issuer or any Securities. Additionally, any uncertainty about the extent of any anticipated changes to the credit ratings assigned to the Issuer or the Securities may adversely affect the market value of the Securities.

The value of any Securities may be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by credit ratings. Real or expected downgrades, suspensions or withdrawals of, or changes in the methodology used to determine, credit ratings accorded to any securities of the Issuer, including the Securities, or to the Issuer's debt securities generally, by any credit rating agency, could result in a reduction of the trading value of the Securities.

The Securities may be assigned a credit rating below investment grade in the future, in which case the Securities will be subject to the risks associated with non-investment grade securities.

Rating agencies may adopt methodology changes that may result in their assigning to the Securities credit ratings which are below investment grade. If the Securities are not considered to be investment grade securities, they will be subject to a higher risk of price volatility than higher-rated securities. Furthermore, increases in leverage or deteriorating outlooks for the Issuer or volatile markets could lead to a significant deterioration in market prices of below-investment grade rated securities.

Modification, waiver and substitution

The Conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The Securities permit the substitution of an affiliate of the Issuer as principal debtor in respect of the Securities, subject to a guarantee of the Issuer and certain other conditions (as set out in the Trust Deed) being satisfied.

In relation to instruments issued in global form, investors will have to rely on the procedures of the applicable clearing system for transfer, payment and communication with the Issuer

Securities issued under the Programme may be represented by instruments in global form (as further described in the section entitled "*Forms of Securities; Summary of Provisions Relating to the Securities while in Global Form*").

While Securities are represented by instruments in global form the Issuer will discharge its payment obligations under such Securities by making payments through the applicable clearing system for distribution to their respective account holders. A holder of an interest in an instrument in global form must rely on the procedures of the relevant clearing system to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in global instruments.

Holders of interests in instruments in global form will not have a direct right to vote in respect of the relevant Securities. 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 under and in accordance with the rules of such clearing system.

There is no active trading market for the Securities.

Any Series of Securities issued under the Programme will be new securities which may not be widely distributed and for which there is currently 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 of Securities which is already issued). If the Securities 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 securities, general economic conditions and the financial condition of the Issuer and existing liquidity arrangements (if any) might not protect Securityholders from having to sell the Securities at substantial discounts to their principal amount in case of financial distress of the Issuer. Although application has been made for Securities issued under the Programme to be admitted to the Official List of Euronext Dublin and to trading on its Global Exchange Market, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted, that an active trading market will develop or that any listing or admission to trading will be maintained. In addition, if the Securities cease to be listed on the Global Exchange Market, certain investors may not continue to hold or invest in the Securities. In addition, the ability of the Dealers to make a market in the Securities may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Securities. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Securities. 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 Securities will develop or, if it does, the price at which Securities will trade in the secondary market or whether such market will be liquid or illiquid. If any Securities are not listed or traded on any exchange, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. Also, to the extent that Securities are redeemed or purchased and cancelled, the number of Securities outstanding will decrease, resulting in a lessening of the liquidity of the Securities. A lessening of the liquidity of the Securities may cause, in turn, an increase in the volatility associated with the price of the Securities. To the extent that there is no liquid market in the Securities, an investor may have to wait until the redemption of such Securities in order to realise the value of their investment and, as such, an investor should proceed on the assumption that he may have to bear the economic risk of an investment in the Securities until the date, if any on which the Securities are redeemed.

The Issuer and any person directly or indirectly connected with the Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or otherwise, subject to it complying with any requirements under Condition 6(i) (*Supervisory Consent*). Such Securities may be held, reissued or, at the option of the Issuer, cancelled.

Securities with multiple denominations

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (A) the Investor's Currency equivalent yield on the Securities; (B) the Investor's Currency equivalent value of the principal payable on the Securities; and (C) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Risks relating to Securities denominated in Renminbi

A description of risks which may be relevant to an investor in Securities denominated in Renminbi ("**Renminbi Securities**") is set out below.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of mainland China which may adversely affect the liquidity of Renminbi Securities

Renminbi is not freely convertible at present. The government of The People's Republic of China (the "**PRC**") (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong Dollar.

However, there has been a significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

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

Although the People's Bank of China ("**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will continue to liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in mainland China will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of mainland China. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of mainland China in Renminbi, this may affect the overall availability of Renminbi outside mainland China, which may have a negative impact on the liquidity of the Renminbi

Securities and thus the value of the Renminbi Securities. In addition, if Renminbi outside mainland China is unavailable, this will have an impact on the ability of the Issuer to source Renminbi to finance its obligations under Securities denominated in Renminbi.

There is only limited availability of Renminbi outside mainland China, which may affect the liquidity of the Renminbi Securities and the Issuer's ability to source Renminbi outside mainland China to service Renminbi Securities

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside mainland China is limited. While the PBoC has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the "**Renminbi Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong, and has established the Cross-Border Inter-Bank Payments System ("**CIPS**") to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside mainland China is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with enterprises in mainland China. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access mainland China's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside mainland China to square such open positions.

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

Investment in Renminbi Securities is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in mainland China and international political and economic conditions as well as many other factors. The PBoC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. Dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Securities unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of Renminbi Securities in that foreign currency will decline.

Investment in Renminbi Securities is subject to currency risk

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on Renminbi Securities as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions), the Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

Investment in Renminbi Securities is subject to interest rate risks

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

As Renminbi Securities may carry a fixed interest rate, the trading price of Renminbi Securities will consequently vary with the fluctuations in the Renminbi interest rates. If holders of Renminbi Securities propose to sell their Renminbi Securities before their maturity, they may receive an offer lower than the amount they have invested.

Payments with respect to Renminbi Securities may be made only in the manner designated in the Renminbi Securities

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in the relevant offshore Renminbi settlement centre. All payments to investors in respect of Renminbi Securities will be made solely (i) for so long as Renminbi Securities are represented by global certificates held with the common depositary or common safekeeper, as the case may be, for Clearstream Banking S.A. and Euroclear Bank SA/NV or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong, (ii) for so long as Renminbi Securities are represented by global certificates lodged with a sub-custodian for or registered with the Central Money Markets Unit ("**CMU**"), by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or, (iii) for so long as Renminbi Securities are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in mainland China).

Gains on the transfer of Renminbi Securities may become subject to income taxes under tax laws of mainland China

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Securities by non-mainland China resident enterprises or individual holders may be subject to the enterprise income tax of mainland China ("**EIT**") or individual income tax of mainland China ("**IIT**") if such gain is regarded as income derived from sources within mainland China. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of mainland China-sourced gains derived by such non-mainland China resident enterprises from the transfer of Renminbi Securities but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of mainland China-sourced gains derived by such non-mainland China resident individual Holder from the transfer of Renminbi Securities.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Securities by non-mainland China resident enterprises or individual holders would be treated as income derived from sources within mainland China and thus become subject to EIT or IIT. This will depend on how the tax authorities in mainland China interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between mainland China and Hong Kong for avoidance of double taxation, holders who are residents of Hong Kong, including enterprise holders and individual holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of Renminbi Securities.

Therefore, if enterprise or individual resident holders which are non-mainland China residents are required to pay mainland China income tax on gains derived from the transfer of Renminbi Securities, unless there is an applicable tax treaty or arrangement between mainland China and the jurisdiction in which such non-mainland China enterprise or individual holders of Renminbi Securities reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Securities may be materially and adversely affected.

Remittance of proceeds in Renminbi into or out of mainland China

In the event that the Issuer decides to remit some or all of the proceeds into mainland China in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant government authorities in mainland China. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant government authorities in mainland China will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the PRC Government will not impose any interim or long-term restrictions on capital inflow or outflow which may restrict cross-border Renminbi remittances, that the pilot schemes introduced will not be discontinued or that new regulations in mainland China will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside mainland China. In the event that the Issuer does remit some or all of the proceeds into mainland China in Renminbi and the Issuer subsequently is not able to repatriate funds out of mainland China in Renminbi, it will need to source Renminbi outside mainland China to finance its obligations under Renminbi Securities, and its ability to do so will be subject to the overall availability of Renminbi outside mainland China.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Offering Memorandum:

- the Registration Document of the Issuer dated 27 March 2024 submitted to and filed with Euronext Dublin;

- the 2023 Form 20-F, save for the sections entitled "Report of Independent Registered Public Accounting Firm to the Board of Directors and Shareholders of HSBC Holdings plc", "Financial Statements" and "Notes on the Financial Statements" that fall within pages 354 to 461. The 2023 Form 20-F is available on the Issuer's website at: https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20. The 2023 Form 20-F has also been filed with the SEC and is available in electronic form at https://www.sec.gov/Archives/edgar/data/1089113/000108911324000004/hsbc-20231231.htm;

- the audited consolidated financial statements of the Issuer, the independent auditors' report thereon and the notes thereto, in respect of the financial year ended 31 December 2023, as set out on pages 318 to 434 of the Annual Report and Accounts 2023 of the Issuer (the "**2023 Annual Report and Accounts**") and the notes to such audited consolidated financial statements of the Issuer that are identified as '(Audited)' and are presented within the sections of the 2023 Annual Report and Accounts entitled "Risk review" and "Directors' remuneration report", which sections are set out on pages 135 to 237 and 279 to 305 respectively of the 2023 Annual Report and Accounts. The 2023 Annual Report and Accounts is available on the Issuer's website at https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20l; and

- the audited consolidated financial statements of the Issuer, the independent auditors' report thereon and the notes thereto, in respect of the financial year ended 31 December 2022, as set out on pages 312 to 417 of the Annual Report and Accounts 2022 of the Issuer (the "**2022 Annual Report and Accounts**") and the notes to such audited consolidated financial statements of the Issuer that are identified as '(Audited)' and are presented within the sections of the 2022 Annual Report and Accounts entitled "Risk review" and "Directors' remuneration report", which sections are set out on pages 131 to 238 and 276 to 301 respectively of the 2022 Annual Report and Accounts. The 2022 Annual Report and Accounts is available on the Issuer's website at https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20.

The Issuer will, at its registered office, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Offering Memorandum and including any document incorporated by reference in this Offering Memorandum. Written or oral requests for inspection of such documents should be directed to the Issuer's registered office. Additionally, this Offering Memorandum and all the documents incorporated by reference herein will be available for viewing at http://www.hsbc.com (please follow links to 'Investors', 'Fixed income investors' and 'Issuance programmes' for this Offering Memorandum and the Registration Document and the alternate links (as relevant) provided in the section entitled "General Information" for the other documents incorporated by reference). For the avoidance of doubt, unless specifically incorporated by reference in this Offering Memorandum, any websites referred to in this Offering Memorandum or any information appearing on such websites and pages do not form part of this Offering Memorandum.

Any information incorporated by reference in the above documents does not form part of this Offering Memorandum and to the extent that only certain parts of the above documents are specified to be incorporated by reference hereunder, the non-incorporated parts of such documents are either not relevant for investors or covered elsewhere in this Offering Memorandum.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Memorandum which is capable of affecting the assessment of any Securities, prepare a supplement to this Offering Memorandum or publish a new Offering Memorandum for use in connection with any subsequent issue of Securities.

FORMS OF SECURITIES; SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

Securities may, subject to all applicable legal and/or regulatory requirements, be issued in Tranches or Series comprising either Securities in bearer form ("**Bearer Securities**") or Securities in registered form ("**Registered Securities**"), as specified in the relevant Pricing Supplement. All Bearer Securities will be issued in classic global note form.

Registered Securities

Each Tranche of Registered Securities may be represented by a Registered Security in global form ("**Global Registered Security**") without interest coupons and registered in the name of a nominee for the common depositary for Euroclear and/or Clearstream, Luxembourg and the Global Registered Security will be deposited on or about the closing date for the relevant Tranche (the "**Closing Date**") with the common depositary. Interests in any Global Registered Security will be exchangeable (in circumstances described below under "*Exchange and Transfer of Global Registered Securities for Definitive Registered Securities*") for registered securities in definitive form ("**Definitive Registered Securities**") in the relevant form scheduled to the Trust Deed.

Owner of Global Registered Securities and Payments

In the case of Global Registered Securities, each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Security (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Registered Security and in relation to all other rights arising under the Global Registered Securities. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Registered Security will be determined by the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Securities are represented by Global Registered Securities, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Securities.

The records of the relevant clearing systems which reflect the amount of Securityholders' interests in the Securities shall be conclusive evidence of the nominal amount of Securities represented by the Global Registered Securities and shall be used in order to determine such Accountholder's share of any deliveries of Ordinary Shares upon the occurrence of a Capital Adequacy Trigger.

Notwithstanding Condition 8(b) (*Registered Securities*) of the Terms and Conditions of the Securities, so long as Securities are represented by a Global Registered Security, each payment in respect of such Security will be made to the person shown as the registered holder in the register (the "**Register**") maintained in respect of the Securities at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (where the "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Security is being held is open for business).

Exchange and Transfer of Global Registered Securities for Definitive Registered Securities

Beneficial interests in a Global Registered Security will be exchangeable, in whole but not in part, for Definitive Registered Securities: (i) in the circumstances set out in Condition 10 (*Enforcement*); or (ii) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (iii) at the option of the Issuer, if the Issuer, any Paying Agent or the Registrar, by reason of any change in, or amendment to, the laws of the UK, is or will be required to make any deduction or withholding from any payment under the Securities which would not be required if such Securities were in definitive form; or (iv) if the Issuer so elects, where the Issuer would suffer a material disadvantage in respect of the Securities as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction, which would not be suffered were the Securities Definitive Registered Securities.

If so specified in the relevant Pricing Supplement, the Issuer will waive its right to elect to exchange a Global Registered Security for Definitive Registered Securities in the circumstances described in (iv) above.

In such circumstances, (a) the Registrar will be required to notify all Holders of interests in the relevant Global Registered Securities registered in the name of Euroclear, Clearstream, Luxembourg or the nominee of their common depositary, as the case may be, of the availability of Definitive Registered Securities and (b) the Issuer will, at the cost of the Issuer, cause sufficient Definitive Registered Securities to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Holders. A person having an interest in the relevant Global Registered Security must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver the relevant Definitive Registered Security.

The holder of a Registered Security may transfer such Registered Security in accordance with the provisions of Condition 1 (*Form, Denomination and Title*) of the Terms and Conditions of the Securities, but subject, in the case of Securities represented by Global Registered Securities, to and in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg and their respective direct and indirect participants.

The holder of a Definitive Registered Security may transfer such Security 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 Security for Definitive Registered Securities for a period of fifteen (15) calendar days preceding the due date for any payment in respect of the Securities.

Bearer Securities

Temporary and Permanent Global Securities

Bearer Securities will be issued either in accordance with the provisions of United States Treasury Regulations Sections 1.163-5(c)(1)(ii) and 1.163-5(c)(2)(i)(D) ("**TEFRA D**", which definition shall include any successor rules for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) or in accordance with the provisions of United States Treasury Regulations Sections 1.163-5(c)(1)(ii) and 1.163-5(c)(2)(i)(C) ("**TEFRA C**", which definition shall include any successor rules for the purposes of Section 4701 of the Code). Bearer Securities issued in accordance with TEFRA D will be represented upon issue by a temporary global security in bearer form without interest coupons (a "**Temporary Global Security**"). Bearer Securities issued in accordance with TEFRA C will be represented upon issue by a permanent global security in bearer form without interest coupons (a "**Permanent Global Security**" and, together with any Temporary Global Security and any Global Registered Security, the "**Global Securities**" and each, a "**Global Security**") or by a Temporary Global Security. Each Temporary Global Security and Permanent Global Security will be delivered on or prior to the issue date for the relevant Tranche to a common depositary acting as an agent for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Temporary Global Security issued in accordance with TEFRA C will be exchangeable after the Exchange Date specified in the relevant Pricing Supplement and without any requirement for certification for Bearer Securities in definitive form, in accordance with the terms of such Temporary Global Security and as specified in the relevant Pricing Supplement. Interests in a Temporary Global Security issued in accordance with TEFRA D will be exchangeable either for Bearer Securities in definitive form or for interests in a Permanent Global Security, on or after the date which is forty days after the date on which such Temporary Global Security 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 Security and as specified in the relevant Pricing Supplement. Where a Security in global form is exchangeable for Bearer Securities in definitive form, then such Securities shall be tradeable only in principal amounts of at least the Specified Denomination (or if there is more than one Specified Denomination, the lowest Specified Denomination).

For the purposes of complying with TEFRA D, Bearer Securities 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.

Interests in any Permanent Global Security will be exchangeable, in whole but not in part, for Bearer Securities in definitive form, against presentation and (in the case of final exchange) surrender of such Permanent Global Security at the specified office from time to time of the Principal Paying and Conversion Agent: (i) in the circumstances set out in Condition 10 (*Enforcement*); or (ii) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of fourteen days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (iii) at the option of the Issuer, if the Issuer, any Paying Agent or the Registrar, by reason of any change in, or amendment to, the laws of the UK, is or will be required to make any deduction or withholding from any payment under the Securities which would not be required if such Securities were in definitive form; or (iv) if the Issuer so elects, where the Issuer would suffer a material disadvantage in respect of the Securities as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction, which would not be suffered were the Securities in definitive form.

If so specified in the relevant Pricing Supplement, the Issuer will waive its right to elect to exchange a Permanent Global Security for Bearer Securities in definitive form in the circumstances described in (iv) above.

Bearer Securities in definitive form will, if interest-bearing and if so specified in the relevant Pricing Supplement, have interest coupons ("**Coupons**") and, if applicable, a talon for further Coupons.

Payments and Conversion Settlement in respect of Bearer Securities

All payments and any deliveries of Ordinary Shares or Alternative Consideration upon the occurrence of a Capital Adequacy Trigger, if any, in respect of Bearer Securities when represented by a Temporary Global Security or Permanent Global Security will be made against presentation and surrender or, as the case may be, presentation of the relevant Temporary Global Security or Permanent Global Security at the specified office of any of the Paying Agents. On each occasion on which a payment or delivery is so made, the Issuer shall procure that record of such payment is noted on a schedule to the relevant Security in global form.

In the case of Bearer Securities represented by Securities in global form, each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Security in global form (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Security in global form and in relation to all other rights arising under the Security in global form. The records of the relevant clearing systems which reflect the amount of Securityholders' interests in the Securities shall be conclusive evidence of the nominal amount of Bearer Securities represented by Securities in global form and shall be used in order to determine such Accountholder's share of any deliveries of Ordinary Shares upon the occurrence of a Capital Adequacy Trigger. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Security in global form will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Securities are represented by a Security in global form, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Securities.

If any date on which a payment of interest or principal is due on the Securities of a Series issued in accordance with TEFRA D occurs while any of the Securities of that Series are represented by a Temporary Global Security, the relevant interest or principal payment will be made on such Temporary Global Security only to the extent that certification has been received by Euroclear and/or Clearstream, Luxembourg as to the beneficial ownership thereof, as required by U.S. Treasury Regulations, in accordance with the terms of such Temporary Global Security.

Transfers of Securities after the Suspension Date

Transfers of beneficial interests in Securities represented by Global Securities will not be registered by the Clearing Systems after the date specified as the "**Suspension Date**" in the Suspension Notice, which date shall be no later than 38 London Business Days after the Latest Conversion Shares Offer Election Date and, if the Issuer elects to conduct a Conversion Shares Offer, shall be at least two London Business Days prior to the end of the relevant Conversion Shares Offer Period. For these purposes, "**Suspension Notice**" means a notice given by the Issuer to Holders of Affected Securities in accordance with Condition 14 (*Notices*) at any time on or after the Capital Adequacy Trigger Notice has been given and on or prior to the Latest Conversion Shares Offer Election Date, specifying the Suspension Date.

Notices

So long as any Securities are represented by a Global Security, notices to Securityholders may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or any other clearing system (as may be agreed between the Issuer and the Dealer) for communication by them to entitled accountholders in substitution for publication as required by the Conditions, except that, so long as any Securities are listed on any stock exchange, notices will also be published as required by the rules and regulations of such stock exchange.

Purchase and Cancellation

Cancellation of any Security surrendered for cancellation following its purchase will be effected by reduction in the principal amount of the relevant Temporary Global Security, Permanent Global Security or, as the case may be, Global Registered Security and, in the case of a Global Registered Security, will be recorded in the Register by the Registrar.

Issuer's Option to Redeem in Part

No drawing of Bearer Securities or redemption *pro rata* of Registered Securities will be required under Condition 6(c) (*Redemption at the Option of the Issuer*) in the event that the Issuer exercises any option to redeem such Securities in part while all such Securities which are outstanding are represented by a Global Bearer Security or, as the case may be, Global Registered Security. In such event, the standard procedures of Euroclear and/or Clearstream, Luxembourg will operate to determine which interests in such Global Bearer Securities or, as the case may be, Global Registered Securities, are to be subject to such option. Such partial redemption is to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion.

USE OF PROCEEDS

Unless otherwise specified in the relevant Pricing Supplement, the net proceeds of each Series of Securities will be applied by the Issuer for general corporate purposes and to maintain or further strengthen its capital base pursuant to requirements under the Applicable Rules.

FORM OF PRICING SUPPLEMENT

PRICING SUPPLEMENT

Pricing Supplement dated [•]

Series No: [•]

Tranche No: [•]

HSBC Holdings plc

(a company incorporated in England with registered number 617987; the liability of its members is limited)

USD 50,000,000,000
Programme for Issuance of Perpetual Subordinated Contingent Convertible Securities

Legal Entity Identifier (LEI): MLU0ZO3ML4LN2LL2TL39

Issue of

[Aggregate Principal Amount of Tranche]

[Title of Securities]

[**EU MiFID II product governance / Professional investors and ECPs only target market** - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018, as amended ("**UK MiFIR**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Prohibition on marketing and sales to retail investors

1. The Securities are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities. Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).

2.

(a) In the UK, the Financial Conduct Authority ("**FCA**") Conduct of Business Sourcebook ("**COBS**") requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.

(b) Some or all of the Dealers/Managers are required to comply with COBS.

(c) By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Issuer and/or the Dealers/Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Dealers/Managers that:

(i) it is not a retail client in the UK; and

(ii) it will not (A) sell or offer the Securities (or any beneficial interests therein) to retail clients in the UK or (B) communicate (including the distribution of the Offering Memorandum (as defined below)) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

(d) In selling or offering the Securities or making or approving communications relating to the Securities, it may not rely on the limited exemptions set out in COBS.

3. For the avoidance of doubt, the obligations in paragraph 2 above are without prejudice to the need to comply at all times with all applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area ("**EEA**") or the UK) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), whether or not specifically mentioned in the Offering Memorandum (including (without limitation) any requirements under MiFID II or the FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) for investors in any relevant jurisdiction).

4. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or the Dealers/Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities 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 EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Offering Memorandum referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Securities in any Member State of the EEA (each, a "**Member State**") or in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or section 86 of the FSMA, respectively, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer in a Member State or the UK of the Securities may only do so in circumstances in which no obligation arises for the Issuer to (i) in the case of a Member State, publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or (ii) in the case of the UK, publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation as it forms part of domestic law in the UK by virtue of the EUWA, in the case of (i) and (ii), in relation to such offer. The Issuer has not authorised, nor does it authorise, the making of any offer of Securities in any other circumstances.

[**Singapore Securities and Futures Act Product Classification –** Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Securities are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).][1]

[Where interest, discount income, early redemption fee or redemption premium is derived from any of the Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore ("**ITA**") shall not apply if such person acquires such Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.][2]

Warning: Neither this Pricing Supplement nor the Offering Memorandum referred to below constitutes a "prospectus" for the purposes of the Prospectus Regulation or Part VI of the FSMA, and this Pricing Supplement and the Offering Memorandum have been prepared on the basis that no prospectus shall be required under the Prospectus Regulation or Part VI of the FSMA in relation to the offer and sale of any Securities.

PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement relating to the issue of the Tranche of Securities described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc, trading as Euronext Dublin]. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Offering Memorandum dated 27 March 2024 in relation to the above Programme (incorporating the Registration Document [and the supplements thereto dated [•]]) (together, the "**Offering Memorandum**"). This document must be read in conjunction with such Offering Memorandum. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at http://www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') [[and at [•] during normal business hours] and copies may be obtained from [•].]

1 *For any Securities to be offered to investors in Singapore, the Issuer to consider whether it needs to re-classify the Securities pursuant to Section 309B of the SFA prior to the launch of the offer. This legend does not need to be included unless the selling restrictions are changed to include investors who are not institutional investors or accredited investors.*

2 *This language applies if the Securities are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act 1947 of Singapore and must be included if this is the case. In particular, the Qualifying Debt Securities status should be considered whenever there are Singapore banks involved in distributing the Securities, as this status accords certain Singapore tax benefits to Securityholders.*

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.*]

1.	Issuer:		HSBC Holdings plc
2.	Series number:		[•]
	(i)	[Tranche number:	[•] [The Securities issued under this Pricing Supplement are to be consolidated and form a single series with [•] (the "**Original Issue**")] issued on [•] [(ISIN)]: [•].]
	(ii)	[Date on which the Securities become fungible:]	[[•][Not Applicable]]
3.	Specified Currency:		[•]
4.	Aggregate Principal Amount of Securities admitted to trading:		
	(i)	[Series:]	[•]
	(ii)	[Tranche:	[•]]
5.	Issue Price:		[•] per cent. of the Aggregate Principal Amount [plus accrued interest from [•].]
6.	(i)	Specified Denomination(s) (*Condition 1(d)*)	[•][and integral multiples of [•] in excess thereof up to and including [•]. No Securities in definitive form will be issued with a denomination above [•]].
	(ii)	Calculation Amount:	[•]
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date:	[•][Issue Date][Not Applicable]
	(iii)	[CNY Issue Trade Date:	[•][Not Applicable]]
8.	Interest basis: (*Conditions 3 and 4*)		[[•] per cent. Fixed Rate Securities] [[•] per cent. Resettable Securities] [[•] +/- [•] per cent. Floating Rate Securities] [Other]
9.	Redemption basis: (*Condition* 6)		[Redemption at par] [Other]
10.	Put/Call options:		[Issuer Call] [further particulars as specified in Condition [6(c)][and][6(d)] will apply] [Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11.	**Fixed Rate Securities provisions:** (*Condition 3(a)*)		[Applicable][Not Applicable] [The Securities are Fixed Rate Securities.] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i)	Rate of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly /monthly/other] in arrear]
	(ii)	Fixed Coupon Amounts[(s)]:	[•] per Calculation Amount [[In relation to [the [first] [•]] Interest Payment Date/the Interest Payment Date falling [in / on] [•], [•] per Calculation Amount.] [In relation to all other Interest Payment Dates] [•] per Calculation Amount] [Not Applicable]
	(iii)	[Fixed Interest Payment Dates(s)] / [Specified Period]:	[[•] in each year commencing on [•] and ending on [•], [in each case subject to adjustment in accordance with the Business Day Convention [for the purposes of payment only and not accrual]] / [•] [months]]
	(iv)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Floating Rate Convention] [Eurodollar Convention] [No Adjustment]
	(v)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual Canadian Compound Method] [Actual/Actual (ISDA)] [Actual/365(Fixed)] [Actual/365(Sterling)] [Actual/360] [30/360] [30E/360] [30E/360(ISDA)] [Other]
	(vi)	[Determination Date(s):	[[•] in each year][Not Applicable] (*insert regular interest payment dates, ignoring issue date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA).*)
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Securities:	[Not Applicable][Applicable (*provide details*)]

12.	**Resettable Security provisions:** (*Condition 3(b)*)		[Applicable][Not Applicable] [The Securities are Resettable Securities.] (*If Not Applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i)	Initial Rate of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
	(ii)	Resettable Coupon Amounts:	[In relation to the first Resettable Security Interest Payment Date, [ ] per Calculation Amount] [In relation to all [subsequent] Resettable Security Interest Payment Dates up to (and including) the Resettable Security Interest Payment Date falling [in/on] [•], [•] per Calculation Amount] [Not Applicable]
	(iii)	Resettable Security Margin:	[+/-][•] per cent. per annum
	(iv)	[Resettable Security Interest Payment Date(s)] / [Specified Period]:	[[•] in each year commencing on [•] and ending on [•], [in each case subject to adjustment in accordance with the Business Day Convention [for the purposes of payment only and not accrual]]/[•] [months]]
	(v)	First Reset Date:	[•][Not Applicable]
	(vi)	Second Reset Date:	[•][Not Applicable]
	(vii)	Subsequent Reset Dates:	[•][, [•]][Not Applicable]
	(viii)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual Canadian Compound Method] [Actual/Actual (ISDA)] [Actual/365(Fixed)] [Actual/365(Sterling)] [Actual/360] [30/360] [30E/360] [30E/360(ISDA)] [Other]
	(ix)	Determination Date(s):	[[•] in each year][Not Applicable]
	(x)	Business Day Centre(s):	[•]
	(xi)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Floating Rate Convention]

		[Eurodollar Convention] [No Adjustment]
(xii)	Resettable Security Reference Rate:	[Mid-Swap Rate] [Resettable Security Interbank Rate] [U.S. Treasury Rate] [Resettable Security Reference Bond Rate][SORA-OIS Rate] [TONA-TSR Rate]
(xiii)	Mid-Swap Rate:	[Single Mid-Swap Rate][Mean Mid-Swap Rate] [Not Applicable]
(a)	Relevant Screen Page:	[•]
(b)	Relevant Time:	[•]
(c)	Relevant Financial Centre:	[As per the Conditions] [•]
(d)	Reference Banks:	[As per the Conditions] [•]
(e)	Mid-Swap Maturity:	[•]
(f)	Fixed Leg Swap Payment Frequency:	[•]
(g)	Mid-Swap Floating Leg Benchmark Rate:	[•]
(h)	Benchmark Replacement:	[Applicable][Not Applicable]
(xiv)	Reference Rate applicable to Resettable Security Interbank Rate:	[BBSW] [CNH HIBOR] [EURIBOR][HIBOR][NIBOR] [SHIBOR] [STIBOR] [TAIBIR] [TAIBOR][TIIE][Not Applicable]
(a)	Relevant Period:	[•]
(b)	Relevant Screen Page:	[•]
(c)	Relevant Time:	[•]
(d)	Relevant Financial Centre:	[As per the Conditions] [•]
(e)	ISDA Determination for Fallback provisions:	[Not Applicable] [Applicable]
(1)	ISDA Definitions:	[2006 ISDA Definitions / 2021 ISDA Definitions]
(2)	Floating Rate Option:	[•]
(3)	Designated Maturity:	[•]
(4)	Reset Date:	[[•] / as specified in the ISDA Definitions / the first day of the relevant Interest Period]
(f)	Reference Banks:	[As per the Conditions] [•] [Not Applicable]

(g)	Leading Banks:	[As per the Conditions] [•] [Not Applicable]
(h)	Benchmark Replacement:	[Applicable][Not Applicable]
(xv)	U.S. Treasury Rate:	[Applicable][Not Applicable]
(a)	Reference Bond:	[•] [As per the Conditions]
(b)	Quotation Time:	[•]
(xvi)	Resettable Security Reference Bond Rate:	[Applicable][Not Applicable]
(a)	Quotation Time:	[•]
(b)	Reference Bond:	[As per the Conditions] [•]
(c)	Relevant Screen Page:	[As per the Conditions] [•]
(d)	Reference Bond Rate Source:	[Price]/[Yield]
(e)	Screen Page Reference Bond Rate:	[Applicable][Not Applicable]
(xvii)	SORA-OIS Rate:	[Applicable][Not Applicable]
(a)	Reference Rate Duration:	[•]
(b)	Benchmark Replacement:	[Applicable][Not Applicable]
(c)	Relevant Screen Page:	[As per the Conditions] [•]
(xviii)	TONA-TSR Rate:	[Applicable][Not Applicable]
(a)	Semi-Annual/Annualised basis:	[Semi-annual][Annualised]
(b)	Relevant Screen Page:	[As per the Conditions] [•]
(c)	Quotation Time:	[•]
(d)	TONA-TSR Applicable Time:	[10:00a.m. Tokyo time]/[3:00p.m. Tokyo time]

13. **Floating Rate Security provisions:** (*Condition 4*) — [Applicable] [Not Applicable] [The Securities are Floating Rate Securities.]

(*If Not Applicable, delete the remaining sub-paragraphs of this paragraph.*)

(i)	[Interest Payment Dates] / [Specified Period]:	[[•] in each year commencing on [•] and ending on [•], [in each case subject to adjustment in accordance with the Business Day Convention] / [•] [months]]
(ii)	Reference Rate:	[BBSW] [CNH HIBOR] [CORRA] [EURIBOR] [HIBOR] [HONIA] [NIBOR]

		[SHIBOR] [SARON] [SOFR] [SONIA] [SORA] [STIBOR] [€STR] [TAIBIR] [TAIBOR] [TIIE]
(iii)	Relevant Period:	[•]
(iv)	Screen Rate Determination:	[Not Applicable/ Applicable]
	(a) Relevant Screen Page:	[•]
	(b) Relevant Time:	[•]
	(c) Relevant Financial Centre:	[As per the Conditions] [•]
	(d) Reference Banks:	[As per the Conditions] [•] [Not Applicable]
	(e) Leading Banks:	[As per the Conditions] [•] [Not Applicable]
	(f) ISDA Determination for Fallback provisions:	[Not Applicable][Applicable]
	(1) Floating Rate Option:	[•]
	(2) Designated Maturity:	[•]
	(3) Reset Date:	[•]
	(g) RFR Index Determination:	[Applicable / Not Applicable]
	(h) Determination Method:	[Compounded Daily Rate - *include if RFR Index Determination is specified as applicable or if this is the chosen determination method where RFR Index Determination is specified as not applicable*][Weighted Average Rate]
	(i) Observation Method:	[Observation Shift - *include if RFR Index Determination is specified as applicable or if this is the chosen observation method where RFR Index Determination is specified as not applicable*][Lag][Lockout][Payment Delay]
	(1) Observation Shift Option [*Specify where Observation Shift is applicable*]:	[Standard Shift - *include if RFR Index Determination is specified as applicable or if this is the chosen observation method where RFR Index Determination is specified as not applicable*][IDD Shift]
	(j) Y:	[360 – *likely to be specified for USD*][365- *likely to be specified for GBP*][●]

(k)	"p":	[*Specify if Observation Shift (Standard Shift) or Lag are applicable*][Not Applicable]
(l)	ARRC Fallbacks:	[Applicable][Not Applicable] - *May be applicable if SOFR is the Reference Rate only*
(m)	Benchmark Replacement	[Applicable][Not Applicable]
(n)	Effective Interest Payment Dates:	[In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days][●] following the Interest Payment Date, and in respect of the final Interest Period, the redemption date of the Securities. – *include if Payment Delay is specified*][Not Applicable]

(v)	ISDA Determination:	[Applicable][Not Applicable]

(a)	ISDA Definitions:	[2006 ISDA Definitions] / [2021 ISDA Definitions]
(b)	Floating Rate Option:	[[•] / CHF-SARON / EUR-EURIBOR-Reuters (*if 2006 ISDA Definitions apply) /* EUR-EURIBOR *(if 2021 ISDA Definitions apply*) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index] *(The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) / EUR-EURIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions.)*
(c)	Designated Maturity:	[•]/[Not Applicable] *(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
(d)	Reset Date:	[[•] / as specified in the ISDA Definitions / the first day of the relevant Interest Period]
(e)	Compounding:	[Applicable]/[Not Applicable]

(i)	compounding Method:	[Compounding with Lookback Lookback: [•] Applicable Business Days]

			[Compounding with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [•]/Not Applicable]] [Compounding with Lockout Lockout: [•] Lockout Period Business Days Lockout Period Business Days: [•]/Applicable Business Days]
	(f)	Averaging:	[Applicable]/[Not Applicable]
		(i) Averaging Method:	[Averaging with Lookback Lookback: [•] Applicable Business Days] [Averaging with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [•]/Not Applicable] [Averaging with Lockout Lockout: [•] Lockout Period Business Days Lockout Period Business Days: [•]/Applicable Business Days]
	(g)	Index Provisions:	[Applicable][Not Applicable]
		(i) Index Method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [•]/Not Applicable
(vi)	Interest Determination Date(s):		[•] [[ ][prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 8 (*Payments*)) – *use for Payment Delay only*]
(vii)	Linear Interpolation:		[Not Applicable][Applicable - the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in

			[•] shall be calculated using Linear Interpolation.]
	(viii)	Margin:	[+/-] [•] per cent. per annum
	(ix)	Day Count Fraction:	[Actual/Actual(ICMA)] [Actual/Actual Canadian Compound Method] [Actual/Actual (ISDA)] [Actual/365(Fixed)] [Actual/365(Sterling)] [Actual/360] [30/360] [30E/360] [30E/360(ISDA)]
	(x)	Determination Date(s):	[[•] in each year][Not Applicable]
	(xi)	Business Day Centre:	[•]
	(xii)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Floating Rate Convention] [Eurodollar Convention] [No Adjustment]
14.	Maximum Rate of Interest:		[Not Applicable / [•] per cent. per annum]
15.	Minimum Rate of Interest:		[0 per cent. in accordance with Condition 4(g)] / [[•] per cent. per annum] / [Not Applicable]

PROVISIONS RELATING TO REDEMPTION

16.	Issuer's optional redemption (Call): (*Condition 6(c)*)		[Applicable][Not Applicable]
	(i)	Early Redemption Amount (Call):	[Optional Redemption Amount (Call)][Make Whole Redemption Amount] [In the case of the call option date[s] falling [on [•]][in the period from (and including) [•] to (but excluding) [•]/[•] before [•]], the [Optional Redemption Amount (Call)]] [In the case of the call option date[s] falling [on [•]][in the period from (and including) [•] to (but excluding) [•]/[•] before [•]], the [Make Whole Redemption Amount]]
	(ii)	Optional Redemption Amount (Call):	[•] per [Calculation Amount] [Not Applicable]
	(iii)	Make Whole Redemption Amount:	[Sterling Make Whole Redemption Amount][Non-Sterling Make Whole Redemption Amount] [Not Applicable]
		(a) Redemption Margin:	[•] per cent.

	(b)	Reference Bond:	[•]
	(c)	Reference Date:	[•]
	(d)	Relevant Screen Page:	[•][Not Applicable]
	(e)	Quotation Time:	[•]
(iv)		Series redeemable in part:	[•] [Yes, in relation to the call option date[s] falling [on [•]][in the period from (and including) [[•] to (but excluding) [•]/[•] before [•]]] [No, in relation to the call option date[s] falling [on [•]][in the period from (and including) [[•] to (but excluding) [•]/[•] before [•]]]
(v)		Call Option Date(s):	[•][Interest Payment Date[s] falling in [•]]
(vi)		Call Option Notice Period:	[•]
(vii)		Par Redemption Date:	[•]

17.	Redemption for taxation reasons – non-deductibility (*Condition 6(b)(iii)*)		[Applicable][Not Applicable]
18.	Residual Call (*Condition 6(d)*):		[Applicable][Not Applicable]
	(i)	Relevant Percentage:	[[•] per cent.][As per the Conditions]
	(ii)	Call option notice period:	[As per Condition 6(d)]/[Not less than [•] nor more than [•] days' notice]
	(iii)	Optional Redemption Amount (Residual Call):	[•] per [Calculation Amount] [Not Applicable]
19.	Redemption upon Capital Disqualification Event (*Condition 6(f)*)		[Applicable][Not Applicable]
20.	Early redemption amount		
	(i)	Early redemption amount upon redemption for taxation reasons: (*Condition 6(b)*)	[•][As per Condition 6(b)]
	(ii)	Capital Disqualification Event Early Redemption Price: (*Condition 6(f)*)	[[•] per cent.][[•] per Calculation Amount][Not Applicable]

PROVISIONS RELATING TO CONVERSION

21.	Conversion Price (per Ordinary Share): (*Condition 9(a)*)		[•] [*Note: Conversion Price must be denominated in the Specified Currency*]
22.	(i)	Conversion Shares Offer Price (per Ordinary Share) as of the Issue Date: (*Condition* 9(f))	[*Currency*] [•] / [the Conversion Price]

	(ii) Conversion Shares Offer Price Currency: (*Condition 9(f)*)	[GBP] / [*specify other*]
24.	Specified FX Rate:	[*specify*] [One] *[Note: if the Conversion Shares Offer Price Currency is the same as the Specified Currency, specify "One"]*
25.	Applicable Adjustment Event: (*Condition 9(i)*)	[Alteration to Nominal Value Event] [Bonus Issue Event] [Extraordinary Dividend Event] [Rights Issue Event]
26.	Conversion Shares Offer: (*Condition 9(f)*)	[Applicable][Not Applicable]
27.	Form of Ordinary Share: (*Condition 9(m)*)	[Uncertificated][Certificated]
28.	Latest Conversion Shares Offer Election Date: (*Condition 9(f)*)	[•][Not Applicable]
29.	Relevant Exchange in respect of the Ordinary Shares:	[•]

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

30.	Form of Securities: (*Condition 1(a)*)	[Bearer/Registered] **[**Global Registered Security registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]
31.	If issued in bearer form:	[Applicable] [Not Applicable]
	(i) Initially represented by a Temporary Global Security or Permanent Global Security:	[The Securities are initially represented by a [Temporary/Permanent] Global Security.]
	(ii) Temporary Global Security exchangeable for Permanent Global Security and/or Bearer Securities in definitive form:	[The Temporary Global Security is exchangeable for [a Permanent Global Security] [and/or] [Bearer Securities].]
	(iii) Permanent Global Security exchangeable for Bearer Securities in definitive form:	[Yes/No] [The Issuer waives its right to elect to exchange Permanent Global Security for Bearer Securities in definitive form in the circumstances described in paragraph (d) of the Permanent Global Security.]
	(iv) Coupons to be attached to Bearer Securities in definitive form:	[Yes/No/Not Applicable]

	(v) Talons for future Coupons to be attached to Bearer Securities in definitive form:	[Yes/Not Applicable]
	(vi) Bearer Securities in definitive form to be security printed:	[Yes/No]
	(vii) Bearer Securities in definitive form to be in ICMA or successor's format:	[Yes/No]
32.	If issued in registered form:	[Applicable] [Not Applicable]
	(i) Global Registered Security exchangeable for Definitive Registered Securities:	[Yes/Not Applicable] [The Issuer waives its right to elect to exchange the Global Registered Security for Definitive Registered Securities in the circumstances described in paragraph (d) of the Global Registered Security.]
32.	Exchange Date for exchange of Temporary Global Security:	[•] [Not Applicable]
33.	Payments: (*Condition 8*)	
	Relevant Financial Centre Day:	[•]
34.	U.S. selling restrictions:	[TEFRA D][TEFRA C][TEFRA not applicable] [Regulation S Compliance Category 2]

CONFIRMED

HSBC HOLDINGS PLC

By: ....
Authorised Signatory

Date: ....

PART B - OTHER INFORMATION

1. **LISTING**

[(i) Listing: [Application [will be/has been] made to admit the Securities to listing on the Official List of the Irish Stock Exchange plc, trading as Euronext Dublin [on or around the Issue Date/ [*insert date*]]. No assurance can be given as to whether or not, or when, such application will be granted] / [Not Applicable.]

(ii) Admission to trading: [Application [will be/has been] made for the Securities to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ [*insert date*]].] No assurance can be given as to whether or not, or when, such application will be granted.] / [Not Applicable.]

2. **RATINGS**

Ratings: [Not Applicable] / [The Securities [have been/are expected to be] rated:
[S&P Global Ratings UK Limited: [•]]

[Moody's Investors Service Limited: [•]]

[Fitch Ratings Limited: [•]]

[[*insert legal name of any other relevant rating agency or any other entity of S&P, Moody's or Fitch which is assigning ratings to the Securities*]: [•]]]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for the fees and commission of [ ] payable to the [Managers/Dealers] in relation to the Securities, so] [So] far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the issue.] [*other interests to be specified*]]

4. **[ESTIMATE OF THE TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING**

It is estimated that the total expenses to be incurred in relation to the admission to trading of the Securities will be: [•].][3]

DISTRIBUTION INFORMATION

6. Method of distribution: [Syndicated/Non-Syndicated]

7. (i) If syndicated, name of Relevant Dealer/Lead Manager: [Not Applicable/*give name*]

(ii) If syndicated, names of other Dealers/Managers: [Not Applicable/*give names*]

(iii) Date of Subscription Agreement: [•]

(iv) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]

[3] Delete if not required by listing rules.

11.	If non-syndicated, name of Relevant Dealer:	[Not Applicable/*give name*]
12.	Additional selling restrictions:	[Not Applicable/*specify any modifications of, or additions to, selling restrictions contained in the Dealer Agreement*]
13.	Use of Proceeds	[•]
	OPERATIONAL INFORMATION	
14.	ISIN Code:	[•]
15.	Common Code:	[•]
16.	[FISN:	[•]]
17.	[CFI code:	[•]]
18.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable][*Provide name(s) and number(s)*]
19.	Settlement procedures:	[Eurobond/Medium Term Note][•]
20.	Name and Address of Principal Paying Agent(s)	[HSBC Bank plc]
21.	Additional Paying Agent(s) (if any):	[•]
22.	Calculation Agent:	[HSBC Bank plc][•][Not Applicable]
23.	City in which specified office of Registrar to be maintained: (*Condition 12*)	[•][Not Applicable]
24.	**HONG KONG SFC CODE OF CONDUCT**	
	(i) Rebates	[A rebate of [•] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Securities subscribed by such private banks as principal whereby they are deploying their own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Securities distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the capital market intermediaries otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/ [Not Applicable]
	(ii) Contact email addresses of the Overall Coordinators where underlying investor information in	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – Overall Coordinators to provide*]/[Not Applicable]

	relation to omnibus orders should be sent:	
(iii)	Marketing and Investor Targeting Strategy:	[*if different from the Offering Memorandum*]/[As stated in the Offering Memorandum]/[Not Applicable]

TERMS AND CONDITIONS OF THE SECURITIES

The following (disregarding any text in italics) is the text of the terms and conditions applicable to the Securities, which, as completed in accordance with the provisions of the relevant Pricing Supplement, will be incorporated by reference into each Security in global form (subject to the section entitled "Forms of Securities; Summary of Provisions Relating to the Securities while in Global Form" above) and which will be endorsed on the Securities in definitive form (if any) issued in exchange for Securities in global form representing each Tranche, details of the relevant Tranche being as set out in the relevant Pricing Supplement.

This Security is one of a Series of Securities (the "**Securities**") issued pursuant to the programme for issuance of perpetual subordinated contingent convertible securities (the "**Programme**") established by HSBC Holdings plc (the "**Issuer**") and is constituted by and issued subject to and with the benefit of a Trust Deed dated 2 September 2014 (such Trust Deed as last modified and restated on or about 27 March 2024 and as further modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**" which expression shall wherever the context so admits include its successors) and has the benefit of an Agency Agreement dated 2 September 2014 (such Agency Agreement as last modified and restated on 27 March 2024 and as further modified and/or supplemented and/or restated from time to time, the "**Agency Agreement**") each made between, amongst others, the Issuer, the Principal Paying and Conversion Agent (the "**Principal Paying and Conversion Agent**" which expression shall wherever the context so admits include its successors as such, and, together with any successor or additional paying agent appointed in respect of the Securities, the "**Paying Agents**", which expression shall wherever the context so admits include any successor and/or additional paying agents), the Registrar (the "**Registrar**" which expression shall wherever the context so admits include any successor or additional person appointed as such in respect of the Securities), the Calculation Agent (the "**Calculation Agent**" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of the Securities or any Series of the Securities) each named therein and the Trustee. Under the terms of the Agency Agreement, one or more transfer agents (each a "**Transfer Agent**", which expression shall wherever the context so admits include any successor or additional person appointed as such in respect of the Securities) may be appointed by the Issuer from time to time in respect of any Series of Securities, but none were appointed as of the date of the Agency Agreement. The initial Principal Paying and Conversion Agent, the initial Registrar and (if applicable) the initial Calculation Agent and any Transfer Agent(s) appointed in respect of a Series of Securities, are as named herein or in the relevant Pricing Supplement (as defined below). The Trustee shall exercise the duties, powers, trusts, authorities and discretions vested in it by the Trust Deed separately in relation to each Series of Securities in accordance with the provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours by prior arrangement at the registered office for the time being of the Trustee and at the specified office of each of the Principal Paying and Conversion Agent, the other Paying Agents (if any), the Registrar and the Transfer Agents appointed from time to time pursuant to the terms of the Agency Agreement. The Holders (as defined in Condition 1(e) (*Title*)) for the time being of Securities (the "**Securityholders**") and of any coupons ("**Coupons**") or talons ("**Talons**") (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions.

References in these terms and conditions (the "**Conditions**") to "**Securities**" shall, where the context so requires include the temporary global Securities, the permanent global Securities and global registered Securities and such other Securities as may from time to time be issued under the Programme, as the case may be, and the term "**Securities**" includes subordinated debt securities, by whatever name called, issued under the Programme. All Securities will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Securities. Each Tranche will be the subject of a Pricing Supplement (the "**Pricing Supplement**"), a copy of which will be attached to or incorporated by reference in each Security of such Tranche. Subject as set out in the relevant Pricing Supplement, all Securities issued pursuant to the Programme on the same date, denominated in the same currency, bearing interest on the same basis and issued on identical terms will constitute one Tranche of Securities.

In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the Pricing Supplement shall prevail.

Words and expressions defined or used in the Pricing Supplement relating to a Tranche of Securities shall have the same meanings where used in these Conditions unless the context otherwise requires.

Any defined terms not defined in Condition 19 (*Definitions*) have the meaning given to them elsewhere in the Conditions or the Pricing Supplement (as applicable).

1. **Form, Denomination and Title**

(a) ***Form***

Securities are issued in bearer form ("**Bearer Securities**") or in registered form ("**Registered Securities**") as set out in the relevant Pricing Supplement.

(b) ***Form of Bearer Securities***

Bearer Securities will be in substantially the relevant form (subject to amendment and completion) scheduled to the Trust Deed or in such other form as from time to time may be agreed. Bearer Securities will, if so specified in the relevant Pricing Supplement, have attached 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. Bearer Securities will also, if so specified in the relevant Pricing Supplement, have attached at the time of their initial delivery a Talon exchangeable for further Coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.

(c) ***Form of Registered Securities***

Registered Securities will be in substantially the relevant form (subject to amendment and completion) scheduled to the Trust Deed or in such other form as may from time to time be agreed. A single Registered Security will be issued to each Holder of Registered Securities in respect of its registered holding. Each Registered Security will be numbered serially with an identifying number which will be recorded in the Register.

(d) ***Denomination***

Bearer Securities will be in the Specified Denomination(s) set out in the relevant Pricing Supplement and Registered Securities will be in the denomination(s) and multiples set out in the relevant Pricing Supplement.

(e) ***Title***

Title to Bearer Securities, Coupons and Talons will pass by delivery. Title to Registered Securities passes by registration in the register (the "**Register**") which is kept by the Registrar. References herein to the "**Holders**" of Bearer Securities or of Coupons are to the bearers of such Bearer Securities or such Coupons and references herein to the "**Holders**" of Registered Securities are to the persons in whose names such Registered Securities are so registered in the Register.

To the extent permitted by law and subject to the provisions of the fourth paragraph of Condition 14 (*Notices*) while the Securities of any Series are represented by a Security or Securities in global form, the Issuer, the Trustee, the Principal Paying and Conversion Agent, any other Paying Agents, any Transfer Agents, the Calculation Agent and the Registrar may deem and treat the Holder of any Bearer Security or of any Coupon and the person in whose name any Registered Security is registered (and, if more than one, the first named thereof) as the absolute owner thereof (whether or not such Security shall be 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.

(f) ***Transfer of Registered Securities***

Subject as provided in the final sentence of this Condition 1(f), a Registered Security may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part only upon the surrender of the Registered Security to be transferred, together with the form of transfer (including, without limitation, any certification as to compliance with restrictions on transfer included in such form of transfer) endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent together with such evidence as the Registrar, or as the case may be, the relevant Transfer Agent may reasonably require to prove the title of the transferor and the authority of the persons who have executed the form of transfer. A new Registered Security will be issued to the transferee and, in the case of a transfer of part only of a Registered Security, a new Registered Security in respect of the balance not transferred will be issued to the transferor. No Holder may require the transfer of a Registered Security to be registered (i) during the period of 15 calendar days ending on the due date for any payment (whether of principal, redemption amount, interest or otherwise) and (ii) at any time after the Suspension Date.

(g) ***Delivery***

Each new Registered Security to be issued upon the transfer of a Registered Security will, within five Relevant Banking Days (as defined in Condition 13 (*Replacement and Transfer*)) of the Transfer Date (as defined in Condition 13 (*Replacement and Transfer*)), be available for delivery at the specified office of the Registrar or, as the case may be, the relevant Transfer Agent or (at the request and risk of the Holder of such Registered Security) be mailed by uninsured post to such address as may be specified by such Holder. For these purposes, a form of transfer received by the Registrar or any Transfer Agent after the Record Date (as defined in Condition 8(b) (*Registered Securities*)) in respect of any payment due in respect of Registered Securities shall be deemed not to be effectively received by the Registrar or such Transfer Agent until the day following the due date for such payment.

(h) ***No charge***

The issue of new Registered Securities on transfer will be effected without charge to the Holder or the transferee by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Registrar or, as the case may be, the relevant Transfer Agent may require in respect of) any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfers or exchanges.

(i) ***Regulations concerning transfer and registration of Registered Securities***

All transfers of Registered Securities and entries on the Register will be made subject to the detailed regulations (the "**Regulations**") concerning exchange and transfer of Registered Securities scheduled to the 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 Securityholders. A copy of the current Regulations are available for inspection during usual business hours at the specified office of the Registrar and any Transfer Agent.

(j) ***No Exchange***

Registered Securities may not be exchanged for Bearer Securities and Bearer Securities may not be exchanged for Registered Securities.

2. Status and Subordination

(a) ***Status***

The Securities constitute direct, unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves. The rights and claims of the Securityholders and Couponholders are subordinated in the event of the winding-up of the Issuer in England to the Prior Ranking Creditors and as described in this Condition 2.

(b) ***Subordination – conditions to payment***

Other than where Condition 2(c) (*Winding-up prior to a Capital Adequacy Trigger*) or 2(d) (*Winding-up after a Capital Adequacy Trigger*) or (in relation to the cash component of any Alternative Consideration) 9(f) (*Conversion Shares Offer*) applies, the Issuer's obligation to make any payment to Securityholders or Couponholders in respect of or arising from (including any damages for breach of any obligations under) the Securities is, in addition to the provisions of Condition 5 (*Cancellation of Interest*), conditional upon the Issuer being Solvent at the time of payment by the Issuer and no principal, interest or other amount shall be due and payable to Securityholders or Couponholders in respect of or arising from the Securities except to the extent that the Issuer could make such payment and still be Solvent immediately thereafter.

A certificate as to whether or not the Issuer is Solvent by the Auditors of the Issuer, on the basis of the information provided to the Auditors by the Issuer, shall, in the absence of manifest error, be treated by the Issuer, the Trustee, the Holders and all other interested parties as correct and sufficient evidence thereof.

Any payment of interest that does not fall due by reason of this Condition 2(b) shall be cancelled as provided in Condition 5(a) (*Interest Payments Discretionary*).

(c) ***Winding-up prior to a Capital Adequacy Trigger***

If, at any time prior to the date on which a Capital Adequacy Trigger occurs, a Winding-up Event occurs, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to the Holder of such Security if, throughout such winding-up or administration in England, such Holder were the holder of one of a class of preference shares in the capital of the Issuer denominated in the Specified Currency of the relevant Security ("**Notional Preference Shares**") having an equal right to a return of assets in the winding-up or administration in England to, and so ranking *pari passu* with, the holders of the most senior class or classes of issued preference shares in the capital of the Issuer from time to time (if any) and which have a preferential right to a return of assets in the winding-up or administration over, and so rank ahead of, the holders of all other classes of issued shares for the time being in the capital of the Issuer but ranking junior to the claims of Prior Ranking Creditors, and on the assumption that the amount such holder was entitled to receive in respect of each Notional Preference Share on a return of assets in such winding-up or administration were an amount equal to the principal amount of the relevant Security, including any accrued but unpaid interest thereon (to the extent not cancelled in accordance with these Conditions) and any damages awarded for breach of any obligations, whether or not the conditions referred to in Condition 2(b) (*Subordination – conditions to payment*) are satisfied on the date upon which the same would otherwise be due and payable.

(d) ***Winding-up after a Capital Adequacy Trigger***

If, at any time on or after the date on which a Capital Adequacy Trigger occurs, a Winding-up Event occurs, but the relevant Ordinary Shares to be issued and delivered to the Settlement Shares Depositary on conversion in accordance with Condition 9 (*Capital Adequacy Trigger*) have not been so delivered, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Holder of such Security if, throughout such winding-up or administration, such Holder were the holder of such number of Ordinary Shares as that Holder would have been entitled to receive on conversion in accordance with Condition 9 (*Capital Adequacy Trigger*) (ignoring for these purposes the Issuer's right to make an election for a Conversion Shares Offer to be effected in accordance with Condition 9(f) (*Conversion Shares Offer*) (if applicable)) whether or not the conditions referred to in Condition 2(b) (*Subordination – conditions to payment*) are satisfied on the date upon which the same would otherwise be due and payable.

(e) ***Set-off***

Claims in respect of any Securities or Coupons may not be set-off, or be the subject of a counterclaim, by the Holder against or in respect of any of its obligations to the Issuer, the Trustee or any other person and every Holder waives, and shall be treated for all purposes as if it had waived, any right that it might otherwise have to set-off, or to raise by way of counterclaim, any claim of his in respect of any Securities or Coupons, against or in respect of any obligations of his to the Issuer, the Trustee or any other person. If, notwithstanding the preceding sentence, any Holder receives or recovers any sum or the benefit of any sum in respect of any Security or Coupon by virtue of any such set-off or counterclaim, such Holder shall hold the same on trust for the Issuer and shall pay the amount thereof to the Issuer or, in the event of the winding-up of the Issuer, to the liquidator of the Issuer.

(f) ***Trustee***

The provisions of this Condition 2 apply only to the principal and interest and any other amounts payable to the Securityholders and Couponholders in respect of the Securities and the Coupons and nothing in this Condition 2 or in Condition 9 (*Capital Adequacy Trigger*) or Condition 10 (*Enforcement*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

The Trustee shall have no responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with any non-payment of principal, interest or other amounts by reason of Condition 2(b) (*Subordination – conditions to payment*) or Condition 5 (*Cancellation of Interest*) or conversion pursuant to Condition 9 (*Capital Adequacy Trigger*). Furthermore, the Trustee shall not be responsible for any calculation or the verification of any calculation in connection with any of the foregoing.

3. **Interest on Fixed Rate Securities and Resettable Securities**

(a) ***Interest on Fixed Rate Securities***

Subject to Conditions 2(b) (*Subordination – conditions to payment*), 5 (*Cancellation of Interest*) and 9(g) (*Accrued Interest following Capital Adequacy Trigger*), Securities which are specified in the relevant Pricing Supplement as being Fixed Rate Securities (each a "**Fixed Rate Security**") will bear interest on the principal amount of each Security at the applicable fixed rate or rates per annum specified in the relevant Pricing Supplement as the Rate of Interest from the Interest Commencement Date specified in the relevant Pricing Supplement. Interest will be payable in arrear on the Fixed Interest Payment Date(s). Subject to Conditions 2(b) (*Subordination – conditions to payment*), 5 (*Cancellation of Interest*) and 9(g) (*Accrued Interest following Capital Adequacy Trigger*), the first payment of interest will be made on the first Fixed Interest Payment Date following the Interest Commencement Date.

(b) ***Interest on Resettable Securities***

Subject to Conditions 2(b) (*Subordination – conditions to payment*), 5 (*Cancellation of Interest*) and 9(g) (*Accrued Interest following Capital Adequacy Trigger*), Securities which are specified in the relevant Pricing Supplement as being Resettable Securities (each a "**Resettable Security**") will bear interest on the principal amount of each Security:

(i) from (and including) the Interest Commencement Date specified in the relevant Pricing Supplement until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;

(ii) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Pricing Supplement, the Redemption Date (if any), at the rate per annum equal to the First Reset Rate of Interest; and

(iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest.

Subject to Conditions 2(b) (*Subordination – conditions to payment*), 5 (*Cancellation of Interest*) and 9(g) (*Accrued Interest following Capital Adequacy Trigger*), interest will be payable in arrear on the Resettable Security Interest Payment Date(s). The first payment of interest will be made on the first Resettable Security Interest Payment Date following the Interest Commencement Date.

(c) ***Determination of Resettable Security Reference Rate, First Reset Rate of Interest and Subsequent Reset Rate of Interest***

The Resettable Security Reference Rate and the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as the case may be) applicable to the Securities for each Reset Period shall be determined by the Calculation Agent on the following basis:

(i) *Mid-Swap Rate*

(A) if Mid-Swap Rate is specified in the relevant Pricing Supplement as the Resettable Security Reference Rate, the Mid-Swap Rate in relation to a Reset Determination Date (each such a rate, a "**Mid-Swap Rate**") shall be either:

(1) if Single Mid-Swap Rate is specified in the relevant Pricing Supplement, the rate for swaps in the Specified Currency:

(x) with a term equal to the relevant Reset Period; and

(y) commencing on the relevant Resettable Security Reset Date,

which appears on the Relevant Screen Page; or

(2) if Mean Mid-Swap Rate is specified in the relevant Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(x) with a term equal to the relevant Reset Period; and

(y) commencing on the relevant Resettable Security Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately the Relevant Time in the Relevant Financial Centre on such Reset Determination Date, all as determined by the Calculation Agent; **provided, however, that** if there is no such rate appearing on the Relevant Screen Page for a term equal to the relevant Reset Period, then the Mid-Swap Rate shall be determined through the use of straight-line interpolation by reference to two rates, one of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next shorter than the length of the actual Reset Period and the other of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next longer than the length of the actual Reset Period, and the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the Mid-Swap Rate as determined in accordance with the above provisions and the Resettable Security Margin with such sum converted as set out in the definition of "First Reset Rate of Interest" or "Subsequent Reset Rate of Interest" (as applicable), all as determined by the Calculation Agent; and

(B) if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Relevant Time in the principal financial centre of the Specified Currency on the Reset Determination Date in question; **provided that:**

(1) if two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the Resettable Security Margin with such sum converted as set out in the definition of First Reset Rate of Interest or Subsequent Reset Rate of Interest (as applicable), all as determined by the Calculation Agent; and

(2) if only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 3(c)(i), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Security Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest;

(ii) *Resettable Security Interbank Rate*

if Resettable Security Interbank Rate is specified in the relevant Pricing Supplement as the Resettable Security Reference Rate, then the Calculation Agent will, in respect of a Reset Period, determine the rate or arithmetic mean of the rates (as the case may be) for the relevant Reference Rate for such Reset Period in accordance with the provisions of Condition 4(c) (*Screen Rate Determination for Floating Rate Securities not referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA*) (but excluding sub-paragraph (ii) thereof) and Condition 4(e) (*Benchmark Replacement*), but as if:

(A) references therein to 'Rate of Interest' were to 'First Reset Rate of Interest' or 'Subsequent Reset Rate of Interest' (as applicable);

(B) references therein to 'Interest Determination Date' were to 'Reset Determination Date;' and

(C) references therein to 'Interest Period' were to 'Reset Period',

and the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the rate or (as the case may be) arithmetic mean of the rates so determined and the Resettable Security Margin with such sum converted as set out in the definition of First Reset Rate of Interest or Subsequent Reset Rate of Interest (as applicable), all as determined by the Calculation Agent;

(iii) *U.S. Treasury Rate*

if U.S. Treasury Rate is specified in the relevant Pricing Supplement as the Resettable Security Reference Rate, then the Calculation Agent will, in respect of a Reset Period, determine the rate per annum (such rate, the "**U.S. Treasury Rate**") equal to: (1) the yield which represents the average for the week immediately prior to the relevant Reset Determination Date in the most recent H.15, (a) under the caption "Treasury constant maturities" and (b) for a maturity comparable with the Reset Period; or (2) if such release (or any successor release) is not published during the week immediately prior to the relevant Reset Determination Date or does not contain such yields, the rate per annum equal to the yield to maturity (on the relevant day count basis) of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reset Determination Date; **provided, however, that** if the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, "U.S. Treasury Rate" means the rate per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity comparable with the Reset Period as set forth in the most recent H.15 under the caption "Treasury constant maturities" for the maturity comparable to the Reset Period as at the Quotation Time on the last available date preceding the relevant Reset Determination Date on which such rate was set forth in such release (or any successor release); and the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the U.S. Treasury Rate as determined in accordance with this Condition 3(c)(iii)and the Resettable Security Margin with such sum converted as set out in the definition of "First Reset Rate of Interest" or "Subsequent Reset Rate of Interest" (as applicable), all as determined by the Calculation Agent;

(iv) *Resettable Security Reference Bond Rate*

if Resettable Security Reference Bond Rate is specified in the relevant Pricing Supplement as the Resettable Security Reference Rate, the Calculation Agent will, in respect of a Reset Period, determine:

(A) if the "Reference Bond Rate Source" specified in the relevant Pricing Supplement is "Price", the yield to maturity or interpolated yield to maturity (as calculated by the Calculation Agent on the Reset Determination Date in accordance with generally accepted market practice at such time) of the Reference Bond in respect of that Reset Period, with the price of the Reference Bond for this purpose being equal to that calculated by reference to (i) (if Screen Page Reference Bond Rate is specified as applicable in the relevant Pricing Supplement) such Screen Page Reference Bond Rate or (ii) otherwise Reference Bond Rate Quotations, in each case for such Reset Determination Date; or

(B) if the "Reference Bond Rate Source" specified in the relevant Pricing Supplement is "Yield", in respect of a Reset Period, the yield to maturity or interpolated yield to maturity (as calculated by the Calculation Agent on the Reset Determination Date) of the Reference Bond in respect of that Reset Period calculated by reference to (i) (if Screen Page Reference Bond Rate is specified as applicable in the relevant Pricing Supplement) such Screen Page Reference Bond Rate or (ii) otherwise Reference Bond Rate Quotations, in each case for such Reset Determination Date,

(such yield being the "**Resettable Security Reference Bond Rate**"), and the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the Resettable Security Reference Bond Rate as determined in accordance with this Condition 3(c)(iv) (*Resettable Security Reference Bond Rate*) and the Resettable Security Margin with such sum converted as set out in the definition of "First Reset Rate of Interest" or "Subsequent Reset Rate of Interest" (as applicable), all as determined by the Calculation Agent; **provided, however, that**, if no Reference Bond Rate Quotations are received, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Security Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

Definitions:

"**Reference Bond Rate Quotations**" means:

(1) if the "Reference Bond Rate Source" specified in the relevant Pricing Supplement is "Price", in respect of a Reference Bond, the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)), as determined by the Calculation Agent, of the bid and offered prices of such Reference Bond (expressed in each case as a percentage of its principal amount) as at the Quotation Time on the relevant Reset Determination Date and, if relevant, on a dealing basis for settlement customarily used at such time, as quoted in writing to the Calculation Agent by each Reference Government Bond Dealer; or

(2) if the "Reference Bond Rate Source" specified in the relevant Pricing Supplement is "Yield", in respect of a Reference Bond, the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)), as determined by the Calculation Agent, of the bid and offered yield to maturity or interpolated yield to maturity of such Reference Bond (expressed in each case as a percentage of its principal amount) as at the Quotation Time on the relevant Reset Determination Date, as quoted in writing to the Calculation Agent by each Reference Government Bond Dealer,

and the price or (as applicable) the yield to maturity or interpolated yield to maturity of the Reference Bond for the purposes of calculating the Resettable Security Reference Bond Rate will be: (a) if five quotations are provided, the arithmetic average of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); or (b) if fewer than five, but more than one, quotations are provided, the arithmetic average of the quotations provided; or (c) if only one quotation is provided, such quotation;

"**Screen Page Reference Bond Rate**" means:

(A) if the "Reference Bond Rate Source" specified in the relevant Pricing Supplement is "Price":

(1) if the price of the Reference Bond is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Screen Page Reference Bond Rate as being the mid-market price of the Reference Bond which is displayed on, or derived from the prices displayed on, the Relevant Screen Page at the Quotation Time on the relevant Reset Determination Date;

(2) in any other case, the Calculation Agent will determine the Screen Page Reference Bond Rate as being the arithmetic mean (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the mid-market prices of the Reference Bond which are displayed on, or derived from the prices displayed on, the Relevant Screen Page at the Quotation Time on the relevant Reset Determination Date;

(3) if, in the case of (1) above, such mid-market price does not appear on, or cannot be derived from the prices on, the Relevant Screen Page or, in the case of (2) above, fewer than two such mid-market prices appear on, or can be derived from the prices displayed on, the Relevant Screen Page or if, in either case, the Relevant Screen Page is unavailable or not determined in accordance with the definition of "Relevant Screen Page", the Calculation Agent will calculate the price of the Reference Bond for the purposes of determining the Resettable Security Reference Bond Rate by reference to the Reference Bond Rate Quotations (as if Screen Page Reference Bond Rate had not been specified as applicable in the relevant Pricing Supplement); or

(B) if the "Reference Bond Rate Source" specified in the relevant Pricing Supplement is "Yield":

(1) if the yield to maturity or interpolated yield to maturity of the Reference Bond is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Screen Page Reference Bond Rate as being the mid-market yield to maturity or interpolated yield to maturity of the Reference Bond which is displayed on, or derived from the yields displayed on, the Relevant Screen Page at the Quotation Time on the relevant Reset Determination Date;

(2) in any other case, the Calculation Agent will determine the Screen Page Reference Bond Rate as being the arithmetic mean (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the mid-market yield to maturity or interpolated yield to maturity quotations of the Reference Bond which are displayed on, or derived from the yields displayed on, the Relevant Screen Page at the Quotation Time on the relevant Reset Determination Date;

(3) if, in the case of (1) above, such mid-market yield does not appear on, or cannot be derived from the yields displayed on, the Relevant Screen

Page or, in the case of (2) above, fewer than two such mid-market yields appear on, or can be derived from the yields displayed on, the Relevant Screen Page or if, in either case, the Relevant Screen Page is unavailable or not determined in accordance with the definition of "Relevant Screen Page", the Calculation Agent will calculate the yield to maturity or interpolated yield to maturity of the Reference Bond for the purposes of determining the Resettable Security Reference Bond Rate by reference to the Reference Bond Rate Quotations (as if Screen Page Reference Bond Rate had not been specified as applicable in the relevant Pricing Supplement);

(v) *SORA-OIS Rate*

if SORA-OIS Rate is specified in the relevant Pricing Supplement as the Resettable Security Reference Rate, the Calculation Agent will, in respect of a Reset Period, determine the SORA-OIS reference rate for the relevant Reference Rate Duration available on the Relevant Screen Page (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time as determined by an independent financial institution (which is appointed by the Issuer and notified to the Calculation Agent)) at the close of business on the Reset Determination Date (such rate, the "**SORA-OIS Rate**"), and the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the SORA-OIS Rate as determined in accordance with this Condition 3(c)(v) and the Resettable Security Margin, with such sum converted as set out in the definition of "First Reset Rate of Interest" or "Subsequent Reset Rate of Interest" (as applicable), all as determined by the Calculation Agent; **provided, however, that** if the Relevant Screen Page is not available or such rate does not appear on the Relevant Screen Page on the relevant Reset Determination Date, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Security Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest;

(vi) *TONA-TSR Rate*

if TONA-TSR Rate is specified in the relevant Pricing Supplement as the Resettable Security Reference Rate, the Calculation Agent will, in respect of a Reset Period, determine the applicable semi-annual or annualised (as specified in the relevant Pricing Supplement) mid-swap rate at around the TONA-TSR Applicable Time for swap transactions in JPY with a maturity equal to that of the relevant Reset Period where the floating leg references the Tokyo Overnight Average Rate ("**TONA**"), known as the 'Tokyo Swap Rate (for swaps referencing TONA)' as displayed on the Relevant Screen Page at or around the Quotation Time on the relevant Reset Determination Date (such rate the "TONA-TSR Rate"), provided, however, that if the TONA-TSR Rate is subsequently corrected and published within the longer of one hour of the Quotation Time and the republication cut-off time, if any, as specified by the relevant benchmark administrator in the relevant benchmark methodology, then that TONA-TSR Rate will be subject to those corrections, and the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the TONA-TSR Rate, as determined in accordance with the above provisions or (as applicable) in accordance with the fallback provisions set out below in paragraphs (A) to (D), and the Resettable Security Margin, with such sum converted as set out in the definition of "First Reset Rate of Interest" or "Subsequent Reset Rate of Interest" (as applicable), all as determined by the Calculation Agent.

(A) If the TONA-TSR Rate is not published and otherwise unavailable, in either case, at or around Quotation Time on the relevant Reset Determination Date, then unless any of the TONA/TSR Index Cessation Events has occurred in addition to the occurrence of the TONA/TSR Index Cessation Effective Date, the TONA-TSR Rate on the relevant Reset Determination Date shall be such rate published at or around the Quotation Time on the immediately preceding Business Day on which the TONA-TSR Rate was published on the Relevant Screen Page.

(B) If TONA is not provided in respect of a day on which banks are open for business in Tokyo ("**Tokyo Business Day**") and any of the TONA/TSR Index Cessation Events listed in limbs (i) and/or (ii) of the definition thereof has occurred in addition to the occurrence of the TONA/TSR Index Cessation Effective Date in respect of TONA, then, in respect of such Tokyo Business Day and each Tokyo Business Day thereafter (subject to Conditions 3(c)(vi)(C) and (D)), the TONA-TSR Rate for the relevant Reset Determination Date occurring on or after the TONA/TSR Index Cessation Effective Date will be the mid-swap rate (the "**Successor JPY Tokyo Swap Rate**") for swap transactions in JPY with a maturity equal to that of the relevant Reset Period provided by the administrator of the TONA-TSR Rate where the floating leg references the JPY Recommended Rate, which is designated, nominated or recommended as a successor mid-swap rate for the TONA-TSR Rate.

(C) If any of the TONA/TSR Index Cessation Events listed in limbs (i) and/or (ii) of the definition thereof has occurred in addition to the occurrence of the TONA/TSR Index Cessation Effective Date in respect of TONA, and there is a Successor JPY Tokyo Swap Rate, but the administrator does not publish such Successor JPY Tokyo Swap Rate (or the Successor JPY Tokyo Swap Rate is unavailable) at or around the Quotation Time on the relevant Reset Determination Date, then unless any of the Successor JPY Tokyo Swap Rate Index Cessation Events has occurred, subject to Condition 3(c)(vi)(D), references to the Successor JPY Tokyo Swap Rate on the relevant Reset Determination Date will be deemed to be references to the last published Successor JPY Tokyo Swap Rate.

(D)

(1) If, as of the relevant Reset Determination Date, any of the TONA/TSR Index Cessation Events listed in limbs (i) and/or (ii) of the definition thereof has occurred in addition to the occurrence of the TONA/TSR Index Cessation Effective Date in respect of TONA, but there is:

(a) no JPY Recommended Rate; or

(b) no previously published Successor JPY Tokyo Swap Rate; or

(c) a JPY Recommended Rate and a JPY Recommended Rate Index Cessation Event subsequently occurs;

(2) if any of the TONA/TSR Index Cessation Events has occurred in addition to the occurrence of the TONA/TSR Index Cessation Effective Date in respect of the TONA-TSR Rate; or

(3) if there is a Successor JPY Tokyo Swap Rate but any of the Successor JPY Tokyo Swap Rate Index Cessation Events subsequently occurs,

then the TONA-TSR Rate will be a mid-swap rate for swap transactions in JPY with a maturity equal to that of the relevant Reset Period where the floating leg references (x) if no TONA/TSR Index Cessation Event in respect of TONA has occurred, TONA, (y) if a TONA/TSR Index Cessation Event in respect of TONA has occurred and there is a JPY Recommended Rate and no JPY Recommended Rate Index Cessation Event has occurred, the JPY Recommended Rate or (z) in all other cases, an alternative JPY risk free rate. Such mid-swap rate (the "**Alternative Mid-Swap Rate**") shall be determined by the Replacement Rate Agent (as defined below) acting in good faith, taking into account all available information including industry standard for international debt capital markets transactions and over-the-counter derivative transactions that the Replacement Rate Agent considers sufficient for that rate to be a representative alternative rate. If the Replacement Rate Agent determines that an Alternative Mid-Swap Rate Adjustment Spread should be applied to the Alternative Mid-Swap Rate, then such Alternative Mid-Swap Rate Adjustment Spread shall be applied to the Alternative Mid-Swap Rate. If the Replacement Rate Agent is unable to determine the quantum of, or a formula or methodology for determining such Alternative Mid-Swap Rate Adjustment Spread, then the Alternative Mid-Swap Rate will be referenced without an Alternative Mid-Swap Rate Adjustment Spread. If the Replacement Rate Agent determines the Alternative Mid-Swap Rate and (if applicable) Alternative Mid-Swap Rate Adjustment Spread in accordance with the above provisions, the Replacement Rate Agent may also specify changes to these Conditions, including (but not limited to) the method for determining the fallback rate in relation to the Securities, in order to follow market practice in relation to the mid-swap rate for swap transactions in JPY with a maturity equal to that of the relevant Reset Period and/or the Alternative Mid-Swap Rate Adjustment Spread. The Trustee shall, at the direction and expense of the Issuer, and having received a certificate from the Issuer, signed by two Authorised Signatories, confirming that the Replacement Rate Agent has made the relevant determinations in accordance with this Condition 3(c)(vi)(D) and attaching the proposed amendments to the Conditions, be obliged to concur with the Issuer to effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as the Trustee may deem appropriate in order to give effect to this Condition 3(c)(vi)(D) and the Trustee shall not be liable to any person for any consequences thereof, save as provided in the Trust Deed. No consent of the Securityholders of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with effecting such changes, including for the execution of any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Agents (as defined in the Agency Agreement) shall give effect to this Condition 3(c)(vi)(D) (by effecting such consequential amendments to the Agency Agreement or otherwise as is necessary on the part of each Agent (acting reasonably)), provided that the Agents shall not be obliged to give effect to any such amendments, if in the reasonable opinion of the relevant Agent (acting in good faith and following consultation, to the extent practicable, with the Issuer), the same would not be operable in accordance with the terms proposed pursuant to this Condition 3(c)(vi)(D) or would expose it to any additional duties or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement. The Issuer shall promptly following the determination by the Replacement Rate Agent of any changes pursuant to this Condition 3(c)(vi)(D) give notice thereof to the Trustee, the Principal Paying and Conversion Agent, the Calculation Agent and the Securityholders (in accordance with Condition 14 (*Notices*)).

In the event that this Condition 3(c)(vi)(D) applies, the Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, a "**Replacement Rate Agent**" on or prior to the relevant Reset Determination Date. The Issuer may appoint an affiliate of the Issuer or any other person as Replacement Rate Agent, so long as such affiliate or other person is a leading financial institution that is experienced in the calculations or determinations to be made by the Replacement Rate Agent. Notwithstanding any other provision of this Condition 3(c)(vi)(D), no Alternative Mid-Swap Rate determined by the Replacement Rate Agent will be adopted, nor will the applicable Alternative Mid-Swap Rate Adjustment Spread be applied, nor will any such amendments to these Conditions be made, if in the determination of the Issuer, the same could reasonably be expected to result in: (i) the exclusion of the Securities in whole or in part from the regulatory capital of the Group (other than as a consequence of their conversion pursuant to Condition 9(b) (*Conversion upon occurrence of Capital Adequacy Trigger*)); or (ii) the reclassification of the Securities in whole or in part as a form of regulatory capital of the Group that is lower than Additional Tier 1 capital. If the Issuer is unable to appoint a Replacement Rate Agent or the Replacement Rate Agent is unable to determine the Alternative Mid-Swap Rate on or prior to the relevant Reset Determination Date despite acting in good faith and using reasonable endeavours of the Issuer and the Replacement Rate Agent, or if no Alternative

Mid-Swap Rate is adopted pursuant to the previous sentence, the applicable TONA-TSR Rate on the relevant Reset Determination Date shall be such rate published at or around the Quotation Time, on the immediately preceding Business Day on which the TONA-TSR Rate was published on the Relevant Screen Page.

Definitions:

"**Alternative Mid-Swap Rate Adjustment Spread**" means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, in each case to be applied to the Alternative Mid-Swap Rate, and is the spread, formula or methodology which:

(i) the Replacement Rate Agent (in consultation with the Issuer) determines is customarily applied to the relevant Alternative Mid-Swap Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the TONA-TSR Rate or the Successor JPY Tokyo Swap Rate; or

(ii) (if the Replacement Rate Agent determines that there is no customarily applied spread in relation to the TONA-TSR Rate or the Successor JPY Tokyo Swap Rate as envisaged by limb (i) above), the Replacement Rate Agent (in consultation with the Issuer) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the TONA-TSR Rate or the Successor JPY Tokyo Swap Rate, where such rate has been replaced by the Alternative Mid-Swap Rate.

"**JPY Recommended Rate**" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof, published by an authorised distributor.

"**JPY Recommended Rate Index Cessation Event**" means any of the following:

(i) a public statement or publication of information by or on behalf of the administrator of the JPY Recommended Rate announcing that it has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the JPY Recommended Rate; or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the JPY Recommended Rate, the Bank of Japan, an insolvency official with jurisdiction over the administrator of the JPY Recommended Rate, a resolution authority with jurisdiction over the administrator of the JPY Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the JPY Recommended Rate, which states that the administrator of the JPY Recommended Rate has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the JPY Recommended Rate.

"**Successor JPY Tokyo Swap Rate Index Cessation Event**" means any of the following:

(i) a public statement or publication of information by or on behalf of the administrator of the Successor JPY Tokyo Swap Rate announcing that it has ceased or will cease to provide the Successor JPY Tokyo Swap Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Successor JPY Tokyo Swap Rate; or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Successor JPY Tokyo Swap Rate, the Bank of Japan, an insolvency official with jurisdiction over the administrator of the Successor JPY Tokyo Swap Rate, a resolution authority with jurisdiction over the administrator of the Successor JPY Tokyo Swap Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the Successor JPY Tokyo Swap Rate, which states that the administrator of the Successor JPY Tokyo Swap Rate has ceased or will cease to provide the Successor JPY Tokyo Swap Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Successor JPY Tokyo Swap Rate.

"**TONA-TSR Applicable Time**" means either 10:00a.m. Tokyo time or 3:00p.m. Tokyo time, as specified in the relevant Pricing Supplement.

"**TONA/TSR Index Cessation Event**" means any of the following:

(i) a public statement or publication of information by or on behalf of the Bank of Japan (or a successor administrator) announcing that it has ceased or will cease to provide TONA permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide TONA;

(ii) a public statement or publication of information by the regulatory supervisor for the successor administrator of TONA, the Bank of Japan, an insolvency official with jurisdiction over the successor administrator of TONA, a resolution authority with jurisdiction over the successor administrator of TONA or a court or an entity with similar insolvency or resolution authority over the successor administrator of TONA, which states that the successor administrator of TONA has ceased or will cease to provide TONA permanently or indefinitely, provided that, at the time of the statement or publication, there is no further successor administrator or provider that will continue to provide TONA;

(iii) a public statement or publication of information by or on behalf of the administrator of the TONA-TSR Rate announcing that it has ceased or will cease to provide the TONA-TSR Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the TONA-TSR Rate; or

(iv) a public statement or publication of information by the regulatory supervisor for administrator of the TONA-TSR Rate, the Bank of Japan, an insolvency official with jurisdiction over the administrator of the TONA-TSR Rate, a resolution authority with jurisdiction over the administrator of the TONA-TSR Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the TONA-TSR Rate, which states that the administrator of the TONA-TSR Rate has ceased or will cease to provide the TONA-TSR Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the TONA-TSR Rate.

"**TONA/TSR Index Cessation Effective Date**" means, in respect of TONA and/or the TONA-TSR Rate and a TONA/TSR Index Cessation Event, the first date on which TONA and/or the TONA-TSR Rate would ordinarily have been provided and is no longer provided.

(d) ***Notification of Rate of Interest for Resettable Securities***

The Calculation Agent will cause the First Reset Rate of Interest or (if applicable) the relevant Subsequent Reset Rate of Interest for each interest period to be notified to the Issuer, the Principal Paying and Conversion Agent and, for as long as such Securities are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, to such listing authority, stock exchange and/or quotation system in accordance with the rules thereof, and, for as long as such Securities are represented by Securities in global form, Euroclear and/or Clearstream, Luxembourg and/or such other clearing system or depositary as may be set out in the relevant Pricing Supplement as soon as possible after the determination thereof but in any event no later than the fourth business day thereafter. In respect of Resettable Securities which are in definitive form, the Calculation Agent will give notice to the Securityholders of the First Reset Rate of Interest and (if applicable) the relevant Subsequent Reset Rate of Interest in accordance with the provisions of Condition 14 (*Notices*).

(e) ***Fixed Coupon Amounts and Resettable Coupon Amounts***

If the Fixed Rate Securities are in definitive form and a Fixed Coupon Amount is specified in the relevant Pricing Supplement, the amount of interest payable in respect of each Fixed Rate Security for any Interest Period shall be the relevant Fixed Coupon Amount multiplied by a fraction equal to the Specified Denomination of such Security divided by the Calculation Amount and, if the Securities are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount multiplied by a fraction equal to that relevant Specified Denomination divided by the Calculation Amount.

If the Resettable Securities are in definitive form and a Resettable Coupon Amount is specified in the relevant Pricing Supplement in relation to a Resettable Security Interest Payment Date, the amount of interest payable in respect of each Resettable Security on such a Resettable Security Interest Payment Date shall be the relevant Resettable Coupon Amount multiplied by a fraction equal to the Specified Denomination of such Security divided by the Calculation Amount and, if the Securities are in more than one Specified Denomination, shall be the relevant Resettable Coupon Amount multiplied by a fraction equal to that relevant Specified Denomination divided by the Calculation Amount.

(f) ***Calculation of Interest Amount for Fixed Rate Securities or Resettable Securities***

Except in the case of Fixed Rate Securities and Resettable Securities in definitive form where an applicable Fixed Coupon Amount or (as the case may be) Resettable Coupon Amount in relation to an Interest Period is specified in the relevant Pricing Supplement, the amount of interest payable in respect of a Fixed Rate Security or (as the case may be) Resettable Security in relation to any period shall be calculated by applying the Rate of Interest (in the case of a Fixed Rate Security) or the Initial Rate of Interest, First Reset Rate of Interest or (if applicable) relevant Subsequent Reset Rate of Interest (in the case of a Resettable Security) to:

(i) in the case of Fixed Rate Securities or, as the case may be, Resettable Securities which are represented by a Security in global form, the principal amount of the Securities represented by such Security in global form during such Interest Period; or

(ii) in the case of Fixed Rate Securities or, as the case may be, Resettable Securities in definitive form, the Calculation Amount during such Interest Period, as so specified in the relevant Pricing Supplement,

in each case, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest applicable sub-unit of the currency in which the Security is denominated or, as the case may be, in which such interest is payable (one half of any sub-unit being rounded upwards or otherwise in accordance with applicable market convention, as determined by the Calculation Agent). 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 Fixed Rate Security or, as the case may be, Resettable Security in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Security shall be the aggregate of the amounts determined in the manner provided above for each Calculation Amount comprising the Specified Denomination without any further rounding.

(g) ***Determination or Calculation by an agent appointed by the Trustee in relation to Resettable Securities***

If the Calculation Agent does not at any time for any reason determine the First Reset Rate of Interest or Subsequent Reset Rate of Interest, the Trustee may (at the expense of the Issuer) appoint an agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent appointed by the Trustee shall apply the foregoing provisions of this Condition 3, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(h) ***Certificates, etc. to be Final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of this Condition 3 whether by the Calculation Agent, the Replacement Rate Agent, the Independent Adviser or any agent appointed by the Trustee shall (in the absence of manifest error) be final and binding on the Issuer, the Trustee, any agent appointed by the Trustee, the Paying Agents, (where appropriate) the Registrar and the Holders of Securities and of the Coupons appertaining thereto. No Holder of Securities or of the Coupons appertaining thereto shall be entitled to proceed against the Calculation Agent, the Replacement Rate Agent, the Independent Adviser, the Trustee, any agent appointed by the Trustee, the Paying Agents, the Registrar or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including, without limitation, in respect of any notification, opinion, communication, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 3.

(i) ***Cessation of Interest Accrual***

Without prejudice to Conditions 2(b) (*Subordination – conditions to payment*), 5 (*Cancellation of Interest*) and 9(g) (*Accrued Interest following Capital Adequacy Trigger*), interest will cease to accrue on each Fixed Rate Security or Resettable Security on the Redemption Date (if any) unless, upon due presentation thereof or, in the case of a Registered Security, upon such due date, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before any judgment) up to and including the date on which, in the case of a Bearer Security, upon further presentation thereof, payment in full of the principal amount due in respect of such Fixed Rate Security or (as the case may be) Resettable Security is made or (if earlier) the date upon which notice is duly given to the Holder of such Fixed Rate Security or (as the case may be) Resettable Security that sufficient funds for payment of the principal amount due in respect of it, together with accrued interest, have been received by the Principal Paying and Conversion Agent or the Trustee or, in the case of a Registered Security, the date on which payment in full is made.

4. Interest on Floating Rate Securities

(a) ***Accrual of Interest***

Subject to Conditions 2(b) (*Subordination – conditions to payment*), 5 (*Cancellation of Interest*) and 9(g) (*Accrued Interest following Capital Adequacy Trigger*), Securities which are specified in the relevant Pricing Supplement as being Floating Rate Securities (each a "**Floating Rate Security**") bear interest on the principal amount of each Security from the Interest Commencement Date specified in the relevant Pricing Supplement.

Without prejudice to 2(b) (*Subordination – conditions to payment*), 5 (*Cancellation of Interest*) and 9(g) (*Accrued Interest following Capital Adequacy Trigger*), interest will cease to accrue on each Floating Rate Security on its Redemption Date (if any) unless, upon due presentation thereof or, in the case of a Registered Security, upon such due date, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before any judgment) up to and including the date on which, in the case of a Bearer Security, upon further presentation thereof, payment in full of the principal amount due in respect of such Security is made or (if earlier) the date upon which notice is duly given to the Holder of such Security that sufficient funds for payment of the principal amount due in respect of it, together with accrued interest, have been received by the Principal Paying and Conversion Agent or the Trustee or, in the case of a Registered Security, the date on which payment in full is made.

(b) ***Interest Payment Dates***

Subject to Conditions 2(b) (*Subordination – conditions to payment*), 5 (*Cancellation of Interest*) and 9(g) (*Accrued Interest following Capital Adequacy Trigger*), interest on each Floating Rate Security will be payable in arrear on the Interest Payment Date(s). The first payment of interest will be made on the first Interest Payment Date following the Interest Commencement Date.

(c) ***Screen Rate Determination for Floating Rate Securities not referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA***

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Securities for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the rate of the relevant Reference Rate for the Relevant Period as being the rate which appears on the Relevant Screen Page for the Relevant Period as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period or generally in relation to the Securities in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates for the relevant Reference Rate which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one such rate shall be determined as if the Relevant Period were the period of time for which rates for the relevant Reference Rate are available next shorter than the length of the relevant Interest Period; and

(B) the other such rate shall be determined as if the Relevant Period were the period of time for which rates for the relevant Reference Rate are available next longer than the length of the relevant Interest Period,

provided, however, that if no such rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent, acting in a commercially reasonable manner, shall determine such rate for the relevant Reference Rate at such time and by reference to such sources as it determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the rates for the relevant Reference Rate for the Relevant Period which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if a Screen Rate Fallback Trigger has occurred, then:

(A) if ISDA Determination for Fallback provisions is specified in the relevant Pricing Supplement as being applicable, the Calculation Agent will determine the relevant Floating Rate for the relevant Interest Determination Date in accordance with Condition 4(f) (*ISDA Determination*) on the basis of the Floating Rate Option, Designated Maturity and Reset Date specified in the relevant Pricing Supplement;

(B) if ISDA Determination for Fallback provisions is not specified in the relevant Pricing Supplement as being applicable, the Specified Currency is AUD and the Reference Rate is BBSW, the Reference Rate for an Interest Period, whilst such Temporary Disruption Trigger is continuing or after a Permanent Discontinuation Trigger has occurred, shall be calculated by the Calculation Agent on the following basis (in the following order of application and precedence):

(i) if a Temporary Disruption Trigger has occurred with respect to the BBSW Rate, in the following order of precedence:

(A) first, the Administrator Recommended Rate;

(B) then the Supervisor Recommended Rate; and

(C) lastly, the Closing Fallback Rate;

(ii) where a determination of the AONIA Rate is required for the purposes of paragraph (i) above, if a Temporary Disruption Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required will be the last provided or published level of AONIA;

(iii) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (i) or (ii) above, if a Temporary Disruption Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required will be the last rate provided or published by the Administrator of the RBA Recommended Rate (or if no such rate has been so provided or published, the last provided or published level of AONIA);

(iv) if a Permanent Discontinuation Trigger has occurred with respect to the BBSW Rate, the rate for any day for which the BBSW Rate is required on or after the Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(A) first, if at the time of the BBSW Rate Permanent Fallback Effective Date, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Rate;

(B) then, if at the time of the BBSW Rate Permanent Fallback Effective Date, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and

(C) lastly, if neither paragraph (A) nor paragraph (B) above apply, the Closing Fallback Rate;

(v) where a determination of the AONIA Rate is required for the purposes of paragraph (iv)(A) above, if a Permanent Discontinuation Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(A) first, if at the time of the AONIA Permanent Fallback Effective Date, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Rate; and

(B) lastly, if paragraph (A) above does not apply, the Closing Fallback Rate; and

(vi) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (iv) or (v) above, respectively, if a Permanent Discontinuation Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA

Recommended Rate is required on or after that Permanent Fallback Effective Date will be the Closing Fallback Rate.

When calculating an amount of interest in circumstances where a Fallback Rate other than the Closing Fallback Rate applies, that interest will be calculated as if references to the BBSW Rate, AONIA Rate or RBA Recommended Rate (as applicable) were references to that Fallback Rate. When calculating interest in circumstances where the Closing Fallback Rate applies, the amount of interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of that Closing Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Closing Fallback Rate.

In this respect, the Issuer (in consultation, to the extent practicable, with the Calculation Agent) may at any time, specify any BBSW Benchmark Replacement Conforming Changes which changes shall apply to the Securities for all future Interest Periods (without prejudice to the further operation of this Condition 4(c)(iv)(B)) and, for the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, and having received a certificate from the Issuer, signed by two Authorised Signatories, confirming that the Issuer has made the relevant determinations in accordance with this Condition 4(c)(iv)(B) and attaching the proposed amendments to the Conditions, be obliged to concur with the Issuer to effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as the Trustee may deem appropriate in order to give effect to this Condition 4(c)(iv)(B) and the Trustee shall not be liable to any person for any consequences thereof, save as provided in the Trust Deed. No consent of the Securityholders of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with effecting such changes, including for the execution of any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Agents (as defined in the Agency Agreement) shall give effect to this Condition 4(c)(iv)(B) (by effecting such consequential amendments to the Agency Agreement or otherwise as is necessary on the part of each Agent (acting reasonably)), provided that the Agents shall not be obliged to give effect to any such amendments, if in the reasonable opinion of the relevant Agent (acting in good faith and following consultation, to the extent practicable, with the Issuer), the same would not be operable in accordance with the terms proposed pursuant to this Condition 4(c)(iv)(B) or would expose it to any additional duties or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement. The Issuer shall promptly following the determination of any changes pursuant to Condition 4(c)(iv)(B) give notice thereof to the Trustee, the Principal Paying and Conversion Agent, the Calculation Agent and the Securityholders (in accordance with Condition 14 (*Notices*)).

If the Calculation Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Rate of Interest in accordance with this Condition 4(c)(iv)(B), such rate, adjustment, quantum, formula, methodology or other variable will be determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution (acting in good faith and in a commercially reasonable manner) appointed by the Issuer (in its sole discretion) to so determine.

Notwithstanding any other provision of this Condition 4(c)(iv)(B), no fallback rate will be adopted, nor will any amendment to the Conditions be made, in each case pursuant to this Condition 4(c)(iv)(B), if in the determination of the Issuer, the same could reasonably be expected to result in: (i) the exclusion of the Securities in whole or in part from the regulatory capital of the Group (other than as a consequence of their conversion pursuant to Condition 9(b) (*Conversion upon occurrence of Capital Adequacy Trigger*)); or (ii) the reclassification of the Securities in whole or in part as a form of regulatory capital of the Group that is lower than Additional Tier 1 capital.

All rates determined pursuant to this Condition 4(c)(iv)(B) shall be expressed as a percentage rate per annum and the resulting percentage will be rounded if necessary to the fourth decimal place (i.e., to the nearest one ten-thousandth of a percentage point) with 0.00005 being rounded upwards.

Definitions for the purposes of this Condition 4(c)(iv)(B):

"**Adjustment Spread**" means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

(a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using practices based on those used for the determination of the Bloomberg Adjustment Spread as at 1 December 2022, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or

(b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Calculation Agent (after consultation with the Issuer where practicable) to be appropriate;

"**Adjustment Spread Fixing Date**" means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate;

"**Administrator**" means:

(a) in respect of the BBSW Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);

(b) in respect of AONIA (or where AONIA is used to determine an Applicable Benchmark Rate), the Reserve Bank of Australia; and

(c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

and, in each case, any successor administrator or, as applicable, any successor administrator or provider;

"**Administrator Recommended Rate**" means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Administrator of the BBSW Rate;

"**AONIA**" mean the Australian Dollar interbank overnight cash rate (known as AONIA);

"**AONIA Rate**" means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus the Adjustment Spread;

"**Applicable Benchmark Rate**" means the BBSW Rate and, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate, then the rate determined in accordance with this Condition 4(c)(iv)(B);

"**BBSW Benchmark Replacement Conforming Changes**" means, with respect to any replacement rate for the Applicable Benchmark Rate determined in accordance with this Condition 4(c)(iv)(B) (the "**Relevant Replacement Rate**"), changes to (1) any Interest Determination Date, Interest Payment Date, Business Day Convention or Interest Period, (2) the manner, timing and frequency of determining the rate and amounts of interest that are payable on the Securities during the Interest Period and the conventions relating to such determination and calculations with respect to interest, (3) rounding conventions, (4) tenors and (5) any other terms or provisions of the Securities during the Interest Period, in each case that the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines, from time to time, to be appropriate to reflect the determination and implementation of Relevant Replacement Rate in a manner substantially consistent with market practice (or, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) decides that implementation of any portion of such market practice is not administratively feasible or determine that no market practice for use of the Relevant Replacement Rate exists, in such other manner as the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines is appropriate (acting in good faith));

"**BBSW Rate**" means BBSW for the Relevant Period which is calculated in accordance with Condition 4(c)(i) to (iii);

"**Bloomberg Adjustment Spread**" means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted AONIA and the spread) ("**BISL**") on the Fallback Rate (AONIA) Screen (or by other means), or provided to, and published by, authorised distributors where "**Fallback Rate (AONIA) Screen**" means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL;

"**Business Day (AONIA)**" means any day on which commercial banks are open for general business in Sydney;

"**Closing Fallback Rate**" means, in respect of an Applicable Benchmark Rate, the rate:

(a) determined by the Calculation Agent as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that, in good faith, it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and/or futures exchanges with representative trade volumes in derivatives or futures referencing the Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph (a), together with (without double counting) such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Applicable Benchmark Rate-linked floating rate securities at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Applicable Benchmark Rate-linked floating rate securities at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by the Calculation Agent (in consultation with the Issuer) to be appropriate; **provided that**

(b) if and for so long as no such successor rate or alternative rate can be determined in accordance with paragraph (a), the Closing Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate;

"**Compounded Daily AONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with AONIA as the reference rate for the calculation of interest) as calculated by the Calculation Agent on the relevant Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{(Add)}\left(1+\frac{AONIA_{i-5\,BD}\,x\,n_i}{365}\right)-1\right]x\,\frac{365}{d}$$

where:

"**$AONIA_{i-5\ BD}$**" means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Business Day (AONIA) falling five Business Days (AONIA) prior to such Business Day (AONIA) "i";

"**d**" is the number of calendar days in the relevant Interest Period;

" **d_0**" is the number of Business Days (AONIA) in the relevant Interest Period;

"**i**" is a series of whole numbers from 1 to d_0, each representing the relevant Business Day (AONIA) in chronological order from (and including) the first Business Day (AONIA) in the relevant Interest Period to (and including) the last Business Day (AONIA) in such Interest Period;

"**ni**", for any Business Day (AONIA) "i" in the relevant Interest Period, means the number of calendar days from (and including) such Business Day (AONIA) "i" up to (but excluding) the following Business Day (AONIA); and

If, for any reason, Compounded Daily AONIA needs to be determined for a period other than an Interest Period, Compounded Daily AONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period;

"**Fallback Rate**" means, where a Permanent Discontinuation Trigger for an Applicable Benchmark Rate has occurred, the rate that applies to replace that Applicable Benchmark Rate in accordance with this Condition 4(c)(iv)(B);

"**Interest Determination Date**" means, for the purposes of this Condition 4(c)(iv)(B) only:

(a) where the BBSW Rate applies or the Closing Fallback Rate applies under paragraph (iv)(C) of this Condition 4(c)(iv)(B), the first day of that Interest Period; and

(b) in any other circumstances and notwithstanding the provisions of Condition 19 (*Definitions*), the third Business Day prior to the Interest Payment Date in respect of that Interest Period;

"**Non-Representative**" means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate:

(a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and

(b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor (howsoever described) in contracts;

"**Permanent Discontinuation Trigger**" means, in respect of an Applicable Benchmark Rate:

(a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or that it will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian Dollars), an insolvency official or resolution authority with jurisdiction over the Administrator of the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator of the Applicable Benchmark Rate which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Securities, or that its use will be subject to restrictions or adverse consequences to the Issuer or a Securityholder;

(d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of Securities of a Series, it has become unlawful for the Calculation Agent, the Issuer or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any Securityholder using the Applicable Benchmark Rate;

(e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or

(f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis;

"**Permanent Fallback Effective Date**" means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

(a) in the case of paragraphs (a) and (b) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;

(b) in the case of paragraphs (c) and (d) of the definition of "Permanent Discontinuation Trigger", the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable);

(c) in the case of paragraph (e) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided but is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rates continues to be published or provided on such date; or

(d) in the case of paragraph (f) of the definition of "Permanent Discontinuation Trigger", the date that event occurs;

"**Publication Time**" means 4.00 pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology;

"**RBA Recommended Fallback Rate**" means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be the RBA Recommended Rate for that Interest Period and Interest Determination Date;

"**RBA Recommended Rate**" means, in respect of any relevant day (including any day "i"), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor in respect of that day;

"**Supervisor**" means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate;

"**Supervisor Recommended Rate**" means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Supervisor of the BBSW Rate; and

"**Temporary Disruption Trigger**" means, in respect of any Applicable Benchmark Rate which is required for any determination:

(a) the Applicable Benchmark Rate has not been published by the applicable Administrator or an authorised distributor and is not otherwise provided by the Administrator, in respect of, on, for or by the time and date on which that Applicable Benchmark Rate is required; or

(b) the Applicable Benchmark Rate is published or provided but the Calculation Agent determines that there is an obvious or proven error in that rate;

(C) if ISDA Determination for Fallback provisions is not specified in the relevant Pricing Supplement as being applicable, the Specified Currency is TWD and the Reference Rate is TAIBIR, the Calculation Agent will:

(1) request the principal Taipei offices of five leading dealers in Taiwan Secondary Market Bills in Taipei to provide quotations of the Taiwan Secondary Markets Bills Rates offered by them to prime banks in the Taipei interbank market for the Relevant Period at approximately 11:00 a.m. Taipei time on the Interest Determination Date; and

(2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations; and

(3) if fewer than four quotations are provided as requested, the Calculation Agent will determine the rate in its discretion;

(D) if ISDA Determination for Fallback provisions is not specified in the relevant Pricing Supplement as being applicable, the Specified Currency is TWD and the Reference Rate is TAIBOR, the Calculation Agent will:

(1) request the principal Taipei offices of fourteen prime banks in Taiwan to provide a quotation at approximately 11:30 a.m. Taipei time on the Interest Determination Date of the rate offered by them to other prime banks in the Taipei interbank market for deposits in TWD for a period equal to the Relevant Period and in an amount that is representative for a single transaction in that market at that time; and

(2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations; and

(3) if fewer than four quotations are provided as requested, the Calculation Agent will determine the rate in its discretion;

(E) if ISDA Determination for Fallback provisions is not specified in the relevant Pricing Supplement as being applicable, the Specified Currency is MXN and the Reference Rate is TIIE, the Calculation Agent will:

(1) request the principal Mexico City office of the Reference Banks to provide a quotation of their mid-market rate for cost of funds for MXN

for the Relevant Period at approximately the Relevant Time on the Interest Determination Date in an amount that is representative for a single transaction in that market at that time; and

(2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations; and

(3) if fewer than two quotations are provided as requested, the Calculation Agent will determine the rate in its discretion, using a representative rate;

(F) if ISDA Determination for Fallback provisions is not specified in the relevant Pricing Supplement as being applicable, the Specified Currency is CNH and the Reference Rate is CNH HIBOR, the Calculation Agent will:

(1) request the Hong Kong office of each of the Reference Banks to provide a quotation at approximately 11:15 a.m. Hong Kong time on the Interest Determination Date of the rate offered by it to prime banks in the Hong Kong interbank market for deposits in CNH for a period equal to the Relevant Period and in an amount that is representative for a single transaction in that market at that time; and

(2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations; and

(3) if fewer than two quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks (being at least two in number) in Hong Kong, selected by the Calculation Agent, at approximately the Relevant Time in Hong Kong on the Interest Determination Date for loans in CNH for settlement in Hong Kong to Leading Banks for a period equal to the Relevant Period and in an amount that is representative for a single transaction in that market at that time;

(G) if ISDA Determination for Fallback provisions is not specified in the relevant Pricing Supplement as being applicable, the Specified Currency is CNY and the Reference Rate is SHIBOR, the Calculation Agent will:

(1) request the principal Shanghai offices of four leading dealers in the Shanghai Interbank Offered Rate market to provide a quotation at approximately 11:00 a.m. Beijing time on the Interest Determination Date of the rate offered by it to prime banks in the Shanghai interbank market for deposits in CNY for a period equal to the Relevant Period and in an amount that is representative for a single transaction in that market at that time; and

(2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations, after eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest), unless only two or three quotations are provided, in which case neither the highest quotation nor the lowest quotation will be eliminated; and

(3) if fewer than two quotations are provided as requested, the Calculation Agent will determine the rate in its discretion;

(H) in all other cases where ISDA Determination for Fallback provisions is not specified in the relevant Pricing Supplement as being applicable, the proviso in the paragraph immediately below shall apply, and, in each case, the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, including (without limitation) in the circumstances described in Condition 4(c)(iv)(H) above: (i) subject to (ii) below, the Rate of Interest applicable to the Securities during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Securities in respect of a preceding Interest Period; or (ii) if the Securities are Fixed/Floating Rate Securities for which no Rate of Interest has yet been determined under this Condition 4 (*Interest on Floating Rate Securities*), the Rate of Interest applicable to the Securities during such Interest Period will be the rate applicable to the Securities in respect of the preceding Interest Period for which Condition 3 (*Interest on Fixed Rate Securities and Resettable Securities*) applied.

(d) **Screen Rate Determination for Floating Rate Securities referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA**

(i) If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate is specified in the relevant Pricing Supplement as being "SONIA", "SOFR", "€STR", "SORA", "SARON", "CORRA" or "HONIA", the Rate of Interest applicable to the Securities for each Interest Period will be sum of the Margin and the Relevant Rate, all as determined by the Calculation Agent on the Interest Determination Date for such Interest Period.

(ii) If the Securities become due and payable in accordance with Condition 10 (*Enforcement*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which the Securities became due and payable and the Rate of Interest applicable to the Securities shall, for so long as any such Security remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

(iii) If "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, all references in these Conditions to interest on the Securities being payable on an Interest Payment Date shall be read as reference to interest on the Securities being payable on an Effective Interest Payment Date instead.

(iv) Definitions

"**Applicable Period**" means,

(A) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, in relation to any Interest Period, the Observation Period relating to such Interest Period; and

(B) where "Lag", "Lockout" or "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period.

"**d**" means the number of calendar days in the Applicable Period.

"$\mathbf{d_c}$" means the number of calendar days from (and including) $Index_{Start}$ to (but excluding) $Index_{End}$.

"$\mathbf{d_0}$" means the number of Reference Rate Business Days in the Applicable Period.

"**Effective Interest Payment Date**" means each date specified as such in the relevant Pricing Supplement.

"**i**" means a series of whole numbers from one to d_0, each representing the relevant Reference Rate Business Day in the Applicable Period in chronological order from (and including) the first Reference Rate Business Day in the Applicable Period (each a "**Reference Rate Business Day(i)**").

"**IndexEnd**" means in relation to any Interest Period, the Index Value on the day which is "p" Reference Rate Business Days prior to the Interest Payment Date for such Interest Period.

"**Index$_{Start}$**" means, in relation to any Interest Period, the Index Value on the day which is "p" Reference Rate Business Days prior to the first day of such Interest Period.

"**Index Value**" means, in relation to any Reference Rate Business Day:

(A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the value of the SONIA Compounded Index for such Reference Rate Business Day as published by authorised redistributors on such Reference Rate Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised redistributors, as published on the Bank of England's Website at www.bankofengland.co.uk/boeapps/database/ (or on such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on the next following Reference Rate Business Day; **provided, however, that** in the event that the value originally so published is corrected on such Reference Rate Business Day, then such corrected value, instead of the value that was originally published, shall be deemed the Index Value in relation to such Reference Rate Business Day;

(B) where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement, the value of the SOFR Index published by Federal Reserve Bank of New York, as the administrator of the daily Secured Overnight Financing Rate (or any successor administrator of such rate) on the New York Federal Reserve's Website at https://apps.newyorkfed.org/markets/autorates/sofr-avg-ind (or on such other page or website as may replace such page for the purposes of publishing the SOFR Index) at or about 3:00 p.m. (New York City time) on such Reference Rate Business Day; **provided, however, that** in the event that the value originally so published is subsequently corrected and such corrected value is published by the Federal Reserve Bank of New York, as the administrator of such rate on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the Index Value in relation to such Reference Rate Business Day; and

(C) where "CORRA" is specified as the Reference Rate in the relevant Pricing Supplement, the value of the CORRA Compounded Index published by the Bank of Canada, as the administrator of the daily Canadian Overnight Repo Rate Average (or any successor administrator of such rate) on the Bank of Canada's website at https://www.bankofcanada.ca/rates/interest-rates/corra/ (or on such other page or website as may replace such page for the purposes of publishing the CORRA Compounded Index) at or about 11:30 a.m. (Toronto time) on such Reference Rate Business Day; **provided, however, that** in the event that the value originally so published is subsequently corrected and such corrected value is published by the Bank of Canada, as the administrator of such rate on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the Index Value in relation to such Reference Rate Business Day.

"**New York Federal Reserve's Website**" means the website of the Federal Reserve Bank of New York currently at http://www.newyorkfed.org, or any successor website.

"**n_i**" means, in relation to any Reference Rate Business Day(i), the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day.

"**Non-Reset Date**" means each Reference Rate Business Day(i) in an Applicable Period, the Reference Rate Determination Date in relation to which falls on or after the Rate Cut-Off Date (if any).

"**Observation Period**" means, in relation to an Interest Period:

(A) where "Standard Shift" is specified as applicable in the relevant Pricing Supplement, the period from (and including) the date which is "p" Reference Rate Business Days prior to the first day of such Interest Period (and in respect of the first Interest Period, the Interest Commencement Date) and ending on (but excluding) the date which is "p" Reference Rate Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Reference Rate Business Days prior to such earlier date, if any, on which the Securities become due and payable); and

(B) where "IDD Shift" is specified as applicable in the relevant Pricing Supplement, the period from (and including) the Reference Rate Business Day falling prior to the Interest Determination Date for the immediately preceding Interest Payment Date to (but excluding) the last Reference Rate Business Day falling prior to the Interest Determination Date for such Interest Period, provided that the first Observation Period shall commence on (and include) the last Reference Rate Business Day falling prior to the date falling two Business Days prior to the Interest Commencement Date.

"**p**" means the whole number specified as such in the Pricing Supplement representing a number of Reference Rate Business Days.

"**Rate Cut-Off Date**" means:

(A) where "Lockout" is specified as the Observation Method in the relevant Pricing Supplement and "SONIA", "SARON" or "HONIA" is specified as the relevant Reference Rate, in relation to any Interest Period, the Reference Rate Business Day immediately prior to the Interest Determination Date;

(B) where "Lockout" is specified as the Observation Method in the relevant Pricing Supplement and a Reference Rate other than "SONIA", "SARON" or "HONIA" is specified as the relevant Reference Rate, in relation to any Interest Period, the second Reference Rate Business Day falling prior to the Interest Determination Date;

(C) where "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, and:

(I) "SONIA", "SARON" or "HONIA" is specified as the relevant Reference Rate, the Reference Rate Business Day immediately prior to the Interest Determination Date in relation to the final Interest Period only;

(II) a Reference Rate other than "SONIA", "SARON" or "HONIA" is specified as the relevant Reference Rate, the second Reference Rate Business Day falling prior to the Interest Determination Date; and

(D) in any other circumstances, no Rate Cut-Off Date shall apply.

"**Reference Rate**" means in relation to any Reference Rate Business Day:

(A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such Reference Rate Business Day as provided by the administrator of SONIA (or any successor administrator) to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the Reference Rate Business Day immediately following such Reference Rate Business Day;

(B) where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) published at or around 3:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding Reference Rate Business Day for trades made on such Reference Rate Business Day;

(C) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily euro short-term rate for such Reference Rate Business Day as published by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank currently at http://www.ecb.europa.eu, or any successor website officially designated by the European Central Bank ("**ECB**") on the Reference Rate Business Day immediately following such Reference Rate Business Day;

(D) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Singapore Overnight Rate Average ("**SORA**") rate for such Reference Rate Business Day as provided by the Monetary Authority of Singapore as the administrator of such rate (or any successor administrator of such rate) ("**MAS**"), on the website of the MAS currently at http://www.mas.gov.sg or any successor website officially designated by the MAS (or as published by its authorised distributors) on the Reference Rate Business Day immediately following such Reference Rate Business Day;

(E) where "SARON" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Swiss Average Rate Overnight ("**SARON**") rate for such Reference Rate Business Day as provided by the SIX Swiss Exchange AG ("**SIX**"), as the administrator of such rate (or any successor administrator of such rate), on the website of the SIX Group currently at https://www.six-group.com/exchanges/indices/data centre/swiss reference rates/reference rates en.html or any successor website or other source on which SARON is published at the close of trading on the trading platform of SIX Repo AG (or any successor thereto) on such Reference Rate Business Day, which is expected to be on or around 6.00 p.m. (Zurich time);

(F) where "CORRA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Canadian Overnight Repo Rate Average ("**CORRA**") rate for such Reference Rate Business Day as provided by the Bank of Canada, as the administrator of such rate (or any successor administrator of such rate) ("**BOC**"), on the website of the BOC currently at https://www.bankofcanada.ca/rates/interest-rates/corra/ or any successor website officially designated by the BOC on the Reference Rate Business Day immediately following such Reference Rate Business Day; or

(G) where "HONIA" is specified as the Reference Rate in the relevant Pricing Supplement, a reference rate equal to the daily Hong Kong Dollar Overnight Index Average ("**HONIA**") rate for such Reference Rate Business Day as provided by the Treasury Markets Association, as the administrator of such rate (or any successor administrator of such rate) ("**TMA**"), on the website of the TMA currently at https://www.tma.org.hk/en_market_info.aspx market info.aspx or any successor website officially designated by the TMA (or as published by its authorised distributors) on such Reference Rate Business Day.

"**Reference Rate(i)**" or "**REF_i**" means in relation to any Reference Rate Business Day(i), the Reference Rate for the Reference Rate Determination Date in relation to such Reference Rate Business Day(i), *provided that* where either "Lock Out" or "Payment Delay" are specified as the Observation Method in the relevant Pricing Supplement, Reference Rate(i) (or REF_i) in respect of each Non-Reset Date (if any) in an Applicable

Period shall be Reference Rate(i) (or REF_i) as determined in relation to the Rate Cut-Off Date.

"**Reference Rate Business Day**" means:

(A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

(B) where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement, means any day except for a Saturday, Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

(C) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a Euro Business Day;

(D) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

(E) where "SARON" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions;

(F) where "CORRA" is specified as the Reference Rate in the relevant Pricing Supplement, a day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in the city of Toronto, Canada; or

(G) where "HONIA" is specified as the Reference Rate in the relevant Pricing Supplement, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Hong Kong.

"**Reference Rate Determination Date**" means, in relation to any Reference Rate Business Day(i):

(A) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the Reference Rate Business Day falling "p" Reference Rate Business Days prior to such Reference Rate Business Day(i); and

(B) otherwise, such Reference Rate Business Day(i).

"**Relevant Rate**" means with respect to an Interest Period:

(A) if RFR Index Determination is specified as being not applicable in the relevant Pricing Supplement (or is deemed to be not applicable as set out in the proviso to paragraph (B) below):

(I) where "Compounded Daily Rate" is specified as the Determination Method in the relevant Pricing Supplement, the rate of return of a daily compound interest investment (with the applicable Reference Rate specified in the Pricing Supplement as reference rate for the calculation of interest) calculated as follows, with the resulting percentage rounded, if necessary, (i) in the case of SONIA, €STR or SORA to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards and (ii) in the case of SOFR, SARON, CORRA or HONIA to the nearest one hundred-thousandth of a percentage point (0.00001%), with 0.000005% being rounded upwards and:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{REF_i \times n_i}{Y}\right)-1\right]\times\frac{Y}{d}$$

(II) where "Weighted Average Rate" is specified as the Determination Method in the relevant Pricing Supplement the arithmetic mean of Reference Rate(i) for each Reference Rate Business Day during such Applicable Period (each "**Reference Rate Business Day(i)**"), calculated by multiplying the relevant Reference Rate(i) for any Reference Rate Business Day(i) by the number of days such Reference Rate(i) is in effect (being the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Applicable Period; or

(B) where SONIA, SOFR or CORRA is specified as the Reference Rate in the relevant Pricing Supplement, if RFR Index Determination is specified as being applicable in the relevant Pricing Supplement, the rate calculated as follows, with the resulting percentage rounded, if necessary, (i) in the case of SONIA, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards and (ii) in the case of SOFR or CORRA to the nearest one hundred-thousandth of a percentage point (0.00001%), with 0.000005% being rounded upwards:

$$\left(\frac{Index_{End}}{Index_{Start}}-1\right)\times\frac{Y}{d_c}$$

provided, however, that if the Calculation Agent is unable for any reason to determine IndexEnd or IndexStart in relation to any Interest Period, the Relevant Rate shall be calculated for such Interest Period as if RFR Index Determination had been specified as being not applicable in the relevant Pricing Supplement (and accordingly paragraph (A)(I) of this definition and "Observation Shift" and "Standard Shift" will apply).

"**SONIA Compounded Index**" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof).

"**CORRA Compounded Index**" means the index known as the CORRA Compounded Index administered by the Bank of Canada (or any successor administrator thereof).

"**Y**" is the number specified as such in the relevant Pricing Supplement, or if no number is so specified, a number reflecting the denominator for day count fractions customarily used to calculate floating rate interest amounts on instruments denominated in the Specified Currency and with an original maturity equal to that of the Securities, as determined by the Calculation Agent.

(v) Additional Provisions applicable where "SONIA", "€STR", "CORRA" or "SARON" is specified as the Reference Rate in the relevant Pricing Supplement:

(A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date, and:

(I) where "Benchmark Replacement" is specified as applicable in the relevant Pricing Supplement, a Benchmark Event has not occurred; or

(II) where "Benchmark Replacement" is not specified as applicable in the relevant Pricing Supplement, and neither (A) an Index Cessation Event and an Index Cessation Effective Date nor (B) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date, in each case with respect to the Reference Rate, have occurred,

Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published as provided in the relevant definition thereof.

(B) Where "Benchmark Replacement" is specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event has occurred in relation to the Reference Rate (or any Successor Rate or Alternative Reference Rate (or any component part(s) thereof) determined and applicable to the Securities pursuant to the earlier operation of Condition 4(e) (*Benchmark Replacement*)) in accordance with the terms of Condition 4(e) (*Benchmark Replacement*), then the provisions of Condition 4(e) (*Benchmark Replacement*) shall apply.

(C) Where "Benchmark Replacement" is not specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and Index Cessation Effective Date have occurred or (B) both an Administrator/Benchmark Event and Administrator/Benchmark Event Date have occurred, in each case with respect to the Reference Rate, then:

(1) Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be calculated as if references to the "Reference Rate" in Condition 4(d)(i) to (iv) were to the Relevant Recommended Rate;

(2) if there is a Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date, but neither the administrator of the Relevant Recommended Rate nor authorised distributors provide or publish the Relevant Recommended Rate in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, then, subject to paragraph (3) below, in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Relevant Recommended Rate prior to the related Reference Rate Determination Date. If there is no last provided or published Relevant Recommended Rate, then in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Reference Rate (without taking into account any deemed changes to the term "Reference Rate" pursuant to Condition 4(d)(v)(C)(1) above) prior to the related Reference Rate Determination Date; and

(3) if:

(i) there is no Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date referred to in Condition 4(d)(v)(C) above; or

(ii) there is a Relevant Recommended Rate and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and Index Cessation Effective Date have occurred or (B) both an Administrator/Benchmark Event and Administrator/Benchmark Event Date have occurred, in each case with respect to the Relevant Recommended Rate,

then Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be calculated as if references in Condition 4(d)(i) to (iv) to the "Reference Rate" were to the Final Fallback Rate. In respect of any day for which the Final Fallback Rate is required, references to the Final Fallback Rate will be deemed to be references to the last provided or published Final Fallback Rate as at close of business in the RFR Financial Centre on that day.

(D) If the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Securities for the first Interest Period had the Securities been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period), **provided, however, that** if the Securities are Fixed/Floating Rate Securities for which no Rate of Interest has yet been determined under this Condition 4 (*Interest on Floating Rate Securities*), the Rate of Interest applicable to the Securities during such Interest Period will be the rate applicable to the Securities in respect of the preceding Interest Period for which Condition 3 (*Interest on Fixed Rate Securities and Resettable Securities*) applied.

(E) The Issuer (in consultation, to the extent practicable, with the Calculation Agent) may at any time, specify any Benchmark Replacement Conforming Changes which changes shall apply to the Securities for all future Interest Periods (without prejudice to the further operation of this Condition 4(d)(v)) and, for the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, and having received a certificate from the Issuer, signed by two Authorised Signatories, confirming that the Issuer has made the relevant determinations in accordance with this Condition 4(d)(v) and attaching the proposed amendments to the Conditions, be obliged to concur with the Issuer to effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as the Trustee may deem appropriate in order to give effect to this Condition 4(d)(v) and the Trustee shall not be liable to any person for any consequences thereof, save as provided in the Trust Deed. No consent of the Securityholders of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with effecting such changes, including for the execution of any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Agents (as defined in the Agency Agreement) shall give effect to this Condition 4(d)(v) (by effecting such consequential amendments to the Agency Agreement or otherwise as is necessary on the part of each Agent (acting reasonably)), provided that the Agents shall not be obliged to give effect to any such amendments, if in the reasonable opinion of the relevant Agent (acting in good faith and following consultation, to the extent practicable, with the Issuer), the same would not be operable in accordance with the terms proposed pursuant to this Condition 4(d)(v) or would expose it to any additional duties or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement. The Issuer shall promptly following the determination of any changes pursuant to Condition 4(d)(v) give notice thereof to the Trustee, the Principal Paying and Conversion Agent, the Calculation Agent and the Securityholders (in accordance with Condition 14 (*Notices*)). Notwithstanding any other provision of this Condition 4(d)(v), no fallback rate will be adopted, nor will any amendment to the Conditions be made, in each case pursuant to this Condition 4(d)(v), if in the determination of the Issuer, the same could reasonably be expected to result in: (i) the exclusion of the Securities in whole or in part from the regulatory capital of the Group (other than as a consequence of their conversion pursuant to Condition 9(b) (*Conversion upon occurrence of Capital Adequacy Trigger*)); or (ii) the reclassification of the Securities in whole or in part as a form of regulatory capital of the Group that is lower than Additional Tier 1 capital.

(F) Definitions for the purposes of this Condition 4(d)(v) and Condition 4(d)(vii):

"**Administrator/Benchmark Event**" means that it has or will prior to the next Interest Determination Date become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Securityholder using the Applicable Benchmark (including, without limitation, under Regulation (EU) 2016/1011 as it forms part of domestic law in the UK by virtue of the EUWA, if applicable);

"**Administrator/Benchmark Event Date**" means the date from which it becomes unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Securityholder using the Applicable Benchmark;

"**Applicable Fallback Effective Date**" means in respect of an Applicable Benchmark and an Index Cessation Event or an Administrator/Benchmark Event, the Index Cessation Effective Date or the Administrator/Benchmark Event Date, as applicable;

"**Applicable Benchmark**" means the applicable Reference Rate or (if applicable) any subsequent fallback rate determined or applicable to the Securities pursuant to Conditions 4(d)(v) or 4(d)(vii);

"**Benchmark Replacement Conforming Changes**" means, with respect to any replacement rate for the Applicable Benchmark determined in accordance with Conditions 4(d)(v) or 4(d)(vii) (the "**Relevant Replacement Rate**"), changes to (1) any Interest Determination Date, Interest Payment Date, Effective Interest Payment Date, Reference Time, Reference Rate Business Day, Business Day Convention or Interest Period, (2) the manner, timing and frequency of determining the rate and amounts of interest that are payable on the Securities during the Interest Period and the conventions relating to such determination and calculations with respect to interest, (3) rounding conventions, (4) tenors and (5) any other terms or provisions of the Securities during the Interest Period, in each case that the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines, from time to time, to be appropriate to reflect the determination and implementation of Relevant Replacement Rate in a manner substantially consistent with market practice (or, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) decides that implementation of any portion of such market practice is not administratively feasible or determine that no market practice for use of the Relevant Replacement Rate exists, in such other manner as the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines is appropriate (acting in good faith));

"**EDFR**" means, in respect of any relevant day, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem, in respect of that day;

"**EDFR Spread**" means:

(A) if no Relevant Recommended Rate is recommended before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to the Reference Rate referred to in the first paragraph of Condition 4(d)(v)(C), the arithmetic mean of the daily difference between €STR and EDFR over an observation period of 30 Reference Rate Business Days starting 30 Reference Rate Business Days prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event with respect to the Reference Rate referred to in the first paragraph of Condition 4(d)(v)(C) occurs and ending on the Reference Rate Business Day immediately preceding such day; or

(B) if an Index Cessation Event or Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs, the arithmetic mean of the daily difference between the Relevant Recommended Rate and EDFR over an observation period of 30 Reference Rate Business Days starting 30 Reference Rate Business Days prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs and ending on the Reference Rate Business Day immediately preceding such day;

"**Final Fallback Rate**" means in respect of any relevant day:

(A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the official bank rate as determined by the Monetary Policy Committee of the Bank of England and published by the Bank of England from time to time, in effect on that day;

(B) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, a rate equal to EDFR in respect of that day, plus the EDFR Spread;

(C) where "CORRA" is specified as the Reference Rate in the relevant Pricing Supplement, the BOC's target for the overnight rate as set by the BOC, in respect of that day; or

(D) where "SARON" is specified as the Reference Rate in the relevant Pricing Supplement, a rate equal to the SNB Policy Rate in respect of that day, plus the SNB Spread;

"**Index Cessation Effective Date**" means:

(A) in the case of limbs (A) or (B) of the definition of "Index Cessation Event", the first date on which the Applicable Benchmark would ordinarily have been published or provided and is no longer published or provided; or

(B) in the case of limb (C) of the definition of "Index Cessation Event," the latest of (i) the date of such statement or publication and (ii) the date, if any, specified in such statement or publication as the date on which the Applicable Benchmark will no longer be representative;

"**Index Cessation Event**" means, in respect of an Applicable Benchmark, the occurrence of one or more of the following events:

(A) a public statement or publication of information by or on behalf of the administrator of the Applicable Benchmark announcing that it has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark;

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the Applicable Benchmark, the central bank for the currency of the Applicable Benchmark, an insolvency official with jurisdiction over the administrator for the Applicable Benchmark, a resolution authority with jurisdiction over the administrator for the Applicable Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Applicable Benchmark, which states that the administrator of the Applicable Benchmark has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark; or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the Applicable Benchmark announcing that the regulatory supervisor has determined that such Applicable Benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark is intended to measure and that representativeness will not be restored;

"**RFR Financial Centre**" means:

(A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, London;

(B) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, Frankfurt;

(C) where "CORRA" is specified as the Reference Rate in the relevant Pricing Supplement, Toronto; or

(D) where "SARON" is specified as the Reference Rate in the relevant Pricing Supplement, Zurich;

"**Relevant Recommended Rate**" means in respect of any relevant day:

(A) where "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for SONIA by (i) the administrator of SONIA if the administrator of SONIA is a national central bank, or (ii) if the national central bank administrator of SONIA does not make a recommendation or the administrator of SONIA is not a national central bank, a committee designated for this purpose by one or both of the Financial Conduct Authority (or any successor thereto) and the Bank of England and as provided by the then administrator or provider of that rate, or if that rate is not provided by the then administrator or provider thereof, published by an authorised distributor, in respect of that day;

(B) where "€STR" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by:

(i) the European Central Bank (or any successor administrator for €STR); or

(ii) a committee officially endorsed or convened by (a) the European Central Bank (or any successor administrator of €STR) and/or (b) the European Securities and Markets Authority,

in each case for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day;

(C) where "CORRA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the BOC for the purpose of recommending a replacement for CORRA (which rate may be produced by the BOC or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day;

(D) where "SARON" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for SARON by any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for the purpose of, among other things, considering proposals to reform reference interest rates in Switzerland, and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day;

(E) where "SORA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for SORA by the Monetary Authority of Singapore or by a committee officially endorsed or convened by the Monetary Authority of Singapore (which rate may be produced by the Monetary Authority of Singapore or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day; or

(F) where "HONIA" is specified as the Reference Rate in the relevant Pricing Supplement, the rate (inclusive of any spreads or adjustments) recommended as the replacement for HONIA by the administrator of HONIA or by a committee officially endorsed or convened by the administrator of HONIA for the purpose of recommending a replacement for HONIA (which rate may be produced by the administrator of HONIA or another administrator) and as provided by the then administrator of that rate or, if that rate is not provided by the then administrator thereof, published by an authorised distributor, in respect of that day;

"**SNB Policy Rate**" means, in respect of any relevant day, the policy rate of the Swiss National Bank, in respect of that day; and

"**SNB Spread**" means:

(A) if no Relevant Recommended Rate is recommended before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date with respect to the Reference Rate referred to in the first paragraph of Condition 4(d)(v)(C), the historical median between SARON and the SNB Policy Rate over an observation period of two years starting two years prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event occurs with respect to the Reference Rate referred to in the first paragraph of Condition 4(d)(v)(C) occurs and ending on the Reference Rate Business Day immediately preceding such day; or

(B) if an Index Cessation Event or Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs, the historical median between the Relevant Recommended Rate (or, in the absence of the Relevant Recommended Rate, SARON) and the SNB Policy Rate over an observation period of two years starting two years prior to the day on which the Index Cessation Event or (as applicable) Administrator/Benchmark Event with respect to the Relevant Recommended Rate occurs and ending on the Reference Rate Business Day immediately preceding such day.

(vi) Additional Provisions applicable where "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement:

(A) If, in respect of any Reference Rate Business Day (i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date, and:

(I) where "ARRC Fallbacks" are specified as applicable in the relevant Pricing Supplement, a SOFR Transition Event and a related SOFR Replacement Date have not both occurred; or

(II) where "ARRC Fallbacks" are not specified as applicable in the relevant Pricing Supplement, a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred,

Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published as provided in the relevant definition thereof.

(B) Where "ARRC Fallbacks" are specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines that a SOFR Transition Event and the related SOFR Replacement Date have occurred in relation to the Reference Rate (or any SOFR Replacement Rate previously determined in accordance with this Condition 4(d)(vi)) on the Reference Rate Business Day on which a determination of Reference Rate is due to be made, the SOFR Replacement Rate will replace the then-current Reference Rate for all purposes and in respect of all determinations on such Reference Rate Business Day and (without prejudice to the further operation of this Condition 4(d)(vi)) all subsequent determinations; provided that, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or our designee (in consultation with the Issuer) is unable to or do not determine a SOFR Replacement Rate in accordance with the provisions below prior to 5:00 p.m. (New York time) on the relevant Interest Determination Date, the interest rate for the related Interest Period will be equal to (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Securities for the first Interest Period had the Securities been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period), **provided, however, that** if the Securities are Fixed/Floating Rate Securities for which no Rate of Interest has yet been determined under this Condition 4 (*Interest on Floating Rate Securities*), the Rate of Interest applicable to the Securities during such Interest Period will be the rate applicable to the Securities in respect of the preceding Interest Period for which Condition 3 (*Interest on Fixed Rate Securities and Resettable Securities*) applied.

(C) If "ARRC Fallbacks" are not specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines that a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have occurred (the first date on which this occurs, being the "**Rate Switch Date**"), Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the rate that was recommended as the replacement for the daily Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads) as determined in relation to related Reference Rate Determination Date for such Reference Rate Business Day(i); **provided, however, that**, if no such rate has been recommended within one Reference Rate Business Day of the Rate Switch Date, then:

(1) subject to (2) below, Reference Rate(i) in relation to each Reference Rate Business Day(i) falling on or after the Rate Switch Date shall be equal to the rate determined in accordance with Condition 4(d)(i) to (iv) or Condition 4(d)(vi)(A) (as applicable), but as if:

(aa) references in Condition 4(d)(i) to (iv) to "Reference Rate Business Day" were to "New York Fed Business Day", but so that in the case of the Applicable Period in which the SOFR Index Cessation Effective Date occurred, "d_0" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the Rate Switch Date and (y) the number of New York Fed Business Days in the Applicable Period relating to such Interest Period from (and including) the Rate Switch Date (and "i" shall be construed accordingly);

(bb) references to "daily Secured Overnight Financing Rate" were to the "daily Overnight Bank Funding Rate";

(cc) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and

(dd) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and

(2) if an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred (the first date on which this occurs, being the "**OBFR Switch Date**"), then, in relation to each Reference Rate Business Day(i) falling on or after the later of the Rate Switch Date and the OBFR Switch Date, Reference Rate(i) shall be equal to the rate determined in accordance with Condition 4(d)(i) to (iv) or Condition 4(d)(vi)(A) (as applicable), but as if:

(aa) references in Condition 4(d)(i) to (iv) to "Reference Rate Business Day" were to "New York Fed Business Day", but so that in the case of the Applicable Period in which the OBFR Switch Date occurred, "d_0" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the OBFR Switch Date and (y) the number of New York Fed Business Days in the Applicable Period relating to such Interest Period from (and including) the OBFR Switch Date (and "i" shall be construed accordingly); and

(bb) references in Condition 4(d)(i) to (iv) to the "daily Secured Overnight Financing Rate published at or around 3:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding Reference Rate Business Day for trades made on such Reference Rate Business Day" were a reference to the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such Reference Rate Determination Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such Reference Rate Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards).

(D) The Issuer (in consultation, to the extent practicable, with the Calculation Agent) may at any time, specify any SOFR Replacement Conforming Changes which changes shall apply to the Securities for all future Interest Periods (without prejudice to the further operation of this Condition 4(d)(vi)) and, for the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, and having received a certificate from the Issuer, signed by two Authorised Signatories, confirming that the Issuer has made the relevant determinations in accordance with this Condition 4(d)(vi) and attaching the proposed amendments to the Conditions, be obliged to concur with the Issuer to effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as the Trustee may deem appropriate in order to give effect to this Condition 4(d)(vi) and the Trustee shall not be liable to any person for any consequences thereof, save as provided in the Trust Deed. No consent of the Securityholders of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with effecting such changes, including for the execution of any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Agents (as defined in the Agency Agreement) shall give effect to this Condition 4(d)(vi) (by effecting such consequential amendments to the Agency Agreement or otherwise as is necessary on the part of each Agent (acting reasonably)), provided that the Agents shall not be obliged to give effect to any such amendments, if in the reasonable opinion of the relevant Agent (acting in good faith and following consultation, to the extent practicable, with the Issuer), the same would not be operable in accordance with the terms proposed pursuant to this Condition 4(d)(vi) or would expose it to any additional duties or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement. The Issuer shall promptly following the determination of any changes pursuant to Condition 4(d)(vi) give notice thereof to the Trustee, the Principal Paying and Conversion Agent, the Calculation Agent and the Securityholders (in accordance with Condition 14 (*Notices*)). Notwithstanding any other provision of this Condition 4(d)(vi), no fallback rate will be adopted, nor will any amendment to the Conditions be made, in each case pursuant to this Condition 4(d)(vi), if in the determination of the Issuer, the same could reasonably be expected to result in: (i) the exclusion of the Securities in whole or in part from the regulatory capital of the Group (other than as a consequence of their conversion pursuant to Condition 9(b) (*Conversion upon occurrence of Capital Adequacy Trigger*)); or (ii) the reclassification of the Securities in whole or in part as a form of regulatory capital of the Group that is lower than Additional Tier 1 capital.

(G) Definitions

"**designee**" means an affiliate or any other agent of the Issuer.

"**Federal Reserve's Website**" means the website of the Board of Governors of the Federal Reserve System currently at http://www.federalreserve.gov, or any successor website;

"**ISDA Definitions**" means (for the purposes of this Condition 4(d)(vi)) the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Reference Rate for the applicable tenor.

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"**New York Fed Business Day**" means any day except for a Saturday, Sunday or a day on which the Fedwire Securities Services or the Fedwire Funds Service of the Federal Reserve Bank of New York is closed;

"**New York Federal Reserve's Website**" means the website of the Federal Reserve Bank of New York currently at http://www.newyorkfed.org, or any successor website;

"**OBFR Index Cessation Effective Date**" means, in relation to an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Overnight Bank Funding Rate) ceases to publish the daily Overnight Bank Funding Rate or the date as of which the daily Overnight Bank Funding Rate may no longer be used;

"**OBFR Index Cessation Event**" means the occurrence of one or more of the following events:

(1) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily Overnight Bank Funding Rate;

(2) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) has ceased or will cease to provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the daily Overnight Bank Funding Rate; or

(3) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

"**Reference Time**" with respect to any determination of the Reference Rate means (1) if the Reference Rate is SOFR, the time specified for such determination specified in the definition of the Reference Rate, and (2) if the Reference Rate is not SOFR, the time determined by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) after giving effect to the SOFR Replacement Conforming Changes.

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**SIFMA**" means the Securities Industry and Financial Markets Association or any successor thereto;

"**SOFR Index Cessation Effective Date**" means, in relation to a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Secured Overnight Financing Rate) ceases to publish the daily Secured Overnight Financing Rate, or the date as of which the daily Secured Overnight Financing Rate may no longer be used;

"**SOFR Index Cessation Event**" means the occurrence of one or more of the following events:

(1) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily Secured Overnight Financing Rate;

(2) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time there is no successor administrator that will continue to publish or provide the daily Secured Overnight Financing Rate; or

(3) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

"**SOFR Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) as of the SOFR Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;

(2) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in

consultation with the Issuer) giving due consideration to any industry-accepted spread adjustments, or method for calculating or determining such spread adjustment, for the replacement of the then-current Reference Rate with the applicable Unadjusted SOFR Replacement for U.S. Dollar-denominated floating rate securities at such time.

"**SOFR Replacement Conforming Changes**" means, with respect to any SOFR Replacement Rate or a replacement rate determined in accordance with Condition 4(d)(vi)(B) (the "**Relevant Replacement Rate**"), changes to (1) any Interest Determination Date, Interest Payment Date, Effective Interest Payment Date, Reference Time, Business Day Convention or Interest Period, (2) the manner, timing and frequency of determining the rate and amounts of interest that are payable on the Securities during the Interest Period and the conventions relating to such determination and calculations with respect to interest, (3) rounding conventions, (4) tenors and (5) any other terms or provisions of the Securities during the Interest Period, in each case that the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with Issuer) determine, from time to time, to be appropriate to reflect the determination and implementation of Relevant Replacement Rate in a manner substantially consistent with market practice (or, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) decide that implementation of any portion of such market practice is not administratively feasible or determine that no market practice for use of the Relevant Replacement Rate exists, in such other manner as the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determine is appropriate (acting in good faith)).

"**SOFR Replacement Date**" means the earliest to occur of the following events with respect to the then-current Reference Rate (including the daily published component used in the calculation thereof):

(1) in the case of clause (1) or (2) of the definition of "SOFR Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Reference Rate permanently or indefinitely ceases to provide the Reference Rate (or such component); or

(2) in the case of clause (3) of the definition of "SOFR Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"**SOFR Replacement Rate**" means the first alternative set forth in the order below that can be determined by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) as of the SOFR Replacement Date.

(1) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Reference Rate and (ii) the SOFR Replacement Adjustment;

(2) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment; or

(3) the sum of: (i) the alternate rate of interest that has been selected by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) as the replacement for the then-current Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Reference Rate for U.S. Dollar-denominated floating rate securities at such time and (ii) the SOFR Replacement Adjustment.

"Corresponding Tenor" with respect to a SOFR Replacement Rate means a tenor (including overnight) having approximately the same length (disregarding business day adjustments) as the applicable tenor for the then-current Reference Rate.

"**SOFR Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Reference Rate (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Reference Rate (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Reference Rate (or such component); or

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate (or such component), the central bank for the currency of the Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate (or such component) has ceased or will cease to provide the Reference Rate (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Reference Rate (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate announcing that the Reference Rate is no longer representative.

"**Unadjusted SOFR Replacement**" means the SOFR Replacement Rate excluding the SOFR Replacement Rate Adjustment.

(vii) Additional Provisions applicable where "SORA" or "HONIA" is specified as the Reference Rate in the relevant Pricing Supplement:

(A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published or otherwise provided as set out in the relevant definition thereof for the related Reference Rate Determination Date, and:

(I) where "Benchmark Replacement" is specified as applicable in the relevant Pricing Supplement, a Benchmark Event has not occurred; or

(II) where "Benchmark Replacement" is not specified as applicable in the relevant Pricing Supplement, and neither (A) an Index Cessation Event and Index Cessation Effective Date nor (B) an Administrator/Benchmark Event and Administrator/Benchmark Event Date, in each case with respect to the Reference Rate, have occurred,

Reference Rate (i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate in respect of the last Reference Rate Business Day prior to the related Reference Rate Determination Date for which such Reference Rate was so published as provided in the relevant definition thereof.

(B) Where "Benchmark Replacement" is specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event has occurred in relation to the Reference Rate (or any Successor Rate or Alternative Reference Rate (or any component part(s) thereof) determined and applicable to the Securities pursuant to the earlier operation of Condition 4(e) (*Benchmark Replacement*)) in accordance with the terms of Condition 4(e) (*Benchmark Replacement*), then the provisions of Condition 4(e) (*Benchmark Replacement*) shall apply.

(C) Where "Benchmark Replacement" is not specified as applicable in the relevant Pricing Supplement, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and Index Cessation Effective Date have occurred or (B) both an Administrator/Benchmark Event and Administrator/Benchmark Event Date have occurred, in each case with respect to the Reference Rate, then:

(1) Reference Rate(i) in respect of each Reference Rate Business Day(i) falling on or after the Applicable Fallback Effective Date shall be calculated as if references to the "Reference Rate" in Condition 4(d)(i) to (iv) were to the Relevant Recommended Rate;

(2) if there is a Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date, but neither the administrator of the Relevant Recommended Rate nor authorised distributors provide or publish the Relevant Recommended Rate in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, then, subject to paragraph (3) below, in respect of any Reference Rate Business Day (i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Relevant Recommended Rate prior to the related Reference Rate Determination Date. If there is no last provided or published Relevant Recommended Rate, then in respect of any Reference Rate Business Day(i) and related Reference Rate Determination Date for which the Relevant Recommended Rate is required, references to the Relevant Recommended Rate will be deemed to be references to the last provided or published Reference Rate (without taking into any deemed changes to the term "Reference Rate" pursuant to Condition 4(d)(vii)(C)(1) above) prior to the related Reference Rate Determination Date; and

(3) if:

(i) there is no Relevant Recommended Rate before the end of the first Reference Rate Business Day following the Applicable Fallback Effective Date referred to in Condition 4(d)(vii)(C) above; or

(ii) there is a Relevant Recommended Rate and the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines either that (A) both an Index Cessation Event and Index Cessation Effective Date have occurred or (B) both an Administrator/Benchmark Event and Administrator/Benchmark Event Date have occurred, in each case with respect to the Relevant Recommended Rate,

then Reference Rate (i) in respect of each Reference Rate Business Day (i) falling on or after the Applicable Fallback Effective Date shall be determined in accordance with the provisions of Condition 4(e) (Benchmark Replacement), and for these purposes, it is deemed that (i) "Benchmark Replacement" has been selected as applicable in the relevant Pricing Supplement, (ii) the Issuer (in consultation, to the extent practicable, with the Calculation Agent) has determined that a Benchmark Event has occurred in relation to the Reference Rate in accordance with the first paragraph of Condition 4(e) (*Benchmark Replacement*), and (iii) Condition 4(e)(iv) (*Benchmark Replacement*) does not apply.

(D) The Issuer (in consultation, to the extent practicable, with the Calculation Agent) may at any time, specify any Benchmark Replacement Conforming Changes which changes shall apply to the Securities for all future Interest Periods (without prejudice to the further operation of this Condition 4(d)(vii)) and, for the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, and having received a certificate from the Issuer, signed by two Authorised Signatories, confirming that the Issuer has made the relevant determinations in accordance with this Condition 4(d)(vii) and attaching the proposed amendments to the Conditions, be obliged to concur with the Issuer to effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as the Trustee may deem appropriate in order to give effect to this Condition 4(d)(vii) and the Trustee shall not be liable to any person for any consequences thereof, save as provided in the Trust Deed. No consent of the Securityholders of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with effecting such changes, including for the execution of any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Agents (as defined in the Agency Agreement) shall give effect to this Condition 4(d)(vii) (by effecting such consequential amendments to the Agency Agreement or otherwise as is necessary on the part of each Agent (acting reasonably)), provided that the Agents shall not be obliged to give effect to any such amendments, if in the reasonable opinion of the relevant Agent (acting in good faith and following consultation, to the extent practicable, with the Issuer), the same would not be operable in accordance with the terms proposed pursuant to this Condition 4(d)(vii) or would expose it to any additional duties or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement. The Issuer shall promptly following the determination of any changes pursuant to Condition 4(d)(vii) give notice thereof to the Trustee, the Principal Paying and Conversion Agent, the Calculation Agent and the Securityholders (in accordance with Condition 14 (*Notices*)). Notwithstanding any other provision of this Condition

4(d)(vii), no fallback rate will be adopted, nor will any amendment to the Conditions be made, in each case pursuant to this Condition 4(d)(vii), if in the determination of the Issuer, the same could reasonably be expected to result in: (i) the exclusion of the Securities in whole or in part from the regulatory capital of the Group (other than as a consequence of their conversion pursuant to Condition 9(b) (*Conversion upon occurrence of Capital Adequacy Trigger*)); or (ii) the reclassification of the Securities in whole or in part as a form of regulatory capital of the Group that is lower than Additional Tier 1 capital.

(E) The definitions set out in Condition 4(d)(v)(F) shall be equally applicable to this Condition 4(d)(vii).

(e) ***Benchmark Replacement***

If any of Condition 4(c) (*Screen Rate Determination for Floating Rate Securities not referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA*), Condition 3(c)(i) (*Mid-Swap Rate*), Condition 3(c)(ii) (*Resettable Security Interbank Rate*) or Condition 3(c)(v) (*SORA-OIS Rate*) is applicable to the Securities or Condition 4(d) (*Screen Rate Determination for Floating Rate Securities referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA*) is applicable to the Securities and either "SONIA", "€STR", "SORA", "SARON", "CORRA" or "HONIA" is specified as the Reference Rate in the relevant Pricing Supplement, and in any case, Benchmark Replacement is specified as applicable in the relevant Pricing Supplement then notwithstanding the provisions of Condition 4(c) (*Screen Rate Determination for Floating Rate Securities not referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA*), Condition 3(c)(i) (*Mid-Swap Rate*), Condition 3(c)(ii) (*Resettable Security Interbank Rate*), Condition 3(c)(v) (*SORA-OIS Rate*) or Condition 4(d) (*Screen Rate Determination for Floating Rate Securities referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA*) (as applicable), if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to that Original Reference Rate, then the following provisions shall apply:

(i)

(A) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than five (5) Business Days prior to the relevant Interest Determination Date or Reset Determination Date (as applicable) relating to the next succeeding Interest Period or Reset Period (as applicable) (the "IA Determination Cut-off Date"), a Successor Rate (as defined below) or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Securities; or

(B) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (in consultation, to the extent practicable, with the Calculation Agent and acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate;

(ii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall subsequently be used in place of such Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for each of the future Interest Periods or Reset Periods (as applicable) (subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(e) (*Benchmark Replacement*)); provided, however, that if sub-paragraph (i)(B) applies and the Issuer is unable to or does not determine a

Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date or Reset Determination Date (as applicable), the Rate of Interest applicable to the next succeeding Interest Period or Reset Period (as applicable) shall be equal to the Rate of Interest applicable to the Securities in respect of the Interest Period or Reset Period (as applicable) preceding such Interest Period or Reset Period; for the avoidance of doubt, the proviso in this sub-paragraph (ii) shall apply to the relevant Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) shall be subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(e) (*Benchmark Replacement*);

(iii) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer (in consultation, to the extent practicable, with the Calculation Agent and acting in good faith and in a commercially reasonable manner) determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

(iv) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and, in each case, any Adjustment Spread in accordance with the above provisions, the Independent Adviser or the Issuer (in consultation, to the extent practicable, with the Calculation Agent) (as applicable), may also specify changes to these Conditions, including but not limited to the Relevant Time, Relevant Financial Centre, Reference Banks, Leading Banks, Day Count Fraction, Business Day Convention, Business Days and/or Interest Determination Date applicable to the Securities, and the method for determining the fallback rate in relation to the Securities, in order to follow market practice in relation to the Successor Rate, the Alternative Reference Rate (as applicable) and/or the Adjustment Spread, which changes shall apply to the Securities for all future Interest Periods (subject to the subsequent operation of this Condition 4(e) (*Benchmark Replacement*)). For the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, and having received a certificate from the Issuer, signed by two Authorised Signatories, confirming that the Issuer or the Independent Adviser has made the relevant determinations in accordance with this Condition 4(e) (*Benchmark Replacement*); and attaching the proposed amendments to the Conditions, be obliged to concur with the Issuer to effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and the Agency Agreement as the Trustee may deem appropriate in order to give effect to this Condition 4(e) (*Benchmark Replacement*); and the Trustee shall not be liable to any person for any consequences thereof, save as provided in the Trust Deed. No consent of the Holders of the Securities of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with implementing the Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Agents (as defined in the Agency Agreement) shall give effect to this Condition 4(e) (*Benchmark Replacement*) (by effecting such consequential amendments to the Agency Agreement or otherwise as is necessary on the part of each Agent (acting reasonably)), provided that the Agents shall not be obliged to give effect to any such amendments, if in the reasonable opinion of the relevant Agent (acting in good faith and following consultation, to the extent practicable, with the Issuer), the same would not be operable in accordance with the terms proposed pursuant to this Condition 4(e) (*Benchmark Replacement*) or would expose it to any additional duties or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement; and

(v) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread, give notice thereof to the Trustee, the Principal Paying and Conversion Agent, the Calculation Agent and the Securityholders (in accordance with Condition 14 (*Notices*)), which notice shall specify the effective date(s) for such Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread and any consequential changes made to these Conditions.

Notwithstanding any other provision of this Condition 4(e) (*Benchmark Replacement*), no Successor Rate or Alternative Reference Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any amendment to the Conditions be made pursuant to Condition 4(e)(iv), if in the determination of the Issuer, the same could reasonably be expected to result in:

(i) the exclusion of the Securities in whole or in part from the regulatory capital of the Group (other than as a consequence of their conversion pursuant to Condition 9(b) (*Conversion upon occurrence of Capital Adequacy Trigger*)); or

(ii) the reclassification of the Securities in whole or in part as a form of regulatory capital of the Group that is lower than Additional Tier 1 capital.

For the purposes of this Condition 4(e) (*Benchmark Replacement*):

"**Adjustment Spread**" means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as the case may be), and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) (if no such recommendation has been made, or in the case of an Alternative Reference Rate), the Independent Adviser (in consultation with the Issuer) or the Issuer (in consultation, to the extent practicable, with the Calculation Agent) (as applicable) determines is customarily applied to the relevant Successor Rate or Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) (if the Independent Adviser or the Issuer determines that there is no customarily applied spread in relation to the Successor Rate or Alternative Reference Rate (as the case may be) as envisaged by limb (ii) above), the Independent Adviser (in consultation with the Issuer) or the Issuer (in consultation, to the extent practicable, with the Calculation Agent) (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be);

"**Alternative Reference Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or Reset Period (as applicable);

"**Benchmark Event**" means:

(i) (A) the Original Reference Rate has ceased to be published for a period of at least 5 Business Days or has ceased to exist; (B) the making of a public statement by the administrator of the Original Reference Rate that it has ceased publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or

(ii) the later of (A) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (B) the date falling six months prior to such date specified in (A); or

(iii) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the date specified in (A); or

(iv) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally, or in respect of the Securities and (B) the date falling six months prior to the date specified in (A); or

(v) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is or will, on or before a specified date, be no longer representative of an underlying market or, in any case, should be used for informational purposes only rather than as a benchmark Reference Rate for securities such as the Securities and (B) the date falling six months prior to the date specified in (A); or

(vi) it has or will prior to the next Interest Determination Date or Reset Determination Date, as applicable, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Securityholder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011 as it forms part of domestic law in the United Kingdom by virtue of the EUWA, if applicable);

"**Original Reference Rate"** means (A) the benchmark or screen rate (as applicable) originally specified in the applicable Pricing Supplement for the purposes of determining the relevant Rate of Interest (or any component part(s) thereof) in respect of the Securities or (B) (if applicable) any other Successor Rate or Alternative Reference Rate (or any component part(s) thereof) determined and applicable to the Securities pursuant to the earlier operation of this Condition 4(e) (*Benchmark Replacement*);

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the benchmark or screen rate (as applicable) relates, or any other central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the benchmark or screen rate (as applicable) relates, (B) any other central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (C) a group of the aforementioned central banks or other supervisory authorities, (D) the International Swaps and Derivatives Association, Inc. or any part thereof, or (E) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate (for the avoidance of doubt, whether or not such Original Reference Rate (as applicable) has ceased to be available) which is formally recommended by any Relevant Nominating Body.

(f) ***ISDA Determination***

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Securities for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) if the relevant Pricing Supplement specifies either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option is as specified in the relevant Pricing Supplement;

(B) the Designated Maturity, if applicable, is a period specified in the relevant Pricing Supplement;

(C) the relevant Reset Date is as, specified in the relevant Pricing Supplement; and

(D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Pricing Supplement and:

(1) if Compounding with Lookback is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Pricing Supplement;

(2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or

(3) if Compounding with Lockout is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;

(F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Pricing Supplement and:

(1) if Averaging with Lookback is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Pricing Supplement;

(2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or

(3) if Averaging with Lockout is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement; and

(G) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement;

(ii) references in the ISDA Definitions to:

(A) "Confirmation" shall be references to the relevant Pricing Supplement;

(B) "Calculation Period" shall be references to the relevant Interest Period;

(C) "Termination Date" shall be references to the Maturity Date;

(D) "Effective Date" shall be references to the Interest Commencement Date; and

(iii) if the relevant Pricing Supplement specifies "2021 ISDA Definitions" as being applicable:

(A) "Administrator/Benchmark Event" shall be disapplied; and

(B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback –Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate";

(iv) Unless otherwise defined, capitalised terms used in this Condition 4(f) shall have the same meaning ascribed to them in the ISDA Definitions.

(g) ***Maximum or Minimum Rate of Interest***

The relevant Pricing Supplement may specify a maximum rate of interest (a "**Maximum Rate of Interest**") and/or a minimum rate of interest (a "**Minimum Rate of Interest**"). If a Maximum Rate of Interest and/or a Minimum Rate of Interest is so specified in the relevant Pricing Supplement, then the Rate of Interest in respect of an Interest Period shall in no event be greater than the Maximum Rate of Interest or be less than the Minimum Rate of Interest.

In no event shall the Rate of Interest in respect of any Interest Period be less than zero.

(h) ***Determination of Rate of Interest and Calculation of Interest Amount***

The Calculation Agent will (i) as soon as practicable in respect of Floating Rate Securities subject to the provisions of Condition 4(d) (*Screen Rate Determination for Floating Rate Securities referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA*) and (ii) as soon as practicable after the Relevant Time in respect of any other Floating Rate Securities, on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable in respect of each denomination of the relevant Floating Rate Securities (the "**Interest Amount**") for the relevant Interest Period.

The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to:

(i) in the case of Floating Rate Securities which are represented by a Global Security, the principal amount of the Securities represented by such Global Security during such Interest Period; or

(ii) in the case of Floating Rate Securities in definitive form, the Calculation Amount during such Interest Period, as so specified in the applicable Pricing Supplement,

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

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

The Calculation Agent will cause the Rate of Interest, the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Principal Paying and Conversion Agent, for as long as such Securities are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, to such listing authority, stock exchange and/or quotation system in accordance with the rules thereof, and, for as long as such Securities are represented by Securities in global form, Euroclear and/or Clearstream, Luxembourg and/or such other clearing system or depositary as may be set out in the relevant Pricing Supplement as soon as possible after the determination thereof but in any event no later than the fourth business day thereafter. In respect of Floating Rate Securities which are Securities in definitive form, the Calculation Agent will give notice to the Securityholders of the Rate of Interest, the Interest Amount and the relevant Interest Payment Date in accordance with the provisions of Condition 14 (*Notices*). The Interest Amount and the Interest Payment Date so notified in respect of any Securities may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified, for as long as such Securities are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, to such listing authority, stock exchange and/or quotation system in accordance with the rules thereof.

(j) ***Determination or Calculation by agent appointed by the Trustee***

If the Calculation Agent does not at any time for any reason determine the Rate of Interest or calculate the Interest Amount, the Trustee may (at the expense of the Issuer) appoint an agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent appointed by the Trustee shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(k) ***Certificates, etc. to be Final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of this Condition 4 whether by the Calculation Agent, the Independent Adviser or any agent appointed by the Trustee shall (in the absence of manifest error) be final and binding on the Issuer, the Trustee (or such agent appointed by the Trustee), the Paying Agents, (where appropriate) the Registrar and the Holders of Securities and of the Coupons appertaining thereto. No Holder of Securities or of the Coupons appertaining thereto shall be entitled to proceed against the Calculation Agent, the Independent Adviser, the Trustee or any agent appointed by the Trustee, the Paying Agents, the Registrar or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including, without limitation, in respect of any notification, opinion, communication, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 4.

5. Cancellation of Interest

(a) ***Interest Payments Discretionary***

The Issuer shall be entitled at its full discretion to cancel (in whole or in part) any amounts of interest otherwise payable in respect of the Securities on any date. Unless otherwise specified, references in these Conditions to a payment of interest being "cancelled" (and similar references) shall include cancellation by reason of it not being due in accordance with Condition 2(b) (*Subordination – conditions to payment*), the cancellation of such payment of interest (or relevant part thereof) in accordance with Condition 5(b) (*Restrictions on Interest Payments*) or 9(g) (*Accrued Interest following Capital Adequacy Trigger*) or, as appropriate, the Issuer's exercise of its discretion otherwise to cancel such payment of interest (or relevant part thereof) in accordance with this Condition 5(a).

If the Issuer does not make any such payment of interest (or any part thereof) on the relevant date for payment, such non-payment shall evidence the non-payment and cancellation of such payment of interest (or relevant part thereof) and accordingly such interest shall not in any such case be due and payable.

Any payment of interest (or relevant part thereof) which is cancelled shall not become due and shall not accumulate or be payable at any time after its cancellation, and Securityholders shall have no rights in respect thereof and any such cancellation or non-payment (in whole or in part) shall not constitute a default or event of default on the part of the Issuer for any purpose.

(b) ***Restrictions on Interest Payments***

Without prejudice to (1) Condition 5(a) (*Interest Payments Discretionary*) above or (2) the prohibition contained in Chapter 4 of the "*CRR Firms – Capital Buffers*" Part of the PRA Rulebook (or any succeeding provision(s) amending or replacing such chapter) ("**Chapter 4**") on the making of payments on the Securities before the Maximum Distributable Amount has been calculated, if and to the extent that on any date on which interest is payable in respect of the Securities:

(i) the amount of Relevant Distributions relating to such date exceeds the amount of Distributable Items; or

(ii) the aggregate of (A) the relevant interest amount payable in respect of the Securities and (B) the amounts of any distributions of the kind referred to in Rule 4.3(2) of Chapter 4 (or any succeeding provision amending or replacing such rule) exceeds the Maximum Distributable Amount (if any) applicable to the Issuer as of such date; or

(iii) the Lead Regulator applicable to the Issuer orders the Issuer to cancel (in whole or in part) the interest otherwise payable on such date,

the Issuer shall cancel (in whole or, as the case may be, in part) the interest otherwise payable on such date.

The Issuer shall be responsible for determining compliance with this Condition 5(b) and neither the Trustee, nor any Paying Agent, Transfer Agent or Calculation Agent shall be required to monitor such compliance or to perform any calculations in connection therewith.

(c) ***Notice of Interest Cancellation***

If practicable, the Issuer shall give notice of any cancellation of any interest to the Securityholders in accordance with Condition 14 (*Notices*) and to the Trustee and the Principal Paying and Conversion Agent on or prior to the relevant date on which such interest would otherwise have been payable; **provided, however, that** any failure to provide such notice will not invalidate the cancellation of the relevant payment of interest.

6. Redemption and Purchase

(a) ***No Fixed Redemption Date***

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 2(b) (*Subordination – conditions to payment*) and Condition 6(g) (*Capital Adequacy Trigger Notice*)) only have the right to repay them or purchase them in accordance with the following provisions of this Condition 6.

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

Subject to Conditions 2(b) (*Subordination – conditions to payment*), 6(g) *(Capital Adequacy Trigger Notice),* the final paragraph of this Condition 6(b) and Condition 6(i) (*Supervisory Consent*), if the Issuer satisfies the Trustee immediately prior to the giving of the notice referred to below that:

(i) on a subsequent date for the payment of interest on any Series of Securities the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 7 (*Taxation*); or

(ii) if the Issuer were to seek to redeem the Securities on a subsequent date (for which purpose no regard shall be had as to whether or not the Issuer would otherwise be entitled to redeem such

Securities), the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 7 (*Taxation*); or

(iii) unless the relevant Pricing Supplement specifies that this Condition 6(b)(iii) does not apply, on a subsequent date for the payment of interest on any Series of Securities, interest payments (or funding costs of the Issuer as recognised in its accounts) under or with respect to the Securities would no longer be fully deductible for UK corporation tax purposes; or

(iv) the relevant Securities would no longer be treated as loan relationships for UK tax purposes; or

(v) any change in, or amendment to, the laws or regulations of the UK or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date, would, as a result of the Securities being in issue, result in the Issuer not being able to have losses or deductions set against the profit or gains, or profits or gains offset by the losses or deductions, of companies with which it is or would otherwise be so grouped for applicable UK tax purposes (whether under the group relief system current as at the Issue Date or any similar system or systems having like effect as may from time to time exist); or

(vi) a future write-down of the principal amount of the Securities or conversion of the Securities into Ordinary Shares would result in a UK tax liability, or the receipt of income or profit which would be subject to UK tax, which would not otherwise have been the case as at the Issue Date of the relevant Securities; or

(vii) the relevant Securities or any part thereof will become treated as a derivative or an embedded derivative for UK tax purposes,

then, the Issuer may, having given not less than 30 nor more than 45 days' notice (ending, in the case of Floating Rate Securities, on an Interest Payment Date) to the Securityholders (which notice shall, subject to Conditions 2(b) (*Subordination – conditions to payment*) and 6(g) (*Capital Adequacy Trigger Notice*), be irrevocable) in respect of such Series of Securities, redeem all, but not some only, of the Securities, at their principal amount or such other redemption amount as may be set out in the relevant Pricing Supplement together with (to the extent not cancelled pursuant to these Conditions) interest accrued and unpaid, if any, to the date fixed for redemption **provided that** no such notice of redemption shall be given earlier than 90 days (or in the case of Floating Rate Securities a number of days which is equal to the aggregate of the number of days in the then current Interest Period plus 60 days **provided that** such aggregate number of days shall not be greater than 90 days) prior to the earliest date on which the relevant circumstances described in the relevant paragraph of (i) to (vii) above would occur.

It shall be sufficient, to establish the circumstances required to be established pursuant to this Condition 6(b), if the Issuer shall deliver to the Trustee a certificate or opinion of an independent legal adviser or accountant satisfactory to the Trustee to the effect either that such circumstances do exist or that, upon a change in or amendment to the laws (including any regulations pursuant thereto), or in the interpretation, application or administration thereof, of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, which at the date of such certificate or opinion 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 circumstances described in the relevant paragraph of (i) to (vii) above would otherwise occur and for these purposes, the Trustee shall accept such certificate or opinion without further enquiry and without liability for doing so as sufficient evidence of the existence of such circumstances and such certificate or opinion shall be conclusive and binding on the Securityholders and any Couponholders.

(c) ***Redemption at the Option of the Issuer***

Subject to Condition 2(b) (*Subordination – conditions to payments*), Condition 6(g) (*Capital Adequacy Trigger* Notice) and Condition 6(i) *(Supervisory Consent)*, where this Condition 6(c) is stated to be applicable in the relevant Pricing Supplement, Securities shall be redeemable at the option of the Issuer. In such case, the Issuer may, on any Call Option Date(s) specified in the relevant Pricing Supplement, on giving (in accordance with Condition 14 (*Notices*)) not less than 30 nor more than 60 days' notice to the Securityholders (or such other period specified in the relevant Pricing Supplement) (which notice shall, subject to Conditions 2(b) (*Subordination – conditions to payment*) and 6(g) (*Capital Adequacy Trigger Notice*), be irrevocable) specifying the date fixed for such redemption, subject to Conditions 2(b) (*Subordination – conditions to payment*) and 6(g) (*Capital Adequacy Trigger Notice*), redeem all of such Securities (or, if so specified in the relevant Pricing Supplement and subject as therein specified, some only of the Securities) at their Early Redemption Amount (Call) or such other redemption amount as set out in the relevant Pricing Supplement together with (to the extent not cancelled pursuant to these Conditions) interest accrued and unpaid thereon, if any, to the date fixed for redemption.

Notwithstanding the foregoing, in the case of Securities where a Make Whole Redemption Amount has been specified in the relevant Pricing Supplement, if the Issuer determines, in its sole discretion (and without any requirement for the consent or approval of the Securityholders or the Trustee), that the Make Whole Redemption Amount applying to the relevant Call Option Dates could reasonably be expected to prejudice the qualification of the Securities as regulatory capital for the purposes of the Applicable Rules, the Issuer shall cease to have the right to redeem the Securities on such Call Option Date(s). The Issuer shall promptly following any such determination give notice thereof to the Trustee, the Principal Paying and Conversion Agent and the Securityholders (in accordance with Condition 14 (*Notices*)), provided that failure to give such notice shall not affect the effectiveness of, or otherwise invalidate, any such determination or the cessation of the Issuer's right to redeem the Securities on such Call Option Date(s).

If the Securities of a Series are to be redeemed in part only on any date in accordance with this Condition 6(c):

(i) in the case of Bearer Securities (other than a temporary global Security or permanent global Security), the Securities to be redeemed shall be drawn by lot in such European city as the Principal Paying and Conversion Agent may specify, or identified in such other manner or in such other place as the Principal Paying and Conversion Agent and the Trustee may approve and deem appropriate and fair; and

(ii) in the case of Registered Securities, the Securities shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, **provided always that** the amount redeemed in respect of each Security shall be equal to the minimum denomination thereof or an appropriate multiple thereof,

subject always to compliance with all applicable laws and the requirements of each listing authority, stock exchange and/or quotation system (if any) by which the relevant Securities may have been admitted to listing, trading and/or quotation.

In the case of the redemption of part only of a Registered Security, a new Registered Security in respect of the unredeemed balance shall be issued in accordance with Condition 13 (*Replacement and Transfer*) which shall apply as in the case of a transfer of Registered Securities as if such new Registered Security were in respect of the untransferred balance.

(d) ***Residual Call***

If this Condition 6(d) is specified as being applicable to a Series of Securities in the relevant Pricing Supplement, then if at any time from the fifth anniversary of issuance of the last Tranche of such Securities (unless otherwise permitted earlier by the Lead Regulator applicable to the Issuer), other than as a direct result of a redemption of some, but not all, of the Securities at the Make Whole Redemption Amount at the Issuer's option pursuant to Condition 6(c) (*Redemption at the Option of the Issuer*), if applicable, the outstanding aggregate principal amount of the Securities is the Relevant Percentage or less of the aggregate principal amount of the Securities originally issued (and, for these purposes, any further Securities issued pursuant to Condition 16 (*Further Issues*) and consolidated with the Securities as part of the same Series shall be deemed to have been originally issued), the Issuer may, subject to Condition 6(i) (*Supervisory Consent*), redeem all (but not some only) of the remaining outstanding Securities on any date (or, in the case of a Floating Rate Security, on any Interest Payment Date) upon giving in accordance with Condition 14 (*Notices*) not less than 30 nor more than 60 days' notice (or such other period specified in the relevant Pricing Supplement) to the Securityholders (which notice shall specify the date for redemption and shall be irrevocable), at the Optional Redemption Amount (Residual Call) together with (if applicable) any accrued but unpaid interest up to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate principal amount of the Securities is the Relevant Percentage or less of the aggregate principal amount of the Securities originally issued. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above and without further enquiry or liability for so doing, in which event it shall be conclusive and binding on the Securityholders.

"**Relevant Percentage**" means such percentage as may be specified as such in the relevant Pricing Supplement or, if no such percentage is so specified, 20 per cent.

(e) ***Purchases***

Subject to Condition 6(i) *(Supervisory Consent)*, and to the extent permitted by applicable laws and regulations, the Issuer or any holding or subsidiary company of the Issuer or any subsidiary of any such holding company may purchase Securities at any price in the open market or otherwise and may resell the same.

(f) ***Redemption upon Capital Disqualification Event***

Subject to Condition 2(b) (*Subordination – conditions to payments*), Condition 6(g) (*Capital Adequacy Trigger* Notice) and Condition 6(i) *(Supervisory Consent)*, if this Condition 6(f) is specified as being applicable in the relevant Pricing Supplement, then, following the occurrence of a Capital Disqualification Event, the Issuer may, within 90 days of the occurrence of the relevant Capital Disqualification Event and on giving not less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Securities, on an Interest Payment Date) to the Trustee (with a copy to the Principal Paying and Conversion Agent) and to the Securityholders in accordance with Condition 14 (*Notices*) (which notice shall, subject to Conditions 2(b) (*Subordination – conditions to payment*) and 6(g) (*Capital Adequacy Trigger Notice*), be irrevocable), at its option, redeem all, but not some only, of the Securities at the Capital Disqualification Event Early Redemption Price, together with (to the extent not cancelled pursuant to these Conditions) interest accrued and unpaid, if any, to the date fixed for redemption.

Prior to giving the above notice to the Trustee pursuant to this Condition 6(f), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories stating that a Capital Disqualification Event has occurred and is continuing, the Trustee shall accept such certificate without further inquiry as sufficient evidence of the same and it shall be conclusive and binding on the Securityholders and any Couponholders.

(g) ***Capital Adequacy Trigger Notice***

The Issuer may not give a notice of redemption of any Series of Securities pursuant to this Condition 6 if a Capital Adequacy Trigger Notice has been given in respect of such Securities. If a Capital Adequacy Trigger Notice is given after a notice of redemption shall have been given by the Issuer but before the relevant Redemption Date, such notice of redemption shall automatically be revoked and be null and void and the relevant Securities shall not be redeemed.

(h) ***Cancellation***

All Securities redeemed pursuant to Condition 6(b) (*Redemption for Taxation Reasons*), Condition 6(c) (*Redemption at the Option of the Issuer*), Condition 6(d) (*Residual Call*) or Condition 6(f) (*Redemption upon Capital Disqualification Event*) shall, and all Securities purchased pursuant to Condition 6(e) (*Purchases*) of this Condition 6 may, at the option of the Issuer, be cancelled forthwith (together with, in the case of Bearer Securities in definitive form, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) by the Paying Agent through which they are redeemed or by the Principal Paying and Conversion Agent to which they are surrendered. All Securities redeemed or purchased and cancelled as aforesaid may not be re-issued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

(i) ***Supervisory Consent***

The Issuer may only exercise a right to redeem or purchase Securities pursuant to Conditions 6(b) (*Redemption for Taxation Reasons*), 6(c) (*Redemption at the Option of the Issuer*), 6(d) (*Residual Call*), 6(e) (*Purchases*) or 6(f) (*Redemption upon Capital Disqualification Event*):

(i) in the case of a redemption pursuant to Condition 6(f) (*Redemption upon Capital Disqualification Event*) where the date fixed for redemption falls before the fifth anniversary of the issue date of the most recently issued Tranche of the relevant Series, if the Issuer has first complied with the Regulatory Preconditions and obtained any Relevant Supervisory Consent; and

(ii) in any other case, unless (x) the relevant Securities have (or will have on the date fixed for redemption or purchase) ceased fully to qualify as part of the Issuer's regulatory capital or (y) the relevant Securities are repurchased for market-making purposes in accordance with any permission given by the Lead Regulator applicable to the Issuer pursuant to Applicable Rules within the limits prescribed in such permission, if the Issuer has first:

(A) obtained any Relevant Supervisory Consent; and

(B) in the case of a redemption pursuant to Condition 6(b) (*Redemption for Taxation Reasons*) or a purchase of Securities pursuant to Condition 6(e) (*Purchases*) where the date fixed for redemption or repurchase falls before the fifth anniversary of the issue date of the most recently issued Tranche of the relevant Series, complied with the Regulatory Preconditions.

For these purposes, as between the Issuer and the Securityholders, the Issuer shall be deemed to have complied with items (i) or (ii) above (as and where applicable) if it has obtained a Relevant Supervisory Consent, and a certificate signed by two Authorised Signatories stating that it has obtained a Relevant Supervisory Consent delivered to the Trustee (who shall accept such certificate without further inquiry as sufficient evidence of the same) shall be conclusive as to the Issuer having obtained such consent and shall be binding on the Securityholders.

7. Taxation

All payments by the Issuer of principal and interest in respect of the Securities 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 (or any authority or political subdivision therein or thereof having power to tax) unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges.

In that event, the Issuer will pay such additional amounts in respect of any payments of interest in respect of the Securities (but not, for the avoidance doubt, in respect of any payments of principal in respect of the Securities) as may be necessary in order that the net amounts of interest in respect of the Securities received by the Securityholders or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of interest which would have been received in respect of the Securities 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 Security or Coupon:

(a) to, or to a third party on behalf of, a Holder of a Security or Coupon who is liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Security or Coupon; or

(b) unless it is proved, in the case of Bearer Securities, to the satisfaction of the Principal Paying and Conversion Agent or the Paying Agent to whom the same is presented, or, in the case of Registered Securities, 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 a Paying Agent or the relevant tax authorities (as applicable) or by notifying (and/or presenting evidence of such notification to) any tax authorities of such payment of interest or by presenting the relevant Security or Coupon at the specified office of another Paying Agent (whether within or outside Europe); or

(c) more than 30 days after the Relevant Date (defined below) except, in the case of Bearer Securities, 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; or

(d) to, or to a third party on behalf of, a Holder who is not the sole beneficial owner of the Security 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 or 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 Securities, if the full amount of the money payable has not been received by the Principal Paying and Conversion Agent or the Trustee 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 Securityholders in accordance with Condition 14 (*Notices*).

Any reference in these Conditions to principal or interest or both in respect of the relevant Securities shall be deemed to include, as applicable:

(i) any additional amounts in respect of payments of interest which may be payable under this Condition 7 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;

(ii) the principal amount payable on the relevant Securities on the Redemption Date (if any); and

(iii) any premium and any other amounts which may be payable under or in respect of the relevant Securities.

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 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.

8. **Payments**

(a) ***Bearer Securities***

Payments of principal and interest (if any) in respect of Bearer Securities will (subject as provided below) be made against presentation and surrender of the relevant Security 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).

Payments of amounts due in respect of interest on Bearer Securities and exchanges of Talons for Coupon sheets will not be made at the specified office of any Paying Agent in the United States (as defined in the U.S. Internal Revenue Code of 1986 and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Securities 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 Security is not both a Relevant Financial Centre Day and (unless the Securities are in global form) a Local Banking Day (each as defined below), 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 3 (*Interest on Fixed Rate Securities and Resettable Securities*) or 4 (*Interest on Floating Rate Securities*), as appropriate.

Upon the Redemption Date of any Bearer Security in definitive form, all unmatured Coupons and Talons (if any) relating to such Bearer Security in definitive form (whether or not attached) shall become void and no payment shall be made in respect of them.

Upon any Bearer Securities in definitive form becoming due and repayable, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

In relation to Bearer Securities in definitive form initially delivered with Talons attached thereto, on or after the date 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 11 (*Prescription*). Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Fixed Interest Payment Date, Resettable Security Interest Payment Date or Interest Payment Date (as applicable) on which the final Coupon comprised in the relative Coupon sheet matures.

If (otherwise than by reason of the application of the above) the Redemption Date (if any) of any Bearer Security in definitive form is not a Fixed Interest Payment Date, a Resettable Security Interest Payment Date or an Interest Payment Date (as applicable) for the payment of a Coupon appertaining thereto, interest accrued (if any) in respect of such Security from (and including) the last preceding Fixed Interest Payment Date, Resettable Security Interest Payment Date or Interest Payment Date (as applicable) 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 Security and all unmatured Coupons appertaining thereto.

(b) ***Registered Securities***

Payment of the amount due on redemption (in accordance with Condition 6 (*Redemption and Purchase*)) (the "**Redemption Amount**") in respect of Registered Securities will be made against presentation and, save in the case of partial payment of the Redemption Amount, surrender of the relevant Registered Securities at the specified office of the Registrar or any Transfer Agent.

Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Securities will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the Register kept by the Registrar at the close of business (local time in the place of the specified office of the Registrar) on the 15th day prior to the due date for such payment (the "**Record Date**").

If the due date for payments of amounts in respect of any Registered Security is not both a Relevant Financial Centre Day and (if such Security is not in global form and in relation to payments of the Redemption Amount only) 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 3 (*Interest on Fixed Rate Securities and Resettable Securities*) or 4 (*Interest on Floating Rate Securities*), as appropriate.

(c) ***Renminbi-denominated Securities – Payment of U.S. Dollar Equivalent***

This Condition 8(c) only applies to Securities in relation to which the Specified Currency of denomination and payment is Renminbi.

Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest in respect of the Securities when due in Renminbi in Hong Kong, the Issuer may, on giving not less than five or more than 30 calendar days' irrevocable notice to the Principal Paying and Conversion Agent and Holders in accordance with Condition 14 (*Notices)* prior to the due date for payment, settle any such payment in U.S. Dollars on the due date (or if such date is not a Relevant Business Day, on the next succeeding Relevant Business Day) at the U.S. Dollar Equivalent of any such Renminbi denominated amount.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8(c) by the Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Paying Agents and all Holders.

(d) ***General Provisions***

The following provisions apply to both Bearer Securities and Registered Securities. Payments of amounts due (whether principal, interest or otherwise) in respect of Securities will be made in the currency in which such amount is due, by transfer to an account denominated in the relevant currency (or, if that currency is euro, any other account to which euro may be credited or transferred) specified and maintained by the payee with a bank in the principal financial centre of that currency (or, if that currency is euro, the relevant principal financial centre of any Member State of the European Union), except where payments of amounts due (whether principal, interest or otherwise) in respect of Securities are in Renminbi, in which case such payments will be made by credit or transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong in accordance with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in Hong Kong). Payments of principal, interest and other amounts (if any) in respect of Securities are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment but without prejudice to the provisions of Condition 7 (*Taxation)*.

Without prejudice to the generality of the foregoing, the Issuer reserves the right to require any person receiving payment of principal, interest and/or other sums or, as the case may be, payment of interest with respect to any Security or Coupon to provide a Paying Agent with such certification or information as may be required to enable the Issuer to comply with the requirements of U.S. federal income tax laws or such other laws as the Issuer may be required to comply with.

9. Capital Adequacy Trigger

(a) ***Occurrence of Capital Adequacy Trigger***

Whether a Capital Adequacy Trigger has occurred at any time shall be determined by the Issuer, the Lead Regulator applicable to the Issuer or any agent of the Lead Regulator applicable to the Issuer appointed for such purpose by the Lead Regulator applicable to the Issuer. If a Capital Adequacy Trigger has occurred in respect of any Series of Securities (such Securities, the "**Affected Securities**"), the Issuer shall immediately inform the Lead Regulator applicable to the Issuer and shall, prior to giving the Capital Adequacy Trigger Notice (as defined below) in accordance with the next following paragraph, deliver to the Trustee a certificate signed by two Authorised Signatories stating that the Capital Adequacy Trigger has occurred. The Trustee shall accept such certificate without any further enquiry as sufficient evidence of such matters, in which event such certificate will be conclusive and binding on the Trustee and the Securityholders.

Following the occurrence of a Capital Adequacy Trigger in respect of the Affected Securities, the Issuer shall give a notice of the occurrence thereof (a "**Capital Adequacy Trigger Notice**") to the Holders of the Affected Securities in accordance with Condition 14 (*Notices*), with a copy thereof to the Trustee and the Principal Paying and Conversion Agent on or as soon as practicable after the date on which the Capital Adequacy Trigger occurs (and, in any event, within such period as the Lead Regulator applicable to the Issuer may require).

The Capital Adequacy Trigger Notice shall specify the Common Equity Tier 1 Capital Ratio as at the relevant date on which the Capital Adequacy Trigger occurred, the then prevailing Conversion Price (which Conversion Price shall remain subject to any subsequent adjustment pursuant to Condition 9(i) (*Adjustments to Conversion Price*) up to the Conversion Date), the Conversion Date, the Notice Cut-Off Date and the Long-Stop Date and, to the extent available, details of the Settlement Shares Depositary.

(b) ***Conversion upon occurrence of Capital Adequacy Trigger***

If a Capital Adequacy Trigger occurs in respect of any Series of Securities:

(i) each Affected Security shall, subject to and as provided in this Condition 9(b), be irrevocably discharged and satisfied by its conversion into Ordinary Shares, credited as fully paid, in the manner and in the circumstances described below and the issuance and delivery of such Ordinary Shares to the Settlement Shares Depositary, to be held on trust (which trust must, if Condition 9(f) (*Conversion Shares Offer*) is specified in the relevant Pricing Supplement as being applicable in respect of the Affected Securities, be on terms permitting a Conversion Shares Offer in accordance with Condition 9(f) (*Conversion Shares Offer*)) for the Securityholders, as provided below;

(ii) such conversion shall occur without delay upon the occurrence of such Capital Adequacy Trigger and, in any event, within one month from the time it is determined that the Capital Adequacy Trigger has occurred or within such shorter period as the Lead Regulator applicable to the Issuer may require (such date on which conversion is to occur shall be specified in the Capital Adequacy Trigger Notice and is referred to in these Conditions as the "**Conversion Date**" in respect of the Affected Securities); and

(iii) the relevant Securities will be converted in whole and not in part on the Conversion Date as provided below, at which point all of the Issuer's obligations under the Securities shall be irrevocably discharged and satisfied by the Issuer's issuance and delivery of the relevant Ordinary Shares to the Settlement Shares Depositary on the Conversion Date.

Subject to and as provided in Condition 9(f) (*Conversion Shares Offer*) (if applicable), the Settlement Shares Depositary shall hold the Ordinary Shares to be issued and delivered on conversion on trust for the Holders of the Affected Securities, who shall, for so long as such Ordinary Shares are held by the Settlement Shares Depositary, be entitled to direct the Settlement Shares Depositary to exercise on their behalf all rights of an ordinary shareholder (including voting rights and rights to receive dividends) except that such Holders of Affected Securities shall not be able to sell or otherwise transfer such Ordinary Shares unless and until such time as they have been delivered to Holders in accordance with Condition 9(k) (*Procedure for Settlement in respect of a Conversion upon Capital Adequacy Trigger*).

With effect from the occurrence of a Capital Adequacy Trigger no Holder of the Affected Securities will have any rights against the Issuer with respect to the repayment of the principal amount of such Affected Securities or the payment of interest or other amount on or in respect of such Affected Securities (other than, in the case of a winding-up of the Issuer or the appointment of an administrator, any amounts payable under Condition 2(d) (*Winding-up after a Capital Adequacy Trigger*)) and the principal amount of such Affected Securities shall equal zero at all times thereafter.

The Ordinary Shares to be issued and delivered on conversion shall (except where the Issuer has been unable to appoint a Settlement Shares Depositary as contemplated in Condition 9(c) (*Failure to appoint a Settlement Shares Depositary*)) initially be registered in the name of the Settlement Shares Depositary, which (subject to the provisions of Condition 9(f) (*Conversion Shares Offer*), if applicable) shall hold such Ordinary Shares on trust for the Holders of the Affected Securities. By virtue of its holding of any Affected Security, each such Securityholder shall be deemed to have irrevocably directed the Issuer to issue and deliver such Ordinary Shares to the Settlement Shares Depositary.

Provided that the Issuer so issues and delivers the Ordinary Shares to be issued and delivered on conversion to the Settlement Shares Depositary, with effect on and from the Conversion Date Securityholders shall have recourse only to the Settlement Shares Depositary for the delivery to them of such Ordinary Shares or, subject to and as provided in Condition 9(f) (*Conversion Shares Offer*), if applicable, the Alternative Consideration. Subject to Condition 2(d) (*Winding-up after a Capital Adequacy Trigger*), if the Issuer fails to issue and deliver the Ordinary Shares to be issued and delivered on conversion to the Settlement Shares Depositary on the Conversion Date, a Holder's only right under the Affected Securities against the Issuer for any such failure will be to claim to have such Ordinary Shares so issued and delivered.

Following the issuance and delivery of the Ordinary Shares to be delivered on conversion to the Settlement Shares Depositary on the Conversion Date, the Affected Securities shall remain in existence until the applicable Settlement Date (or, if earlier, the Long-Stop Date) for the purpose only of evidencing Holders' rights as aforesaid to receive such Ordinary Shares or (if applicable) the Alternative Consideration, as the case may be, to be delivered by the Settlement Shares Depositary.

Affected Securities, once converted into Ordinary Shares, may not be reconverted back into Securities.

(c) ***Failure to appoint a Settlement Shares Depositary***

If the Issuer has been unable to appoint a Settlement Shares Depositary, it shall make such other arrangements for the Ordinary Shares to be issued and delivered (or, if applicable, for Alternative Consideration to be delivered) upon conversion to the Securityholders as it considers reasonable in the circumstances, which may include issuing and delivering the Ordinary Shares to another independent nominee to be held on trust (which trust must, if Condition 9(f) (*Conversion Shares Offer*) is specified as being applicable in respect of any Series of Securities in the relevant Pricing Supplement, be on terms permitting a Conversion Shares Offer in accordance with Condition 9(f) (*Conversion Shares Offer*)) for the Securityholders or to the Securityholders directly, which issuance and delivery shall irrevocably discharge and satisfy all of the Issuer's obligations under the Securities as if the relevant Ordinary Shares had been issued and delivered to the Settlement Shares Depositary and, in which case, where the context so admits, references in these Conditions to the issue and delivery of Ordinary Shares to the Settlement Shares Depositary shall be construed accordingly and apply *mutatis mutandis*.

(d) ***Occurrence of a Relevant Event***

(i) If a Qualifying Relevant Event occurs, the Affected Securities shall, if the Conversion Date (if any) falls on or after the New Conversion Effective Date, be converted on such Conversion Date into Relevant Shares of the Approved Entity (save as provided below in this Condition 9(d)(i) *mutatis mutandis* as provided in this Condition 9) at a Conversion Price that shall be the New Conversion Price. Such conversion shall be effected by the delivery by the Issuer of such number of Ordinary Shares as is determined in accordance with Condition 9(h) (*Conversion Price*) to, or to the order of, the Approved Entity. Such delivery shall irrevocably discharge and satisfy all of the Issuer's obligations under the Affected Securities (but shall be without prejudice to the rights of the Trustee and the Holders of the Affected Securities against the Approved Entity in connection with its undertaking to deliver Relevant Shares as provided in the definition of "New Conversion Condition" in Condition 19 (*Definitions*) below). Such delivery shall be in consideration of the Approved Entity irrevocably undertaking, for the benefit of the Holders of the Affected Securities, to (i) deliver the Relevant Shares to the Settlement Shares Depositary as aforesaid and (ii) ensure that, for so long as the Securities are outstanding, its ordinary share capital shall continue to constitute Relevant Shares. For the avoidance of doubt, the Issuer may elect that a Conversion Shares Offer be made by the Settlement Shares Depositary in respect of the Relevant Shares.

(ii) The New Conversion Price shall be subject to adjustment in the circumstances provided in this Condition 9 (with such modifications and amendments as an Independent Adviser acting in good faith may determine to be appropriate) and the Issuer shall give notice to Holders of Affected Securities of the New Conversion Price and of any such modifications and amendments in accordance with Condition 14 (*Notices*) and to the Trustee and the Principal

Paying and Conversion Agent (and thereafter any references in these Conditions to Conversion Price shall be deemed to be references to the New Conversion Price as so modified and amended).

(iii) In the case of a Qualifying Relevant Event, the Issuer shall, on or prior to the New Conversion Effective Date, enter into such agreements and arrangements, which may include deeds supplemental to the Trust Deed, and such amendments and modifications to the Trust Deed shall be made, to ensure that, with effect from the New Conversion Effective Date, the Securities shall (following the occurrence of a Capital Adequacy Trigger) be convertible into, or exchangeable for, Relevant Shares of the Approved Entity, *mutatis mutandis* in accordance with, and subject to, this Condition 9 (as the same may be so supplemented, amended or modified) at the New Conversion Price. With effect from the New Conversion Effective Date, the Issuer shall have no further obligation to deliver or procure delivery of any Ordinary Shares or Relevant Shares, and the Approved Entity shall be obliged to deliver or procure delivery of Relevant Shares in accordance with such agreements and arrangements entered into by the Approved Entity.

The Trustee shall be obliged (at the expense of the Issuer) to concur with the Issuer in making any such amendments and modifications to the Trust Deed, and to execute any such deeds supplemental to the Trust Deed, **provided that** the Trustee shall not be bound to do so if any such amendments, modifications or deeds would, in the opinion of the Trustee, have the effect of (i) exposing the Trustee to any liability against which it is not indemnified and/or secured and/or pre-funded to its satisfaction, (ii) changing, increasing or adding to the obligations or duties of the Trustee or (iii) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under the Trust Deed, the Conditions, any relevant Pricing Supplement and/or the Securities.

(iv) For the avoidance of doubt, if a Relevant Event that is a Non-Qualifying Relevant Event occurs, then no changes shall be made to these Conditions nor shall any adjustments be made to the Conversion Price pursuant to this Condition 9(d).

(v) Within 10 London Business Days following the occurrence of a Relevant Event, the Issuer shall give notice thereof to Securityholders (a "**Relevant Event Notice**") in accordance with Condition 14 (*Notices*). The Relevant Event Notice shall specify:

(1) the identity of the Acquiror;

(2) whether the Relevant Event is a Qualifying Relevant Event or a Non-Qualifying Relevant Event; and

(3) in the case of a Qualifying Relevant Event, the New Conversion Price.

(e) ***Conversion Settlement***

(i) On the Conversion Date, the Issuer shall redeem the Affected Securities at a price equal to their principal amount and the Holders of the Affected Securities shall be deemed irrevocably to have directed and authorised the Issuer to apply such sum on their behalf in paying up the relevant Ordinary Shares to be issued and delivered to the Settlement Shares Depositary on conversion of their Affected Securities.

(ii) On the relevant Settlement Date, each Holder of Affected Securities shall receive delivery (free of payment) of:

(1) except where (2) below applies, such number of Ordinary Shares as is calculated in respect of the principal amount of the Affected Security held by such Holder in accordance with Condition 9(h) (*Conversion Price*); or

(2) if Condition 9(f) (*Conversion Shares Offer*) is specified as being applicable in respect of the relevant Series of Affected Securities in the relevant Pricing Supplement and the Issuer has delivered a Conversion Shares Offer Election Notice in accordance with Condition 9(f) (*Conversion Shares Offer*) on or prior to the Latest Conversion Shares Offer Election Date, Alternative Consideration,

calculated in accordance with the definition of "Alternative Consideration" in Condition 19 (*Definitions*).

(iii) In order to obtain delivery from the Settlement Shares Depositary of Ordinary Shares or, as applicable, the relevant Alternative Consideration following a conversion, Holders of Affected Securities must deliver a Conversion Notice and surrender the relevant Affected Security to the Settlement Shares Depositary (or an agent designated for the purpose in the Capital Adequacy Trigger Notice) on or before the Notice Cut-Off Date in accordance with Condition 9(k) (*Procedure for Settlement in respect of a Conversion upon Capital Adequacy Trigger*).

(iv) If a Securityholder fails to deliver such Conversion Notice and surrender the Affected Securities held by it on or before the Notice Cut-Off Date, or if the Settlement Shares Depositary has determined that the relevant Conversion Notice which was delivered is incomplete or invalid, then the Settlement Shares Depositary shall continue to hold the relevant Ordinary Shares or the relevant Alternative Consideration, as the case may be, until a duly completed and valid Conversion Notice is so delivered and the relevant Affected Security is so surrendered.

(f) ***Conversion Shares Offer***

This Condition 9(f) applies if Conversion Shares Offer is specified as being applicable in relation to any Series of Affected Securities in the relevant Pricing Supplement.

(i) Not later than the Latest Conversion Shares Offer Election Date, the Issuer may, in its sole and absolute discretion, make an election by giving notice to the Holders of the Affected Securities in accordance with Condition 14 (*Notices*) (a "**Conversion Shares Offer Election Notice**") that the Settlement Shares Depositary (or an agent on its behalf) will make an offer of, in the Issuer's sole and absolute discretion, all or some of the Ordinary Shares to be delivered on conversion to, in the Issuer's sole and absolute discretion, all or some of the Issuer's Shareholders at such time, such offer to be at a cash price per Ordinary Share equal to the Conversion Shares Offer Price, all in accordance with the following provisions (a "**Conversion Shares Offer**").

A Conversion Shares Offer Election Notice shall specify the period of time for which the Conversion Shares Offer will be open (the "**Conversion Shares Offer Period**"). The Conversion Shares Offer Period shall end no later than 40 London Business Days after the giving of the Conversion Shares Offer Election Notice by the Issuer.

(ii) Upon expiry of the Conversion Shares Offer Period, the Settlement Shares Depositary will provide notice to the Holders of the Affected Securities in accordance with Condition 14 (*Notices*) and to the Trustee and the Principal Paying and Conversion Agent of the composition of the Alternative Consideration (and of the deductions to the cash component, if any, of the Alternative Consideration (as set out in the definition of Alternative Consideration)) per Calculation Amount. The Alternative Consideration shall be held on trust by the Settlement Shares Depositary for the Holders of the Affected Securities. The cash component of any Alternative Consideration shall be payable by the Settlement Shares Depositary to the Holders of the Affected Securities in the Specified Currency and whether or not the conditions referred to in Condition 2(b) (*Subordination – conditions to payment*) are satisfied.

(iii) The Issuer reserves the right, in its sole and absolute discretion, to elect that the Settlement Shares Depositary terminate the Conversion Shares Offer at any time during the Conversion Shares Offer Period. If the Issuer makes such election, it will provide at least three London Business Days' notice to the Holders of the Affected Securities in accordance with Condition 14 (*Notices*) and to the Trustee, the Principal Paying and Conversion Agent and the Settlement Shares Depositary. The Settlement Shares Depositary may then, in its sole and absolute discretion, take steps to deliver to Holders of the Affected Securities the Ordinary Shares to be delivered on conversion at a time that is earlier than the time at which they would have otherwise received the Alternative Consideration had the Conversion Shares Offer been completed.

(iv) Each Holder of the Affected Securities acknowledges and agrees that if the Issuer elects, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Settlement Shares Depositary, such Holder shall be deemed to have: (A) irrevocably consented to any Conversion Shares Offer and, notwithstanding that such Ordinary Shares are held by the Settlement Shares Depositary on trust for the Holders of the Affected Securities, to the Settlement Shares Depositary using the Ordinary Shares delivered to it on conversion to settle any Conversion Shares Offer; (B) irrevocably consented to the transfer of the interest such Holder has in the Ordinary Shares delivered on conversion to the Settlement Shares Depositary to one or more purchasers identified by the Settlement Shares Depositary in connection with the Conversion Shares Offer; (C) irrevocably agreed that the Issuer and the Settlement Shares Depositary may take any and all actions necessary to conduct the Conversion Shares Offer in accordance with the terms of the Affected Securities; and (D) irrevocably agreed that none of the Issuer, the Trustee or the Settlement Shares Depositary shall, to the extent permitted by applicable law, incur any liability to the Holders of the Affected Securities in respect of the Conversion Shares Offer (except for the obligations of the Settlement Shares Depositary in respect of the Holders' entitlement to, and the subsequent delivery of, any Alternative Consideration).

(v) Any Conversion Shares Offer shall only be made subject to applicable laws and regulations in effect at the relevant time and shall be conducted, if at all, only to the extent that the Issuer, in its sole and absolute discretion, determines that such Conversion Shares Offer is appropriate and practicable. The Issuer or the purchasers of the Ordinary Shares pursuant to a Conversion Shares Offer shall bear the costs and expenses of any Conversion Shares Offer (other than the taxes referred to in the definition of Alternative Consideration), including the fees of the Settlement Shares Depositary in this connection, if any.

(vi) The Trustee shall not be responsible for monitoring any Conversion Shares Offer, nor for monitoring or enforcing the obligations of the Settlement Shares Depositary in respect thereof. Following conversion and delivery of the Ordinary Shares to the Settlement Shares Depositary, Holders of Affected Securities must look to the Settlement Shares Depositary for any Ordinary Shares or Alternative Consideration due to them at the relevant time.

(g) ***Accrued Interest following Capital Adequacy Trigger***

In relation to any Affected Securities, any interest otherwise falling due on any date which falls on or after the date on which a Capital Adequacy Trigger occurs shall be deemed to have been cancelled upon the occurrence of such Capital Adequacy Trigger and shall not become due and payable.

(h) ***Conversion Price***

The Issuer shall issue and deliver to the Settlement Shares Depositary on the Conversion Date a number of Ordinary Shares in respect of each Affected Security determined by dividing the principal amount of such Affected Security by the Conversion Price (as adjusted in accordance with Condition 9(i) (*Adjustments to Conversion Price*) up to and including the Conversion Date), subject to Condition 9(j) (*Rounding Down and Notice of Adjustment to the Conversion Price*) and Condition 9(l) (*Fractions*).

(i) ***Adjustments to Conversion Price***

Upon the occurrence of an applicable Adjustment Event, the Conversion Price shall be adjusted as follows:

(i) *Adjustments upon Alteration to Nominal Value Event*: If "Alteration to Nominal Value Event" is specified as being an applicable Adjustment Event in respect of any Series of Securities in the relevant Pricing Supplement, if and whenever there is a consolidation, reclassification, redesignation or subdivision in relation to the Ordinary Shares which alters the number of Ordinary Shares in issue (such event, an "**Alteration to Nominal Value Event**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such Alteration to Nominal Value Event by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such Alteration of Nominal Value Event; and

B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such Alteration of Nominal Value Event.

Such adjustment shall become effective on the date the Alteration to Nominal Value Event occurs.

(ii) *Adjustments upon Bonus Issue Event:* If "Bonus Issue Event" is specified as being an applicable Adjustment Event in respect of any Series of Securities in the relevant Pricing Supplement, if and whenever the Issuer issues Ordinary Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Ordinary Shares are or are to be issued instead of the whole or part of a Cash Dividend which the Shareholders would or could otherwise have elected to receive, (2) where the Shareholders may elect to receive a Cash Dividend in lieu of such Ordinary Shares or (3) where any such Ordinary Shares are or are expressed to be issued in lieu of a dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to the Shareholders, whether at their election or otherwise) (such issue of Ordinary Shares a "**Bonus Issue Event**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the occurrence of a Bonus Issue Event by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such Bonus Issue Event; and

B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such Bonus Issue Event.

Such adjustment shall become effective on the date the Bonus Issue Event occurs.

(iii) *Adjustments upon Extraordinary Dividend Event:* If "Extraordinary Dividend Event" is specified as being an applicable Adjustment Event in respect of any Series of Securities in the relevant Pricing Supplement, if and whenever the Issuer shall pay any Extraordinary Dividend to the Shareholders (such payment an "**Extraordinary Dividend Event**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A-B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Effective Date; and

B is the portion of the aggregate Extraordinary Dividend attributable to one Ordinary Share, with such portion being determined by dividing the aggregate Extraordinary Dividend by the number of Ordinary Shares entitled to receive the relevant Extraordinary Dividend. If the Extraordinary Dividend is expressed in a currency other than the Specified Currency, it shall be converted into the Specified Currency at the Prevailing Rate on the relevant Effective Date.

Such adjustment shall become effective on the Effective Date.

(iv) *Adjustments upon Rights Issue Event*: If "Rights Issue Event" is specified as being an applicable Adjustment Event in respect of any Series of Securities in the relevant Pricing Supplement, if and whenever the Issuer issues Ordinary Shares to Shareholders as a class by way of rights, or the Issuer or any member of the Group or (at the direction or request or pursuant to arrangements with the Issuer or any member of the Group) any other company, person or entity issues or grants to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase Ordinary Shares, or any securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Ordinary Shares (or grants any such rights in respect of existing securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date (such event a "**Rights Issue Event**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Ordinary Shares in issue on the Effective Date;

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share on the Effective Date; and

C is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate, **provided that** if, on the Effective Date, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 9(i)(iv), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

For the purpose of any calculation of the consideration receivable or price pursuant to this Condition 9(i)(iv), the following provisions shall apply:

(1) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;

(2) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any securities shall be deemed to be the consideration or price received or receivable for any such securities and (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options,

warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

(3) if the consideration or price determined pursuant to (1) or (2) above (or any component thereof) is expressed in a currency other than the Specified Currency, it shall be converted into the Specified Currency at the Prevailing Rate on the relevant Effective Date (in the case of (1) above) or the relevant date of first public announcement (in the case of (2) above);

(4) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or securities or options, warrants or rights, or otherwise in connection therewith; and

(5) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

(v) Notwithstanding the foregoing provisions of this Condition 9(i):

(1) where the events or circumstances giving rise to any adjustment pursuant to this Condition 9(i) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to give the intended result;

(2) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once, (ii) to ensure that the economic effect of an Extraordinary Dividend is not taken into account more than once and (iii) to reflect a redenomination of the issued Ordinary Shares for the time being into a new currency; and

(3) for the avoidance of doubt, the occurrence of any other event in respect of the Ordinary Shares which is not an applicable Adjustment Event in relation to a Series of Securities or the conversion of any Series of Securities into Ordinary Shares pursuant to this Condition 9 shall not result in an adjustment of the Conversion Price.

(j) ***Rounding Down and Notice of Adjustment to the Conversion Price***

On any adjustment, if the resultant Conversion Price has more decimal places than the initial Conversion Price, it shall be rounded to the same number of decimal places as the initial Conversion Price. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Conversion Price shall be given by the Issuer to Securityholders promptly after the determination thereof in accordance with Condition 14 (*Notices*) and to the Trustee and the Principal Paying and Conversion Agent.

The Conversion Price shall not in any event be reduced to below the nominal value of an Ordinary Share for the time being. The Issuer undertakes that it will not take any action, and will procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value.

(k) ***Procedure for Settlement in respect of a Conversion upon Capital Adequacy Trigger***

(i) Subject as provided in Condition 9(k)(ii) below, in order to obtain delivery of the relevant Ordinary Shares or the Alternative Consideration, as applicable, following a Capital Adequacy Trigger Notice being given in accordance with Condition 9(a) (*Occurrence of Capital Adequacy Trigger*), a Holder of Affected Securities must deliver a duly completed Conversion Notice, and surrender the relevant Affected Securities, to the Settlement Shares Depositary or the specified office of its agent(s) designated for the purpose in the Capital Adequacy Trigger Notice by the Notice Cut-Off Date.

If such delivery is made or notice is given after the end of normal business hours at the specified office of the Settlement Shares Depositary or, as appropriate, its designated agent as aforesaid or on a day which is not a Settlement Shares Depositary Business Day, such delivery or notice shall be deemed for all purposes of these Conditions to have been made or given on the next following Settlement Shares Depositary Business Day.

Subject as otherwise provided herein, the relevant Ordinary Shares (or the Ordinary Share component of any Alternative Consideration) will be delivered by or on behalf of the Settlement Shares Depositary in accordance with the instructions given in the relevant Conversion Notice.

Any cash component of any Alternative Consideration shall be paid by transfer to an account which accepts funds in the Specified Currency with a bank in such city as may be specified in, and in accordance with the instructions contained in, the relevant Conversion Notice.

(ii) If not previously cancelled on the relevant Settlement Date, the relevant Affected Securities shall be cancelled on the Long-Stop Date and any Holder of Affected Securities delivering a Conversion Notice after the Notice Cut-Off Date will have to provide evidence of its entitlement to the relevant Ordinary Shares or the relevant Alternative Consideration, as applicable, satisfactory to the Settlement Shares Depositary in its sole and absolute discretion in order to receive delivery of such Ordinary Shares or such Alternative Consideration, as applicable. The Issuer shall have no liability to any Holder of the Affected Securities for any loss resulting from such Holder not receiving any Ordinary Shares or the relevant Alternative Consideration, as applicable, or from any delay in the receipt thereof, in each case as a result of such Holder failing to submit a valid Conversion Notice and to surrender the relevant Affected Security, on a timely basis or at all.

(iii) Any determination as to whether any Conversion Notice has been properly completed and delivered and whether the relevant Affected Security has been surrendered as provided in these

Conditions shall be made by the Settlement Shares Depositary in its sole discretion and shall be conclusive and binding on the relevant Securityholders.

(l) ***Fractions***

Fractions of Ordinary Shares will not be delivered to the Settlement Shares Depositary or to Holders of Affected Securities upon a conversion and no cash payment will be made in lieu thereof. However, if one or more Conversion Notices and Securities are delivered to the Settlement Shares Depositary such that any Ordinary Shares (or any Ordinary Share component of any Alternative Consideration, as applicable) to be issued and delivered to a Holder on conversion are to be registered in the same name, the number of Ordinary Shares to be issued and delivered in respect thereof shall be calculated on the basis of the aggregate principal amount of such Affected Securities to be converted.

(m) ***Delivery to Settlement Shares Depositary***

The Ordinary Shares to be delivered on conversion will be issued and delivered to the Settlement Shares Depositary (or as otherwise provided in these Conditions) on trust which trust must, if Condition 9(f) (*Conversion Shares Offer*) is specified as being applicable in respect of any Series of Securities, be on terms permitting a Conversion Shares Offer in accordance with Condition 9(f) (*Conversion Shares Offer*) for the Holders of the Affected Securities on the Conversion Date.

Ordinary Shares (or the Ordinary Share component of any Alternative Consideration) will, unless otherwise specified in the relevant Pricing Supplement or in a Capital Adequacy Trigger Notice be delivered to Holders in uncertificated form through the dematerialised securities trading system operated by Euroclear UK & Ireland Limited known as "CREST", unless at the relevant time the Ordinary Shares are not a participating security in CREST, in which case Ordinary Shares will be delivered in certificated form. Where any Ordinary Shares (or the Ordinary Share component of any Alternative Consideration) are to be delivered to a Holder by the Settlement Shares Depositary through CREST, they will be delivered to the account specified by such Holder of the relevant Conversion Notice, on the relevant Settlement Date. Where any Ordinary Shares (or the Ordinary Share component of any Alternative Consideration) are to be delivered to Holders in certificated form, a certificate in respect thereof will be dispatched by mail free of charge to each Holder of Affected Securities or as such Holder may direct in the relevant Conversion Notice (in each case uninsured and at the risk of the relevant recipient) within 30 days following delivery of the relevant Conversion Notice.

The Ordinary Shares (or the Ordinary Share component of any Alternative Consideration) will not be available for issue or delivery (i) to, or to a nominee for, Euroclear or Clearstream, Luxembourg or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the UK or (ii) to a person, or nominee or agent for a person, whose business is or includes issuing depositary receipts within the meaning of Section 93 of the Finance Act 1986 of the UK, in each case at any time prior to the "abolition day" as defined in Section 111(1) of the Finance Act 1990 of the UK or (iii) to the CREST account of such a person described in (i) or (ii).

(n) ***Decision of an Independent Adviser***

If any doubt arises as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, the Issuer may at its discretion appoint an Independent Adviser and, following consultation between the Issuer and such Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer, the Trustee and the Securityholders, save in the case of manifest error.

(o) ***Share Option Schemes, dividend Reinvestment Plans***

No adjustment will be made to the Conversion Price where Ordinary Shares or other securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any company in the

Group or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme.

(p) ***Taxes and Duties***

Neither the Issuer nor any member of the Group shall be liable for any taxes or duties (including, without limitation any capital, stamp, issue and registration or transfer taxes or duties) arising on conversion or that may arise or be paid as a consequence of the issue and delivery of Ordinary Shares on conversion. The Holder of any Affected Securities must pay any taxes or duties (including, without limitation, any capital, stamp, issue and registration and /or transfer taxes or duties) arising on conversion in connection with the issue and delivery of Ordinary Shares to the Settlement Shares Depositary on behalf of such Holder and such Holder must pay all, if any, such taxes or duties arising by reference to any disposal or deemed disposal of such Holder's Affected Securities or interest therein. Any taxes or duties arising on delivery or transfer of Ordinary Shares to a purchaser in any Conversion Shares Offer shall be payable by the relevant purchaser of those Ordinary Shares.

(q) ***Ordinary Shares***

The Ordinary Shares issued and delivered on conversion will be fully paid and non-assessable and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the Conversion Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that any Ordinary Shares so issued and delivered will not rank for (or, as the case may be, the relevant Holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the Conversion Date.

(r) ***Purchase or Redemption of Ordinary Shares***

The Issuer or any company in the Group may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares or securities of the Issuer (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of Securityholders.

(s) ***Covenants***

Whilst any Security remains outstanding, the Issuer shall (if and to the extent permitted by the Applicable Rules from time to time and only to the extent that such covenant would not cause a Capital Disqualification Event to occur), save with the approval of an Extraordinary Resolution (as defined in Condition 15 (*Modification of Terms, Waiver and Substitution*)):

(i) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on conversion, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;

(ii) use all reasonable endeavours to ensure that the Ordinary Shares issued upon conversion shall be admitted to listing and trading on the Relevant Exchange;

(iii) notwithstanding the provisions of Condition 9(f) (*Conversion Shares Offer*) (if applicable), at all times keep available for issue, free from pre-emptive or other preferential rights, sufficient Ordinary Shares to enable conversion of the Securities to be satisfied in full;

(iv) in circumstances when these Conditions contemplate the appointment of a Settlement Shares Depositary, the Issuer shall use all reasonable endeavours promptly to appoint such Settlement Shares Depositary; and

(v) where these Conditions require or provide for a determination by an Independent Adviser, the Issuer shall use reasonable endeavours promptly to appoint an Independent Adviser for such purpose.

10. **Enforcement**

(a) In the case of any Series of Securities:

(i) if default is made for a period of 14 days or more in the repayment of any principal due on the Securities of such Series or any of them, then the Trustee may, in order to enforce payment, at its discretion and without further notice institute proceedings for the winding-up of the Issuer in England and/or prove in any winding-up or administration of the Issuer in England, **provided that** it shall not be such a default to withhold or refuse any such payment:

(A) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment; or

(B) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time during the said period of 14 days, as the case may be, by independent legal advisers acceptable to the Trustee as to such validity or applicability; and

(ii) without prejudice to Condition 10(a)(i) above, the Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit and may, subject as hereinafter provided, institute proceedings for the winding-up of the Issuer in England and/or prove in any winding-up or administration of the Issuer in England, to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed in relation to such Series of Securities or the Coupons appertaining thereto (other than any obligation for the payment of any principal, interest or expenses in respect of such Securities or Coupons or any other payment obligation in respect thereof) **provided that** the Issuer shall not by virtue of the institution of any such proceedings other than proceedings for the winding-up of the Issuer be obliged to pay any sum or sums (whether in respect of principal or interest or other sums in respect of the relevant Securities or the Coupons appertaining thereto or by way of damages in respect of any breach of any such obligation, condition or provision or otherwise howsoever). The Trustee may only institute proceedings for the winding-up of the Issuer to enforce the obligations above referred to in this paragraph and/or prove in any winding-up or administration of the Issuer in England if a default by the Issuer thereunder is not remedied to the satisfaction of the Trustee within 60 days (or such longer period as the Trustee may permit) after notice of such default has been given to the Issuer by the Trustee requiring such default to be remedied.

(b) The Trustee shall not in any event be bound to take any of the actions referred to in Condition 10(a)(i) or (ii) in respect of any Series of Securities unless (i) it shall have been so requested in writing by the Holders of at least one-fifth of the principal amount of the Securities of the relevant Series then outstanding or it shall have been so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders of the Securities of the relevant Series and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(c) No remedy against the Issuer (including any right of set-off) other than as specifically provided by this Condition 10 or the Trust Deed shall be available to the Trustee, the Securityholders or Couponholders in respect of any Series of Securities whether for the recovery of amounts owing in respect of such Securities or the Coupons appertaining thereto or under the Trust Deed or in respect of any breach by the Issuer of any obligation, condition or provision under the Trust Deed or such Securities or Coupons or otherwise, and no Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to proceed in any winding-up of the Issuer in England unless the Trustee, having become bound to proceed, fails to do so within a reasonable period and such failure shall be continuing in which case any such Holder may itself institute proceedings against the Issuer for the relevant remedy and/or prove in any winding-up or administration of the Issuer in England in respect of his Securities or, as the case may be, Coupons to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

11. **Prescription**

Securities 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 7 (*Taxation*)) in respect thereof. Any monies paid by the Issuer to the Principal Paying and Conversion Agent or the Trustee for the payment of the principal or interest in respect of any Securities or Coupons and remaining unclaimed when such Securities or Coupons become void will then revert to the Issuer and all liability of the Principal Paying and Conversion Agent or the Trustee 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 11 or Condition 8 (*Payments*).

12. **Paying Agents, Transfer Agents, Calculation Agent and Registrar; Rounding**

(a) The Agency Agreement contains provisions indemnifying the Principal Paying and Conversion Agent, the Paying Agents and Transfer Agents (if any), the Calculation Agent and the Registrar and absolving them from responsibility in connection with certain matters. The Agency Agreement may be amended by the parties thereto in relation to any Series of Securities if, in the opinion of the Issuer and the Trustee, the amendment will not materially adversely affect the interests of the relevant Holders.

(b) The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying and Conversion Agent, any Paying Agent or Transfer Agent, the Calculation Agent or the Registrar and to appoint additional or other Paying Agents and/or Transfer Agents or a substitute Calculation Agent or a substitute Registrar, **provided that** it will, so long as any Securities are outstanding, maintain (i) a Calculation Agent (if applicable), (ii) a Paying Agent having a specified office in a city approved by the Trustee (such approval not to be unreasonably withheld or delayed) in Europe which, so long as any Securities are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, shall be the place required by such listing authority, stock exchange and/or quotation system and (iii) in the case of any Registered Securities, a Registrar with a specified office in England or such city as may be specified in the relevant Pricing Supplement. Notice of all changes in the identities or specified offices of any Paying Agent, Calculation Agent or Registrar will be given by the Issuer to Securityholders in accordance with Condition 14 (*Notices*).

(c) ***Rounding***

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), all percentages resulting from such calculations will be rounded, if necessary, to five decimal places (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

13. **Replacement and Transfer**

Should any Security or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office (in the case of a Bearer Security or Coupon) of the Principal Paying and Conversion Agent or such other Paying Agent or office as the Trustee may approve or (in the case of Registered Securities) of the Registrar upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities or Coupons must be surrendered before replacements will be issued.

Upon the terms and subject to the conditions set out in the Agency Agreement, a Registered Security may be transferred in whole or in part only (**provided that** such part is, or is an appropriate multiple of, the minimum denomination set out in the Pricing Supplement) by the Holder or Holders surrendering the Registered Security for registration of transfer at the office of the Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Registrar, duly executed by the Holder or Holders thereof or his or their attorney duly authorised in writing. A new Registered Security will be issued to the transferee and, in the case of a transfer of part only of a Registered Security, a new Registered Security in respect of the balance not transferred will be issued to the transferor.

Each new Registered Security to be issued upon the transfer of a Registered Security will, within three Relevant Banking Days of the Transfer Date be available for delivery at the specified office of the Registrar or, at the option of the Holder requesting such 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. As used herein:

(i) "**Relevant Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located; and

(ii) the "**Transfer Date**" shall be the Relevant Banking Day following the day on which the relevant Registered Security shall have been surrendered for transfer in accordance with the foregoing provisions.

The costs and expenses of effecting any 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 thereto, shall be borne by the Issuer.

The Registrar shall not be required to register the transfer of Registered Securities for a period of 15 days preceding the due date for any payment of principal of or interest in respect of such Securities.

14. Notices

(a) All notices to the Holders of Bearer Securities or the Coupons appertaining thereto will be valid if published in one leading daily newspaper with general circulation in London (which is expected to be the *Financial Times*) and, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe and, if the Securities are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system by publication in a manner such that the rules of such listing authority, stock exchange and/or quotation system by which the Securities have then been admitted to listing, trading and/or quotation have been complied with. Any such notice shall be deemed to have been given on the date of such publication or, 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 Securities will be deemed for all purposes to have notice of the contents of any notice given to the Holders of such Bearer Securities in accordance herewith.

Any notices to Holders of Registered Securities will be deemed to have been validly given 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. Any such notice shall be deemed to be given on the second day after the date of mailing.

Notwithstanding the foregoing, while the Securities of any Series are represented by a Security or Securities in global form and such Securities are deposited with, or with a depositary for or on behalf of, Euroclear and/or Clearstream, Luxembourg and/or any other clearing system or depositary, each person who has for the time being a particular principal amount of the Securities credited to his securities account in the records of Euroclear or Clearstream, Luxembourg or such other clearing system or depositary shall be treated as the Holder in respect of that principal amount of the Securities for all purposes other than for the purposes of payment of principal and interest on such Securities, and in such case notices to the Holders may be given by delivery of the relevant notice to the relevant clearing system or depositary and such notices shall be deemed to have been given to the Holders holding through the relevant clearing system or depositary on the date of delivery to the relevant clearing system or depositary.

Notwithstanding the foregoing, in respect of all forms of Securities described in this Condition 14(a), so long as they are listed on any stock exchange, notices will also be published as required by the rules and regulations of such stock exchange.

(b) Notices given by any Securityholder shall be in writing and given by lodging the same, together with the relative Security or Securities, with the Principal Paying and Conversion Agent or other Paying Agent (if any) at its specified office.

15. **Modification of Terms, Waiver and Substitution**

(a) The Trust Deed contains provisions for convening meetings of the Holders of the Securities of any Series to consider any matter affecting their interests, including, subject to the agreement of the Issuer, the modification by Extraordinary Resolution (as defined below) of the terms and conditions of such Securities or the provisions of the Trust Deed with respect to such Securities. The quorum for any meeting convened to consider an Extraordinary Resolution (as defined below) will be one or more persons holding or representing a clear majority in principal amount of the Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders of Securities whatever the principal amount of the Securities so held or represented; provided, however, that the modification of certain terms concerning, among other things, the amount and currency and the postponement of the due date of payment of the Securities and the Coupons appertaining thereto or interest or other amount payable in respect thereof, may only be sanctioned by an Extraordinary Resolution (as defined below) passed at a meeting the quorum at which is one or more persons holding or representing two-thirds, or at any adjourned such meeting not less than one third, in principal amount of the Securities of such Series for the time being outstanding.

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-quarters of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-quarters in principal amount of the Securities for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-quarters in principal amount of the Securities for the time being outstanding, shall, in each case, be effective as an extraordinary resolution ("**Extraordinary Resolution**") of the Holders of Securities. An Extraordinary Resolution passed at any meeting of the Holders of the Securities of any Series will be binding on all Holders of Securities of that Series, whether or not they are present at the meeting, and on the Holders of Coupons appertaining to the Securities of that Series.

The Trust Deed contains provisions for convening a single meeting of holders of Securities of more than one Series in certain circumstances where the Trustee so decides.

(b) Subject to certain exceptions, the Trustee may agree, without the consent of the Holders of Securities of any Series or the Holders of the Coupons appertaining thereto (if any) to any modification to these Conditions or the provisions of the Trust Deed, the Agency Agreement or the Securities or Coupons if, in the opinion of the Trustee, such modification (i) is of a formal, minor or technical nature, (ii) is made to correct a manifest error or (iii) is not materially prejudicial to the interests of the Holders of the Securities of that Series. The Trustee may also, without the consent of the Holders of Securities of any Series or the Holders of the Coupons appertaining thereto (if any), waive or authorise any breach or prospective breach by the Issuer of any of the provisions of the Trust Deed or the Securities or Coupons or determine that any Default or Potential Default (each as defined in the Trust Deed) shall not be treated as such, provided that in the opinion of the Trustee the interests of Holders of Securities of the relevant Series will not be materially prejudiced thereby. In addition, the Trustee shall be obliged to agree to such modifications to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to (i) Condition 4(e) (*Benchmark Replacement*) in connection with effecting any Alternative Reference Rate, Successor Rate or related changes, (ii) Condition 4(d)(vi) in connection with effecting any changes in connection with the replacement of SOFR, (iii) Conditions 4(d)(v) or 4(d)(vii) in connection with effecting any changes in connection with the replacement of the Applicable Benchmark, (iv) Condition 4(c)(iv)(B) in connection with effecting any changes in connection with the replacement of the Applicable Benchmark Rate or (v) Condition 3(c)(vi) in connection with effecting any changes in connection with the implementation of the Alternative Mid-Swap Rate, in each case without requirement for the consent or sanction of the Securityholders or Couponholders (provided, however that the Trustee shall not be obliged to agree to any such amendments or modifications which in the opinion of the Trustee would have the effect of (i) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) changing, increasing or adding to the obligations or duties, or removing or amending any protection or indemnity afforded to, or other provision in favour of, the Trustee in the documents to which it is a party and/or these Conditions). Any such modification, waiver, authorisation or determination shall be binding on the Holders of Securities of that Series and the Holders of the Coupons appertaining thereto and, unless the Trustee agrees otherwise, shall be notified to the Holders of Securities of that Series as soon as practicable thereafter.

(c) Subject to (i) Condition 15(d) below and (ii) such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Holders of Securities of any Series or the Holders of the Coupons appertaining thereto (if any), the Trustee may agree, subject to such Securities and the Coupons appertaining thereto being irrevocably guaranteed by the Issuer on a subordinated basis, to the substitution of a subsidiary or holding company of the Issuer or any subsidiary of any such holding company in place of the Issuer as principal debtor under such Securities and the Coupons appertaining thereto (if any) and the Trust Deed insofar as it relates to such Securities subject to (a) the Securities continuing to be convertible or exchangeable into Ordinary Shares *mutatis mutandis* as provided in these Conditions, with such amendments as the Trustee shall consider appropriate, (b) the Trustee being satisfied that the interests of the Holders of Securities will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

In the case of a substitution under this Condition 15, the Trustee may agree, without the consent of the Holders of the Securities of any Series or of the Coupons appertaining thereto, to a change of the law governing the Securities of any Series or the Coupons appertaining thereto and/or the Trust Deed insofar as it relates to such Series of Securities **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Holders of the Securities of such Series.

(d) The Issuer may only be substituted as principal debtor under the Securities in accordance with Condition 15(c) above and the Trust Deed, if the Issuer has obtained any Relevant Supervisory Consent. Wherever a substitution of the Issuer is proposed in accordance with Condition 15(c) above, the Issuer shall provide to the Trustee a certificate signed by two Authorised Signatories, certifying either that (i) it has obtained a Relevant Supervisory Consent; or (ii) that the Issuer is not required to obtain a Relevant Supervisory Consent. The Trustee shall accept such certificate without further enquiry as sufficient evidence of the same.

(e) In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to those in relation to any proposed modification, waiver, authorisation, determination or substitution as aforesaid) the Trustee shall have regard to the interests of the Holders of the Securities of the relevant Series as a class and in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Securityholders or Couponholders resulting from the individual Securityholders or Couponholders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Securityholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders or Couponholders.

16. Further Issues

The Issuer may from time to time, without the consent of the Securityholders or the Couponholders, to the extent permitted by applicable laws and regulations, create and issue further instruments having the same terms and conditions as the Securities in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Securities. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of Securities having the benefit of the Trust Deed.

17. Law and Jurisdiction

The Trust Deed, the Securities and the Coupons (if any) and any non-contractual obligations arising out of or in connection with the Trust Deed, the Securities and the Coupons (if any) shall be construed in accordance with, English law. The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with the Securities (including any non-contractual obligations arising out of or in connection with the Securities).

18. **Third Party Rights**

No person shall have any right to enforce any term or condition of the Securities or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

19. **Definitions**

"**2006 ISDA Definitions**" means, in relation to a Series of Securities, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Securities of the relevant Series (as specified in the relevant Pricing Supplement)) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"**2021 ISDA Definitions**" means, in relation to a Series of Securities, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of the Securities of the relevant Series, as published by ISDA on its website (www.isda.org);

"**Acquiror**" means the person which, following a Relevant Event, controls the Issuer;

"**Additional Tier 1 capital**" has the meaning given to it by the Lead Regulator applicable to the Issuer;

"**Adjustment Event**" means an Alteration to Nominal Value Event, Bonus Issue Event, Extraordinary Dividend Event and/or Rights Issue Event, and "applicable Adjustment Event", in respect of any Series of Securities, shall mean each Adjustment Event which is specified as being applicable in respect of such Series of Securities in the relevant Pricing Supplement;

"**Affected Security**" has the meaning given to it in Condition 9(a) (*Occurrence of Capital Adequacy Trigger*);

"**Alteration to Nominal Value Event**" has the meaning given to such term in Condition 9(i) (*Adjustments to Conversion Price*);

"**Alternative Consideration**" means, in respect of each Affected Security and as determined by the Issuer:

(a) if all of the Ordinary Shares to be issued and delivered on conversion are sold in the Conversion Shares Offer, the *pro rata* share of the cash proceeds from the sale of such Ordinary Shares attributable to such Affected Security (converted, if necessary, into the Specified Currency at the Prevailing Rate as of the day which is three Settlement Shares Depositary Business Days prior to the relevant Settlement Date) as determined by the Settlement Shares Depositary, and less the *pro rata* share of any foreign exchange transaction costs and an amount equal to the *pro rata* share of any taxes or duties (including, without limitation, any capital, stamp, issue and registration and transfer taxes or duties) that may arise or be paid in connection with the issue and delivery of Ordinary Shares to the Settlement Shares Depositary pursuant to the Conversion Shares Offer;

(b) if some, but not all of such Ordinary Shares to be issued and delivered upon conversion are sold in the Conversion Shares Offer, (x) the *pro rata* share of the cash proceeds from the sale of such Ordinary Shares attributable to such Affected Security (converted, if necessary, into the Specified Currency at the Prevailing Rate as of the day which is three Settlement Shares Depositary Business Days prior to the relevant Settlement Date) as determined by the Settlement Shares Depositary, and less the *pro rata* share of any foreign exchange transaction costs and an amount equal to the *pro rata* share of any taxes or duties (including, without limitation, any capital, stamp, issue and registration and transfer taxes or duties) that may arise or be paid in connection with the issue and delivery of Ordinary Shares to the Settlement Shares Depositary pursuant to the Conversion Shares Offer and (y) the *pro rata* share of such Ordinary Shares not sold pursuant to the Conversion Shares

Offer attributable to such Affected Security rounded down to the nearest whole number of Ordinary Shares; and

(c) if no Ordinary Shares are sold in the Conversion Shares Offer, the relevant number of Ordinary Shares which would have been received had the Issuer not elected that the Settlement Shares Depositary should carry out a Conversion Shares Offer;

"**Applicable Rules**" means, at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy (including, without limitation, as to leverage) then in effect in the United Kingdom including, without limitation to the generality of the foregoing, the UK CRR, the Banking Act and any regulations, requirements, guidelines and policies relating to capital adequacy adopted by the Lead Regulator applicable to the Issuer from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer or to the Issuer and any holding or subsidiary company of the Issuer or any subsidiary of any such holding company), in each case as amended, supplemented or replaced from time to time;

"**Approved Entity**" means a body corporate which, on the occurrence of the Relevant Event, has in issue Relevant Shares;

"**Assets**" means the unconsolidated gross assets of the Issuer as shown in the latest published audited balance sheet of the Issuer, but adjusted for subsequent events in such manner as the Auditors of the Issuer may determine;

"**AUD**" means the lawful currency of Australia;

"**Auditors**" means the auditors for the time being of the Issuer or, if there shall be joint auditors of the Issuer, any one of such joint auditors or in the event their being unable or unwilling to carry out any action requested of them pursuant to the provisions of these Conditions or the Trust Deed, or in such circumstances and for such purposes as the Trustee may approve, such other firm of accountants as may be nominated by the Issuer and approved by the Trustee or failing such nomination and/or approval within three (3) working days of a request by the Trustee to the Issuer for such nomination, as may be nominated by the Trustee;

"**Authorised Signatory**" means any person who is represented by the Issuer as being for the time being authorised to sign (whether alone or with another person or other persons) on behalf of the Issuer and so as to bind it;

"**Banking Act**" means the Banking Act 2009, as amended;

"**BBSW**" means the Australian Bank Bill Swap Rate;

"**Bonus Issue Event**" has the meaning given to it in Condition 9(i) (*Adjustments to Conversion Price*);

"**Business 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 Business Day Centre(s) specified in the relevant Pricing Supplement;

"**Business Day Centre(s)**" means the centre(s) specified as such in the relevant Pricing Supplement;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**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;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months or other period specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred; **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months or other period after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**CAD**" means the lawful currency of Canada;

"**Calculation Amount**" means the amount specified as such in the relevant Pricing Supplement;

"**Call Option Date**" means each date, if any, specified as such in the relevant Pricing Supplement;

"**Call Option Period**" means the period, if any, specified as such in the relevant Pricing Supplement;

"**Capital Adequacy Trigger**" means at any time that the Common Equity Tier 1 Capital Ratio of the Group is below 7.00 per cent.;

"**Capital Adequacy Trigger Notice**" has the meaning given thereto in Condition 9(a) (*Occurrence of Capital Adequacy Trigger*);

"**Capital Disqualification Event**" means an event that shall be deemed to have occurred if the Issuer determines at any time after the Issue Date, that there is a change in the regulatory classification of the Securities that results in or will result in:

(a) their exclusion in whole or in part from the regulatory capital of the Group (other than as a consequence of their conversion pursuant to Condition 9(b) (*Conversion upon occurrence of Capital Adequacy Trigger*)); or

(b) their reclassification in whole or in part as a form of regulatory capital of the Group that is lower than Additional Tier 1 capital;

"**Capital Disqualification Event Early Redemption Price**" means the price specified as such in the relevant Pricing Supplement;

"**Cash Dividend**" means any dividend or distribution in respect of the Ordinary Shares which is to be paid or made to Shareholders as a class in cash (in whatever currency) and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital;

"**CET1 Capital**" means, as at any date the sum, expressed in U.S. Dollars of all amounts that constitute Common Equity Tier 1 Capital of the Group as at such date, less any deductions from Common Equity Tier 1 Capital of the Group required to be made as of such date, in each case as calculated by the Issuer on a consolidated basis and without applying the transitional provisions set out in Part Ten of the UK CRR (or in any successor provisions thereto or any equivalent provisions of the Applicable Rules which replace or supersede such provisions) in accordance with the Applicable Rules applicable to the Issuer as at such date (which calculation shall be binding on the Trustee and the Holders);

"**Chapter 4**" has the meaning given to it in Condition 5(b) (*Restrictions on Interest Payments*);

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

"**CNH**" means Renminbi as traded outside of mainland China;

"**CNH HIBOR**" means the CNH Hong Kong interbank offered rate;

"**CNY**" means the lawful currency of mainland China;

"**Common Equity Tier 1 Capital**" has the meaning given to it in the Applicable Rules as interpreted and applied in accordance with the Applicable Rules then applicable to the Group or by the Lead Regulator applicable to the Issuer;

"**Common Equity Tier 1 Capital Ratio**" means, as at any date, the ratio of the CET1 Capital as at such date to the Risk Weighted Assets as at the same date, expressed as a percentage and on the basis that all measures used in such calculation shall be calculated without applying the transitional provisions set out in Part Ten of the UK CRR (or in any successor provisions thereto or any equivalent provisions of the Applicable Rules which replace or supersede such provisions);

"**Conversion Date**" has the meaning given to it in Condition 9(b) (*Conversion upon occurrence of Capital Adequacy Trigger*);

"**Conversion Notice**" means a notice in the form for the time being currently available from the specified office of any Paying Agent and which is required to be delivered to the Settlement Shares Depositary (or its agent(s) designated for the purpose in the Capital Adequacy Trigger Notice) in connection with a conversion of the Affected Securities;

"**Conversion Price**" means, in relation to any Series of Securities, the price per Ordinary Share, expressed in the Specified Currency, specified as such in the relevant Pricing Supplement;

"**Conversion Shares Offer**" has the meaning given to it in Condition 9(f) (C*onversion Shares Offer*);

"**Conversion Shares Offer Election Notice**" has the meaning given to it in Condition 9(f) (C*onversion Shares Offer*);

"**Conversion Shares Offer Period**" has the meaning given to it in Condition 9(f) (C*onversion Shares Offer*);

"**Conversion Shares Offer Price**" means, in relation to any Series of Securities, the Conversion Price or, if a Qualifying Relevant Event has occurred, the New Conversion Price (as adjusted in accordance with Condition 9(i) (*Adjustments to Conversion Price*) up to and including the Conversion Date), converted into the Conversion Shares Offer Price Currency at the Specified FX Rate;

"**Conversion Shares Offer Price Currency**" means, in relation to any Series of Securities, the currency specified as such in the relevant Pricing Supplement;

"**Current Market Price**" means, in respect of an Ordinary Share on a particular date, the arithmetic average of the daily Volume Weighted Average Price per Ordinary Share for the five consecutive Exchange Business Days ending on the Exchange Business Day immediately preceding such date (the "**Relevant Period**"), provided that:

(a) if at any time during the Relevant Period the Volume Weighted Average Price shall have been based on a price ex-dividend (or ex-any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum-any other entitlement), then:

(i) if the Ordinary Shares to be issued do not rank for the dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Share shall have been quoted cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or entitlement) per Ordinary Share as of the date of first public announcement relating to such dividend or entitlement and, for these purposes, the amount or value shall be determined on a gross basis disregarding any withholding or deduction required to be made on account of tax and disregarding any associated tax credit; or

(ii) if the Ordinary Shares to be issued do rank for the dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been quoted ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to have been the amount thereof increased by such similar amount; and

(b) if on each of the five Exchange Business Days during the Relevant Period the Ordinary Shares have been quoted cum-dividend (or cum-any other entitlement) in respect of a dividend (or entitlement) which has been declared or announced but the Ordinary Shares to be issued do not rank for that dividend (or entitlement), the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or entitlement) per Ordinary Share as of the date of first public announcement relating to such dividend or entitlement and for these purposes, the amount or value shall be determined on a gross basis disregarding any withholding or deduction required to be made on account of tax and disregarding any associated tax credit;

(c) if such Volume Weighted Average Price of an Ordinary Share is not available on each of the five Exchange Business Days during the Relevant Period, then the arithmetic average of such Volume Weighted Average Prices which are available in the Relevant Period shall be used (subject to a minimum of two such prices); and

(d) if only one or no such Volume Weighted Average Price is available in the Relevant Period, then the Current Market Price shall be determined by an Independent Adviser;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**") such day count fraction as may be specified in the relevant Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) 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

(ii) 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 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;

(b) if "**Actual/Actual Canadian Compound Method**" is so specified, means, (i) in respect of a Calculation Period which relates to a regular semi-annual interest payment, if any, "30/360" as defined in paragraph (g) below, and (ii) in respect of a Calculation Period less than one full year, other than where (i) applies, the actual number of days in such Calculation Period, divided by 365;

(c) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means 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 the 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);

(d) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(e) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case that the last day of the Calculation Period falls in a leap year, 366;

(f) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;

(g) if "**30/360**" is so specified, means the number of days in the Calculation Period in respect of which payment is being made in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day of the Calculation Period, expressed as a number, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" 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_1 is greater than 29, in which case D_2 will be 30;

(h) if "**30E/360**" is so specified, means 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:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" 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_2 will be 30;

(i) if "**30E/360 (ISDA)**" is so specified, means 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:

Day Count Fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day of the Calculation Period, 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_1 will be 30; and

"$\mathbf{D_2}$" 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 Redemption Date, or (ii) such number would be 31, in which case D_2 will be 30;

"**Determination Agent**" means an investment bank or financial institution of international standing selected by the Issuer (and which may be an affiliate of the Issuer);

"**Determination Date**" means the date specified as such in the relevant Pricing Supplement;

"**Distributable Items**" means the amount of the Issuer's profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of the Securities and any Parity Securities and Junior Securities less any losses brought forward, profits which are non-distributable pursuant to the Companies Act 2006 or other provisions of English law from time to time applicable to the Issuer or the Issuer's Articles of Association and sums placed to non-distributable reserves in accordance with the Companies Act 2006 or other provisions of English law from time to time applicable to the Issuer or the Issuer's Articles of Association, those losses and reserves being determined on the basis of the individual accounts of the Issuer and not on the basis of its consolidated accounts;

"**Early Redemption Amount (Call)**" means, in relation to any Securities to be redeemed pursuant to Condition 6(c) (*Redemption at the Option of the Issuer*):

(a) the Optional Redemption Amount (Call); or

(b) the Make Whole Redemption Amount,

as specified in the relevant Pricing Supplement;

"**EEA Regulated Market**" means a regulated market as defined in Directive 2014/65/EU;

"**Effective Date**" means, (1) in respect of Condition 9(i)(iii) (*Adjustments upon Extraordinary Dividend Event*), the first date on which the Ordinary Shares are traded ex-the Extraordinary Dividend on the Relevant Exchange, and (2) in respect of Condition 9(i)(iv) (*Rights Issue Event*), the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Exchange;

"**EU**" means the European Union;

"**EURIBOR**" means, in respect of any Specified Currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks;

"**euro**" and "**EUR**" 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**" means a day on which the T2 is open for the settlement of payments in euro;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Exchange Business Day**" means any day that is a trading day on the Relevant Exchange other than a day on which the Relevant Exchange is scheduled to close prior to its regular weekday closing time;

"**Existing Subordinated Eurobonds**" has the meaning given to it in the Trust Deed;

"**Extraordinary Dividend**" means any Cash Dividend that is declared by the Issuer to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to Shareholders as a class or any analogous or similar term;

"**Extraordinary Dividend Event**" has the meaning given to such term in Condition 9(i) (*Adjustments to Conversion Price*);

"**EUWA**" means the European Union (Withdrawal) Act 2018, as amended;

"**Fair Market Value**" means:

(a) with respect to a Cash Dividend or other cash amount the amount of such cash, **provided that** any Cash Dividend or other cash amount in a currency other than the Specified

Currency shall be converted into the Specified Currency at the Prevailing Rate as of the date on which the Fair Market Value is to be calculated;

(b) where securities, options, warrants or other rights are publicly traded in a market which is determined by the Issuer to have adequate liquidity, the fair market value (a) of such securities shall equal the arithmetic average of the daily Volume Weighted Average Prices of such securities, and (b) of such options, warrants or other rights shall the arithmetic mean of the daily closing prices of such options, warrants or other rights, in each case during the period of five trading days on the relevant market commencing on such date (or, if later, the first such trading day such securities, options, warrants or other rights are publicly traded) or such shorter period as such securities, options, warrants or other rights are publicly traded **provided that** any amount in a currency other than the Specified Currency shall be converted into the Specified Currency at the Prevailing Rate as of the date on which the Fair Market Value is to be calculated; and

(c) with respect to any other property on any date, the fair market value of that property as of that date as determined in good faith by an Independent Adviser taking into account such factors as it considers appropriate.

For these purposes, the amount or value shall be determined on a gross basis disregarding any withholding or deduction required to be made on account of tax and disregarding any associated tax credit;

"**First Reset Date**" means the date specified as such in the relevant Pricing Supplement;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Pricing Supplement, the Redemption Date, if any, in respect of such Series of Securities;

"**First Reset Rate of Interest**" means, subject to Condition 3(c) (*Determination of Resettable Security Reference Rate, First Reset Rate of Interest and Subsequent Reset Rate of Interest*), the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of (A) the relevant Resettable Security Reference Rate *plus* (B) the Resettable Security Margin, with such sum converted (if necessary) in line with market convention to a basis (e.g. annual, semi-annual, quarterly) equivalent to the frequency with which scheduled interest payments are payable on the Securities during the relevant Reset Period (such calculation to be made by the Calculation Agent);

"**Fixed Coupon Amount**" means the amount specified as such in the relevant Pricing Supplement;

"**Fixed/Floating Rate Securities**" means Securities for which the Fixed Rate Securities provisions (for an initial period from the Issue Date) and Floating Rate Securities provisions (for a subsequent period) are specified in the relevant Pricing Supplement as applicable;

"**Fixed Interest Payment Date**" means:

(a) if Fixed Interest Payment Date(s) is/are specified in the relevant Pricing Supplement, the Fixed Interest Payment Date(s) in each year so specified, as the same may be adjusted in accordance with the Business Day Convention if applicable; or

(b) if the Business Day Convention specified in the relevant Pricing Supplement is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months or other period is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months or other period following the Interest Commencement Date (in the case of the first Fixed Interest Payment Date) or the previous Fixed Interest Payment Date (in any other case);

"**Fixed Leg Swap Payment Frequency**" means the payment frequency specified as such in the relevant Pricing Supplement;

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"**Gross Redemption Yield**" means, with respect to a security, the gross redemption yield to the first Par Redemption Date on such security, expressed as a percentage and calculated by the Determination Agent appointed by the Issuer on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 5, Section One: Price/Yield Formulae "*Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable);

"**Group**" means the Issuer and its consolidated subsidiaries;

"**H.15**" means the weekly statistical release designated as such and published by the Board of Governors of the United States Federal Reserve System, or any successor or replacement publication that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, and "most recent H.15" means the H.15 published closest in time but prior to 5:00 p.m. (New York City time) on the applicable Reset Determination Date;

"**HIBOR**" means the Hong Kong inter-bank offered rate;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**Illiquidity**" means where the general Renminbi exchange market in Hong Kong becomes illiquid and, as a result thereof, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay an amount due (in whole or in part) in respect of the Securities as determined by the Issuer in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Securities in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date (or, if earlier, any CNY Issue Trade Date as specified in the relevant Pricing Supplement) and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

"**Initial Rate of Interest**" means the initial rate of interest per annum specified as such in the relevant Pricing Supplement;

"**Interest Commencement Date**" means the date specified as such in the relevant Pricing Supplement;

"**Interest Determination Date**" means the day specified as such in the relevant Pricing Supplement or, if not specified, the day determined by the Calculation Agent to be customary for fixing the Reference Rate in the Specified Currency for the relevant Interest Period;

"**Interest Payment Date**" means:

(a) if Interest Payment Date(s) is/are specified in the relevant Pricing Supplement, the Interest Payment Date(s) in each year so specified, as the same may be adjusted in accordance with the Business Day Convention if applicable; or

(b) if the Business Day Convention specified in the relevant Pricing Supplement is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months or other period is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months or other period following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor);

"**ISDA Definitions**" has the meaning given in the relevant Pricing Supplement;

"**Issue Date**" means the date specified as such in the relevant Pricing Supplement;

"**JPY**" means the lawful currency of Japan;

"**Junior Securities**" means, in respect of any Series of Securities, (i) any Ordinary Share or other securities of the Issuer which rank, or are expressed to rank, junior to the relevant Securities in a winding-up or administration of the Issuer in England as described in Condition 2(c) (*Winding-up prior to Capital Adequacy Trigger*) and/or (ii) any securities issued by any other member of the Group where the terms of such securities benefit from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, junior to the relevant Securities in a winding-up or administration of the Issuer in England as described in Condition 2(c) (*Winding-up prior to Capital Adequacy Trigger*) and /or (iii) any capital instruments of the Issuer which qualify as Common Equity Tier 1 instruments under the Applicable Rules;

"**Latest Conversion Shares Offer Election Date**", in respect of any Series of Securities, means the 10th London Business Day following the Conversion Date, unless otherwise specified in the relevant Pricing Supplement;

"**Leading Banks**" means the banks specified as such in the relevant Pricing Supplement, or, if no banks are so specified, leading European banks selected by the Calculation Agent;

"**Lead Regulator applicable to the Issuer**" means the PRA or any successor or other entity primarily responsible for the prudential supervision of the Issuer;

"**Liabilities**" means the unconsolidated gross liabilities of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for subsequent events in such manner as the Auditors of the Issuer may determine and for these purposes excluding (without double counting) any indebtedness which will not constitute liabilities according to the criteria that would be applied by the High Court of Justice of England and Wales (or the relevant authority of such other jurisdiction in which the Issuer may be organised) in determining whether the Issuer is "unable to pay its debts" under Section 123(2) of the UK Insolvency Act 1986 or any amendment or re-enactment thereof (or in accordance with the corresponding provisions of the applicable laws of such other jurisdiction in which the Issuer may be organised);

"**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 Paying Agent or the Registrar to which the relevant Security or Coupon is presented for payment, or the Registrar is located;

"**London Business 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 London;

"**Long-Stop Date**" means the date specified as such in the Capital Adequacy Trigger Notice, which date shall be at least 15 London Business Days following the Notice Cut-Off Date;

"**Make Whole Redemption Amount**" means, in respect of any Securities to be redeemed pursuant to Condition 6(c) (*Redemption at the Option of the Issuer*):

(a) if "**Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Pricing Supplement, an amount equal to the higher of (i) 100 per cent. of the principal amount outstanding of such Securities and (ii) the principal amount outstanding of such Securities multiplied by the price (expressed as a percentage), as reported in writing to the Issuer, the Principal Paying and Conversion Agent and the Trustee by the Determination Agent (if applicable), at which the Gross Redemption Yield to the first Par Redemption Date on such Securities on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Determination Agent; or

(b) if "**Non-Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Pricing Supplement, an amount equal to the higher of (i) 100 per cent. of the principal amount outstanding of such Securities and (ii) the principal amount outstanding of such Securities multiplied by the price (expressed as a percentage), as reported in writing to the Issuer, the Principal Paying and Conversion Agent and the Trustee by the Determination Agent (if applicable), at which the yield to the first Par Redemption Date on such Securities on the Reference Date (calculated on the same basis as the Reference Bond Rate) is equal to the Reference Bond Rate at the Quotation Time on the Reference Date, plus the Redemption Margin, all as determined by the Issuer or by a Determination Agent appointed by the Issuer;

"**Margin**" means the percentage specified as such in the relevant Pricing Supplement;

"**Maximum Distributable Amount**" means any applicable maximum distributable amount relating to the Issuer required to be calculated in accordance with (i) Chapter 4 or (ii) any analogous restrictions arising in respect of failure to meet capital adequacy, loss absorbing capacity, leverage or buffer requirements under the Applicable Rules;

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Fixed Leg Swap Payment Frequency specified in the relevant Pricing Supplement during the relevant Reset Period (calculated on the basis of the day count fraction customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Resettable Security Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (calculated on the basis of the day count fraction customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"**Mid-Swap Floating Leg Benchmark Rate**" means the benchmark rate specified as such in the Pricing Supplement;

"**Mid-Swap Maturity**" means the period specified as such in the relevant Pricing Supplement;

"**MXN**" means the lawful currency of United Mexican States;

the "**New Conversion Condition**" shall be satisfied if, by not later than seven London Business Days following the occurrence of a Relevant Event where the Acquiror is an Approved Entity, the Issuer has entered into arrangements to its satisfaction with the Approved Entity pursuant to which the Approved Entity irrevocably undertakes to the Trustee, for the benefit of Holders of Affected Securities, to (i) deliver the Relevant Shares to the Settlement Shares Depositary upon a conversion of the Securities and (ii) ensure that, for so long as the Securities are outstanding, its ordinary share capital shall continue to constitute Relevant Shares, all as contemplated in Condition 9(d) (*Occurrence of a Relevant Event*);

"**New Conversion Effective Date**" means, in relation to any Series of Affected Securities, the date with effect from which the New Conversion Condition is satisfied;

"**New Conversion Price**" means an amount (in the Specified Currency) per Relevant Share determined by the Issuer in accordance with the following formula:

$$NCP = ECP \times \frac{RS\ (Average)}{OS\ (Average)}$$

where:

NCP	means the New Conversion Price.
ECP	means the Conversion Price in effect on the Exchange Business Day immediately prior to the New Conversion Effective Date.
RS (Average)	means the arithmetic average of the Volume Weighted Average Price per Relevant Share (converted, if necessary, into the Specified Currency at the Prevailing Rate on the relevant Exchange Business Day) on each of the 10 Exchange Business Days ending on the Exchange Business Day prior to the date the Relevant Event occurred.
OS (Average)	means the arithmetic average of the Volume Weighted Average Price per Ordinary Share (converted, if necessary, into the Specified Currency at the Prevailing Rate on the relevant Exchange Business Day) on each of the 10 Exchange Business Days ending on the Exchange Business Day prior to the date the Relevant Event has occurred;

"**NIBOR**" means the Norwegian Interbank Offered Rate;

"**NOK**" means the lawful currency of the Kingdom of Norway;

"**Non-Qualifying Relevant Event**" means a Relevant Event that is not a Qualifying Relevant Event;

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date (or, if earlier, any CNY Issue Trade Date as specified in the relevant Pricing Supplement) and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Notice Cut-Off Date**" means the date specified as such in the Conversion Trigger Notice, which date shall be at least 20 London Business Days following the Conversion Date;

"**Optional Redemption Amount (Call)**" means, in respect of any Security, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**Optional Redemption Amount (Residual Call)**" means, in respect of any Security, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**Ordinary Shares**" means fully paid ordinary shares in the capital of HSBC Holdings plc;

"**Par Redemption Date**" means the date specified as such in the relevant Pricing Supplement;

"**Parity Securities**" means, in relation to any Series of Securities, (i) the most senior ranking class or classes of preference shares in the capital of the Issuer from time to time and any other securities of the Issuer ranking, or expressed to rank, *pari passu* with the relevant Securities and/or such preference shares in a winding-up or administration of the Issuer as described in Condition 2(c) (*Winding-up prior to Capital Adequacy Trigger*), and/or (ii) any securities issued by any other member of the Group where the terms of the securities benefit from a guarantee or support agreement entered into by the Issuer which ranks or is expressed to rank *pari passu* with the relevant Securities and/or such preference shares in a winding-up or administration of the Issuer as described in Condition 2(c) (*Winding-up prior to Capital Adequacy Trigger*);

"**PRA**" means the Prudential Regulation Authority;

"**PRA Rulebook**" means the rules made and enforced by the PRA under powers conferred by the Financial Services and Markets Act 2000, as amended from time to time;

"**PRC**" means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Prevailing Rate**" means, in relation to any two currencies and any day:

(a) for the purposes of the definition of Alternative Consideration, the executable bid quotation obtained by the Settlement Shares Depositary which is most favourable to the Securityholder, out of quotations obtained by it from three recognised foreign exchange dealers selected by the Settlement Shares Depositary, for value on such day; and

(b) for all other purposes, the prevailing market currency exchange rate at the time at which such rate is determined in the relevant market for foreign exchange transactions in such currencies for value on such day, as determined by the Issuer in its sole discretion and acting in a commercially reasonable manner;

"**Prior Ranking Creditors**" means the creditors of the Issuer (a) who are unsubordinated creditors, or (b) whose claims are, or are expressed to be subordinated to the claims of unsubordinated creditors but not further or otherwise, or (c) whose claims are, or are expressed to be, junior to the claims of other creditors of the Issuer, whether subordinated or unsubordinated, other than those whose claims rank or are expressed to rank *pari passu* with, or junior to, the claims of the Securityholders in a winding-up occurring prior to the Capital Adequacy Trigger and includes creditors in respect of (i) the principal and interest in respect of the Existing Subordinated Eurobonds and (ii) the principal and interest in respect of any Subordinated Notes;

"**Qualifying Relevant Event**" means a Relevant Event where (i) the Acquiror is an Approved Entity; and (ii) the New Conversion Condition is satisfied;

"**Quotation Time**" shall be as specified in the relevant Pricing Supplement;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Securities specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**Redemption Date**" means, in respect of any Series of Securities, the date (if any) on which such Securities are redeemed in accordance with Condition 6 (*Redemption and Purchase*);

"**Redemption Margin**" shall be as specified in the relevant Pricing Supplement;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none, means:

(a) for the purposes of Condition 3(c)(i) (*Mid-Swap Rate*), five leading swap dealers in the principal interbank market relating to the Specified Currency selected by the Calculation Agent in its discretion after consultation with the Issuer; and

(b) for the purposes of Condition 4(c) (*Screen Rate Determination for Floating Rate Securities not referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA):*

(i) where the Specified Currency is MXN and the Reference Rate is TIIE, the banks designated as Market Makers (Formadores de Mercado) by the Mexican Ministry of Finance and Public Credit, as published on the Ministry of Finance and Public Credit's website at http://www.shcp.gob.mx; if fewer than five banks are designated as Market Makers by the Mexican Ministry of Finance and Public Credit, the Reference Banks will be those banks so designated as Market Makers and other major banks in the Mexican interbank market as selected by the Calculation Agent in its discretion after consultation with the Issuer; if no banks are so designated by the Mexican Ministry of Finance and Public Credit or its website at http://www.shcp.gob.mx is unavailable, the Reference Banks will be five major banks in the Mexican interbank market as selected by the Calculation Agent in its discretion after consultation with the Issuer; or

(ii) where the Specified Currency is not MXN and the Reference Rate is not TIIE, four major banks selected by the Calculation Agent in its discretion after consultation with the Issuer in the market that is most closely connected with the Reference Rate;

"**Reference Bond**" means:

(a) in the case of any Resettable Securities and the determination of the Resettable Security Reference Rate in respect of any Reset Period, the security or securities specified in the relevant Pricing Supplement or, if none is so specified or if no Reference Government Bond Dealer Quotation or (as applicable) quotation for the purposes of determining the Reference Bond Rate Quotations is available for the specified security on the Reset Determination Date, the selected government security or securities agreed between the Issuer and an investment bank or financial institution determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent, if applicable) as having an actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be used, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period; and

(b) in any other case, the security or securities specified in the relevant Pricing Supplement or, if none is so specified or to the extent that any such Reference Bond specified in the Pricing Supplement is no longer outstanding on the relevant Reference Date, the Selected Bond;

"**Reference Bond Price**" means, with respect to any Reference Date or Reset Determination Date, as the case may be (i) if five Reference Government Bond Dealer Quotations are received, the arithmetic average of the Reference Government Bond Dealer Quotations for such Reference Date or Reset Determination Date, after excluding the highest (or in the event of equality, one of the highest) and lowest (or in the event of equality, one of the lowest) such Reference Government Bond Dealer Quotations, (ii) if fewer than five, but more than one, such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations, or (iii) if only one such Reference Government Bond Dealer Quotation is received, such quotation;

"**Reference Bond Rate**" means, with respect to any Reference Bond and any Reference Date, the rate per annum equal to the yield to the first Par Redemption Date or interpolated yield to the first Par Redemption Date (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

"**Reference Date**" means:

(a) in the case of any Resettable Securities and the determination of the Resettable Security Reference Rate in respect of any Reset Period, the relevant Reset Determination Date; and

(b) in any other case, the date which is two Business Days prior to the despatch of the notice of redemption under Condition 6(c) (*Redemption at the Option of the Issuer*) or such other date as may be specified in the relevant Pricing Supplement;

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if one is appointed), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market-makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" means:

(a) in the case of any Resettable Securities and the determination of the U.S. Treasury Rate, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average, (as determined by the Calculation Agent), of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) as at the Quotation Time on such Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer; or:

(b) in any other case, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, (as determined by the Determination Agent), of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date:

    (i) which appear on the Relevant Screen Page as at the Quotation Time on the Reference Date; or

    (ii) to the extent that in the case of (i) above, either such bid and offered prices do not appear on that page, fewer than two such bid and offered prices appear on that page, or if the Relevant Screen Page is unavailable, then as quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"**Reference Rate**" means (i) EURIBOR, (ii) BBSW, (iii) CNH HIBOR, (iv) HIBOR, (v) NIBOR (vi) SHIBOR, (vii) STIBOR (viii) TAIBIR, (ix) TIIE, (x) SONIA, (xi) SOFR, (xii) €STR, (xiii) SORA, (xiv) SARON, (xv) CORRA, (xvi) HONIA or (xvii) TAIBOR, as specified in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement;

"**Reference Rate Duration**" means the duration specified as such in the relevant Pricing Supplement;

"**Regular Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to such date and ending on the first Determination Date after such date);

"**Regulated Market**" means an EEA Regulated Market or a regulated, regularly operating, recognised stock exchange or securities market in the UK or any OECD member state;

"**Regulatory Preconditions**" means:

(a) in the case of a redemption pursuant to Condition 6(b) (*Redemption for Taxation Reasons*), the Issuer has demonstrated to the satisfaction of the Lead Regulator applicable to the Issuer, that the relevant Taxation Event is a change in the applicable tax treatment of the relevant Securities which is material and was not reasonably foreseeable on the issue date of the most recently issued Tranche of the relevant Series; or

(b) in the case of a redemption pursuant to Condition 6(f) (*Redemption upon Capital Disqualification Event*), the Issuer has demonstrated to the satisfaction of the Lead Regulator applicable to the Issuer, that the relevant change in the regulatory classification of the relevant Securities was not reasonably foreseeable on the issue date of the most recently issued Tranche of the relevant Series; or

(c) in any circumstances, the Issuer having demonstrated to the satisfaction of the Lead Regulator applicable to the Issuer that the Issuer has (or will have), before or at the same time as such redemption or purchase, replaced the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Lead Regulator applicable to the Issuer having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances;

"**Relevant Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and in New York City;

"**Relevant Distributions**" means, in relation to any date, the sum of (i) all distributions or interest payments made or declared by the Issuer since the end of the last financial year and prior to such date on or in respect of (x) the Securities and (y) any Parity Securities and any Junior Securities and (ii) all distributions or interest payments payable by the Issuer (and not cancelled or deemed to be cancelled) on such date on or in respect of (x) the Securities and (y) any Parity Securities and any Junior Securities, in each case, excluding any such payments already accounted for in determining the Distributable Items;

a "**Relevant Event**" shall be deemed to occur if any person or persons acting in concert (as defined in the Takeover Code of the UK Panel on Takeovers and Mergers) acquires control of the Issuer. For these purposes "**control**" means (a) the acquisition or holding of legal or beneficial ownership of more than 50 per cent. of the issued Ordinary Shares of the Issuer; or (b) the right to appoint and/or remove all or the majority of the members of the board of directors of the Issuer, whether obtained directly or indirectly and whether obtained by ownership of share capital, contract or otherwise;

"**Relevant Exchange**" means (i) in respect of the Ordinary Shares, the exchange specified as such in the relevant Pricing Supplement (the "**Specified Exchange**") or if the Ordinary Shares are no longer admitted to listing, trading and/or quotation by the Specified Exchange, the principal stock exchange or securities market by which the Ordinary Shares are then admitted to listing, trading and/or quotation, and (ii) in respect of the Relevant Shares or any securities other than the Ordinary Shares, the principal stock exchange or securities market on which the Relevant Shares or such securities, as applicable, are then admitted to listing, trading and/or quotation;

"**Relevant Financial Centre**" shall be as specified in the relevant Pricing Supplement or, if not so specified, means:

(a) Brussels, in the case of a determination of EURIBOR;

(b) Sydney, in the case of a determination of BBSW;

(c) Shanghai, in the case of a determination of SHIBOR;

(d) Hong Kong, in the case of a determination of CNH HIBOR and HIBOR;

(e) Stockholm, in the case of a determination of STIBOR;

(f) Taipei, in the case of a determination of TAIBIR and TAIBOR;

(g) Mexico City, in the case of a determination of TIIE; and

(h) Oslo, in the case of a determination of NIBOR.

"**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, (i) in the case of payments which fall to be made in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; or (ii) in the case of payments which fall to be made in euro, a Euro Business Day) and in any other place set out in the Pricing Supplement;

"**Relevant Period**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Screen Page**" means:

(a) only for the purposes of determining (i) Reference Government Bond Dealer Quotations for the purposes of determining the relevant Reference Bond Price or (ii) the relevant Resettable Security Reference Rate, the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or (in the case of any Relevant Screen Page) such other page, section or other part as may replace it on that information service or such other information service or, if none is so specified, the page, section or part of a particular information service (including, without limitation, Reuters) determined by the Issuer in consultation with the Calculation Agent or (as applicable) the Determination Agent at the relevant time; or

(b) in any other case, the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or (in the case of any Relevant Screen Page) such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Shares**" means ordinary share capital of the Approved Entity that constitutes equity share capital or the equivalent (or depositary or other receipts representing the same) which is listed and admitted to trading on a Regulated Market and is not share capital which, if the Securities could convert into such share capital in accordance with Condition 9(d) (*Occurrence of a Relevant Event*), would cause a Relevant Tax Effect in circumstances which, if the Securities could instead only convert into Ordinary Shares of the Issuer, would not cause a Relevant Tax Effect to occur;

"**Relevant Supervisory Consent**" means, in relation to any redemption or purchase of any Securities or any substitution of an entity in place of the Issuer as principal debtor under the Securities pursuant to Condition 15(c) and the Trust Deed, any required permission of the Lead Regulator applicable to the Issuer for such redemption or purchase or issuer substitution, under the prevailing Applicable Rules;

"**Relevant Tax Effect**" means a circumstance, as on the Issue Date or at any time thereafter, that interest payments (or funding costs of the Issuer as recognised in its accounts) under or with respect to the Securities are not or would not be deductible for UK corporation tax purposes (whether for the Issuer, or for companies with which the Issuer is grouped for UK tax purposes);

"**Relevant Time**" means the time specified as such in the relevant Pricing Supplement;

"**Renminbi**" or "**RMB**" means the lawful currency of mainland China;

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

"**Reset Determination Date**" means:

(a) in respect of the First Reset Period, the second Business Day prior to the First Reset Date;

(b) in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date; and

(c) in respect of each Reset Period thereafter, the second Business Day prior to the first day of each such Reset Period;

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"**Resettable Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Resettable Security Interbank Rate**" means, in relation to a Reset Determination Date and subject to Condition 4(e) (*Benchmark Replacement*), the Reference Rate specified as such in the relevant Pricing Supplement;

"**Resettable Security Interest Payment Date**" means:

(a) if Resettable Security Interest Payment Date(s) is/are specified in the relevant Pricing Supplement, the Resettable Security Interest Payment Date(s) in each year so specified, as the same may be adjusted in accordance with the Business Day Convention if applicable; or

(b) if the Business Day Convention specified in the relevant Pricing Supplement is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months or other period is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months or other period following the Interest Commencement Date (in the case of the first Resettable Security Interest Payment Date) or the previous Resettable Security Interest Payment Date (in any other case);

"**Resettable Security Margin**" means the margin specified as such in the relevant Pricing Supplement;

"**Resettable Security Reference Rate**" means (i) the Mid-Swap Rate, (ii) the Resettable Security Interbank Rate, (iii) the U.S. Treasury Rate, (iv) the Resettable Security Reference Bond Rate, (v) the SORA-OIS Rate or (vi) the TONA-TSR Rate, as specified in the applicable Pricing Supplement;

"**Resettable Security Reset Date**" means the First Reset Date, the Second Reset Date and every Subsequent Reset Date as may be specified as such in the relevant Pricing Supplement;

"**Rights Issue Event**" has the meaning given to such term in Condition 9(i) (*Adjustments to Conversion Price*);

"**Risk Weighted Assets**" means, as of any date, the aggregate amount, expressed in U.S. Dollars, of the risk weighted assets of the Group as of such date, as calculated by the Issuer on a consolidated basis and without applying the transitional provisions set out in Part Ten of the UK CRR (or in any successor provisions thereto or any equivalent provisions of the Applicable Rules which replace or supersede such provisions), in accordance with the Applicable Rules applicable to the Group as of such date (which calculations shall be binding on the Trustee and the Securityholders) and where the term "risk weighted assets" means the risk weighted assets or total risk exposure amount, as calculated by the Issuer in accordance with the Applicable Rules applicable to the Group as of such date;

"**Screen Rate Fallback Trigger**" means the occurrence of any of the following events or circumstances:

(a) if the Specified Currency is AUD and the Reference Rate is BBSW, a Temporary Disruption Trigger or a Permanent Discontinuation Trigger (as each term is defined in Condition 4(c)(iv)(B)); and:

(b) in all other cases,

(i) if Condition 4(c) (*Screen Rate Determination for Floating Rate Securities not referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA*) applies, the Reference Rate does not appear on the Relevant Screen Page;

(ii) if Condition 4(c) (*Screen Rate Determination for Floating Rate Securities not referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA*) applies, either of the required rates do not appear on the required Relevant Screen Page;

(iii) if Condition 4(c) (*Screen Rate Determination for Floating Rate Securities not referencing SONIA, SOFR, €STR, SORA, SARON, CORRA or HONIA*) applies, fewer than two rates appear on the Relevant Screen Page; or

(iv) in any case, the Relevant Screen Page is unavailable;

"**Second Reset Date**" means the date specified as such in the relevant Pricing Supplement;

"**SEK**" means the lawful currency of the Kingdom of Sweden;

"**Selected Bond**" means the selected government security or securities agreed between the Issuer and an investment bank or financial institution determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable) as having an actual or interpolated maturity comparable with the remaining term of the Securities until the next Call Option Date (or, in the case of Securities for which a Par Redemption Date is specified in the relevant Pricing Supplement, to the first such Par Redemption Date), that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Securities;

"**Settlement Date**" means:

(a) with respect to any Affected Security in relation to which a Conversion Notice is received by the Settlement Shares Depositary or its designated agent on or before the Notice Cut-Off Date:

(i) other than where (ii) or (iii) applies, the date that is two London Business Days after the latest of (x) the Conversion Date and (y) the date on which the relevant Conversion Notice has been received by the Settlement Shares Depositary or its designated agent;

(ii) where Condition 9(f) (*Conversion Shares Offer*) is applicable in respect of the relevant Affected Security and where the Issuer has not delivered a Conversion Shares Offer Election Notice in accordance with Condition 9(f) on or prior to the Latest Conversion Shares Offer Election Date, the date that is two London Business Days after the latest of (x) the Latest Conversion Shares Offer Election Date and (y) the date on which the relevant Conversion Notice has been received by the Settlement Shares Depositary or its designated agent; or

(iii) where Condition 9(f) (*Conversion Shares Offer*) is applicable in respect of the relevant Affected Security and where the Issuer has delivered a Conversion Shares Offer Election Notice in accordance with Condition 9(f) (*Conversion Shares Offer*) on or prior to the Latest Conversion Shares Offer Election Date, the date that is two London Business Days after the latest of (x) the date on which the Conversion Shares Offer Period either expires or is terminated in accordance with Condition 9(f) (*Conversion Shares Offer*) and (y) the date on which the relevant Conversion Notice has been received by the Settlement Shares Depositary or its designated agent;

(b) with respect to any Affected Security in relation to which a Conversion Notice is not so received by the Settlement Shares Depositary or its designated agent on or before the Notice Cut-Off Date, the date on which the Settlement Shares Depositary delivers the relevant Ordinary Shares or the relevant Alternative Consideration, as applicable, to the relevant Securityholder;

"**Settlement Shares Depositary**" means a reputable financial institution, trust company or similar entity (which in each such case is wholly independent of the Issuer) to be appointed by the Issuer on or prior to any date when a function ascribed to the Settlement Shares Depositary in these Conditions is required to be performed to perform such function and which will hold the Ordinary Shares (and any Alternative Consideration, if applicable) on trust for Securityholders in one or more segregated accounts, unless otherwise required to be transferred out of such accounts for the purposes of a Conversion Shares Offer (if Condition 9(f) (*Conversion Shares Offer*) is specified as being applicable in respect of such Securities in the relevant Pricing Supplement), and otherwise on terms consistent with these Conditions and any relevant Pricing Supplement;

"**Settlement Shares Depositary Business Day**" means a day on which the Settlement Shares Depositary is open for general business;

"**SGD**" means the lawful currency of Singapore;

"**Shareholder**" means a holder of Ordinary Shares;

"**SHIBOR**" means the Shanghai inter-bank offered rate;

"**Solvent**" means, in respect of the Issuer, (a) it is able to pay its debts to its Prior Ranking Creditors as they fall due; and (b) its Assets at least equal its Liabilities;

"**Specified Currency**" means the currency specified as such in the relevant Pricing Supplement;

"**Specified Denomination**" means the denomination specified as such in the relevant Pricing Supplement;

"**Specified FX Rate**" means the rate of exchange for converting one unit of the Specified Currency into one unit of the Conversion Shares Offer Price Currency specified as such in the relevant Pricing Supplement;

"**Specified Period**" means the period specified as such in the relevant Pricing Supplement;

"**Spot Rate**" means, on any date, the spot CNY/U.S. Dollars exchange rate for the purchase of U.S. Dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Relevant Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Spot Rate Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Spot Rate Determination Date as the most recently available CNY/U.S. Dollars official fixing rate for settlement in two Relevant Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate;

"**Spot Rate Determination Date**" means, in relation to any payment subject to Condition 8(c) (*Renminbi-denominated Securities – Payment of U.S. Dollar Equivalent*), the day which is two Relevant Business Days before the due date for such payment under these Conditions;

"**STIBOR**" means the Stockholm Interbank Offered Rate;

"**Subordinated Notes**" has the meaning given to it in the Trust Deed;

"**Subsequent Reset Date**" means the date specified as such in the relevant Pricing Supplement;

"**Subsequent Reset Period**" means the period from (and including) the Second Reset Date to (but excluding) the next Resettable Security Reset Date, and each successive period from (and including) a Resettable Security Reset Date to (but excluding) the next succeeding Resettable Security Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 3(c) (*Determination of Resettable Security Reference Rate, First Reset Rate of Interest and Subsequent Reset Rate of Interest*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of (A) the relevant Resettable Security Reference Rate plus (B) the Resettable Security Margin, with such sum converted (if necessary) in line with market convention to a basis (e.g. annual, semi-annual, quarterly) equivalent to the frequency with which scheduled interest payments are payable on the Securities during the relevant Reset Period (such calculation to be made by the Calculation Agent);

"**Subsidiaries**" has the meaning given to such term in section 1159 of the UK Companies Act 2006;

"**Suspension Date**" means the date specified in the Suspension Notice, which date shall be no later than 38 London Business Days after the Latest Conversion Shares Offer Election Date and, if the Issuer elects to conduct a Conversion Shares Offer, shall be at least two London Business Days prior to the end of the relevant Conversion Shares Offer Period;

"**Suspension Notice**" means a notice given by the Issuer to Holders of Affected Securities in accordance with Condition 14 (*Notices*) at any time on or after the Capital Adequacy Trigger Notice has been given and on or prior to the Latest Conversion Shares Offer Election Date, specifying the Suspension Date;

"**TAIBIR**" means the Secondary Market Fixing Bid/Offer Rate of the Taiwan Bills Index Rate (known as TAIBIR02);

"**TAIBOR**" means the Taipei Interbank Offered Rate;

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

"**Taxation Event**" means any of the applicable events or circumstances set out in items (i) to (vii) of Condition 6(b) (*Redemption for Taxation Reasons*);

"**Tier 2 capital**" has the meaning given to it by the Lead Regulator applicable to the Issuer from time to time;

"**TIIE**" means the *Tasa de Interes Interbancaria de Equilibrio* (Interbank Equilibrium Interest Rate) for MXN which is published in the "*Diario oficial de la Federacion*" (Official Gazette of the Federation);

"**Treaty**" means the Treaty establishing the European Community, as amended;

"**TWD**" means the lawful currency of Taiwan;

"**UK CRR**" means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as amended or supplemented, as it forms part of domestic law in the United Kingdom by virtue of the EUWA;

"**USD**", "**U.S. Dollars**" and "**U.S.$**" means the lawful currency of the United States of America;

"**U.S. Dollar Equivalent**" means, in relation to any Renminbi amount payable under the Securities on any date, such Renminbi amount converted into U.S. Dollars using the Spot Rate for the Spot Rate Determination Date;

"**Volume Weighted Average Price**" means, in respect of an Ordinary Share, a Relevant Share or, as applicable, a security on any Exchange Business Day, the order book volume-weighted average price of such Ordinary Share, Relevant Share or security published by or derived from the principal stock exchange or securities market on which such Ordinary Share, Relevant Share or security are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Adviser on such Exchange Business Day, provided that if on any such Exchange Business Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, a Relevant Share or a security, as the case may be, in respect of such Exchange Business Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Exchange Business Day on which the same can be so determined or as an Independent Adviser might otherwise determine in good faith to be appropriate; and

"**Winding-up Event**" means:

(i) an order is made, or an effective resolution is passed, for the winding-up of the Issuer in England (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the Issuer, the terms of which reorganisation, reconstruction or amalgamation (x) have previously been approved in writing by the Trustee or by an Extraordinary Resolution and (y) do not provide that the Securities shall thereby become redeemable or repayable in accordance with these Conditions); or

(ii) an administrator of the Issuer is appointed and such administrator declares, or gives notice that it intends to declare and distribute, a dividend.

20. Interpretation

References to any act, statute or treaty or any provision of any act, statute or treaty shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such statutory modification or re-enactment.

References to "**ordinary share capital**" has the meaning provided in Section 1119 of the Corporation Tax Act 2010 and "**equity share capital**" has the meaning provided in Section 548 of the Companies Act.

References to any issue or offer or grant to Shareholders or Existing Shareholders "**as a class**" or "**by way of rights**" shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any jurisdiction or requirements of any recognised regulatory body or any other stock exchange or securities market in any jurisdiction or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Adviser determines in good faith to be appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.

For the purposes of Condition 9 (*Capital Adequacy Trigger*) (i) references to the "issue" of Ordinary Shares or Ordinary Shares being "issued" shall, unless otherwise expressly specified therein, include the delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its subsidiaries, and (ii) Ordinary Shares held by or on behalf of the Issuer or any of its subsidiaries (and which, in the case of Condition 9(i)(iv), do not rank for the relevant right or other entitlement) shall not be considered as or treated as "in issue" or "issued" or entitled to receive the relevant dividend, right or other entitlement.

DESCRIPTION OF THE ISSUER

Information regarding the Issuer is set out in the Registration Document incorporated into this document by reference on page 31 (*Documents Incorporated by Reference*).

DESCRIPTION OF THE SHARES

Share Capital

The Issuer's share capital consists of its ordinary shares of U.S.$0.50 each in the capital of the Issuer (the "**Ordinary Shares**") and three classes of preference shares, namely, non-cumulative preference shares of U.S.$0.01 each (the "**Dollar Preference Shares**"), non-cumulative preference shares of £0.01 each (the "**Sterling Preference Shares**") and non-cumulative preference shares of EUR 0.01 each (the "**Euro Preference Shares**" and together with the Dollar Preference Shares and Sterling Preference Shares, the "**Preference Shares**"). The Sterling Preference Share in issue is a Series A Sterling Preference Share. There are no Dollar Preference Shares or Euro Preference Shares in issue.

As at 31 December 2023, the number of outstanding shares in the capital of the Issuer was as follows:

Class of Share	Number
Ordinary Shares..	19,262,728,193
Sterling Preference Shares	1

Memorandum and Articles of Association

The Issuer's articles of association (the "**Articles of Association**") were adopted by special resolution of the Issuer passed on 29 April 2022 with effect from and including 29 April 2022. A summary of the material provisions of the Articles of Association in respect of the Ordinary Shares is set out below. As resolved at the annual general meeting of the Issuer held on 22 May 2009 and in accordance with changes in English company law with effect from 1 October 2009, the Issuer deleted all provisions of its Memorandum of Association which, by virtue of Section 28 of the Companies Act, are to be treated as part of the Articles of Association, including those provisions dealing with the Issuer's objects.

Objects of the Issuer

The objects of the Issuer are unrestricted.

General

There are no limitations imposed by English law or the Articles of Association restricting the rights of non-residents of the UK or non-citizens of the UK to hold or vote shares of the Issuer.

Shares

Ordinary Shares rank *pari passu* with each other in all respects. Fully paid Ordinary Shares confer identical rights in respect of capital, dividends (save where and to the extent that any such share is issued on terms providing that it shall rank for dividend as from a particular date), voting and otherwise.

Preference Shares confer such rights as may be determined by the board of directors from time to time (the "**Board**") prior to allotment. Unless determined by the Board prior to allotment and save in respect of certain limited matters set out in the Articles of Association, the Sterling Preference Shares rank *pari passu* with each other. Further details of the rights and restrictions attaching to the Sterling Preference Shares are set out on page 414 of the 2023 Annual Report and Accounts.

Voting Rights

For the purposes of determining which persons are entitled to attend or vote at a general meeting of the Issuer and how many votes such persons may cast, the Issuer may, pursuant to the Uncertificated Securities Regulations 2001 (as amended) (the "**Regulations**"), specify in the notice of the meeting a time, not more than 48 hours before the time fixed for holding the meeting, by which a person (or persons, in the case of joint holders) must be entered on the register of members of the Issuer kept pursuant to the Companies Act (the "**Principal Register**") or an Overseas Branch Register (as defined below) in order to have the right to attend and vote at the meeting. Every holder of Ordinary Shares who is entitled to be and is present in person (including any corporation by its duly authorised representative) at a general meeting of the Issuer and is entitled to vote will have one vote on a show of hands and, on a poll, if present in person or by proxy, will have one vote for every such share held by them, save that a member will not be entitled to exercise the right to vote carried by such shares if they or any person appearing to be interested in the shares held by them has been duly served with a notice under section 793 of the Companies Act (requiring disclosure of interests in shares) and is in default in supplying the Issuer with information required by such notice.

Holders of Sterling Preference Shares are entitled to attend and vote at general meetings of the Issuer if any dividend payable on the relevant Sterling Preference Shares in respect of such period as the Board may determine prior to allotment thereof is not paid in full or in such other circumstances, and upon and subject to such terms, as the Board may determine prior to the allotment of the relevant Sterling Preference Shares.

General Meetings

The Issuer must give at least 21 clear days' notice in writing of an annual general meeting. All other general meetings may be called by at least 14 clear days' notice in writing.

The Board shall determine in relation to each general meeting the means of attendance at and participation in the meeting, including whether the persons entitled to attend and participate in the general meeting shall be enabled to do so partly by simultaneous attendance and participation at a physical place anywhere in the world determined by it, and partly by means of an electronic facility or facilities determined by it in accordance with the Articles of Association. The shareholders present in person or by proxy at the satellite meeting places or through an electronic facility will be counted in the quorum for the general meeting. The satellite meeting places and electronic facilities offered by the Board must enable shareholders to participate in the business for which the meeting has been convened. Members attending must be able to hear all persons who speak at the meeting and be heard by all other persons attending and participating in the meeting if they wish to speak themselves.

For the purpose of controlling the level of attendance or ensuring the health and safety of those attending at any place specified for the holding of a general meeting and ensuring the security and orderly conduct of the meeting, the Board may make from time to time such arrangements as the Board considers to be appropriate. The chair of a general meeting has express authority to interrupt or adjourn the meeting if, in their opinion, it has become necessary to do so in order to secure the proper and orderly conduct of the meeting. Annual general meetings of the Issuer are to be held at such time and in such place as the Board may determine.

Dividends and other Distributions and Return of Capital

The Issuer may, by ordinary resolution, declare dividends to be paid to holders of Ordinary Shares, but no dividend shall exceed the amount recommended by the Board. The Board may pay or declare and pay interim dividends as appears to the Board to be justified by the profits available for distribution. In the absence of a resolution from the Board as to when an interim dividend will constitute a debt owed by the Issuer, it will not constitute a debt owed by the Issuer until payment.

The Board may, with the prior authority of an ordinary resolution of the Issuer and subject to such terms and conditions as the Board may determine, offer to any holder of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in any currency in respect of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. At the annual general meeting of the Issuer held on 29 April 2022, shareholders renewed the authority to give the directors authority to offer a scrip dividend alternative until the conclusion of the annual general meeting of the Issuer in 2025.

On any distribution by way of capitalisation, the amount to be distributed will be appropriated amongst the holders of Ordinary Shares (whether or not fully paid) in proportion to their holdings of Ordinary Shares and apply such amount on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Ordinary Shares held by them, or in paying up in full unissued shares or debentures of the Issuer of a nominal amount equal to that amount, and allot the shares or debentures to those holders of Ordinary Shares.

The Sterling Preference Shares carry the right in priority to the payment of any dividend to the holders of Ordinary Shares and any other class of shares (other than other Preference Shares that rank *pari passu* or in priority as regards income) to a non-cumulative preference dividend payable at such rate and on such terms as the Board may determine prior to the allotment of such shares.

A dividend will not be declared or paid on the Sterling Preference Shares if payment of the dividend would cause the Issuer not to meet the applicable capital adequacy requirements of the PRA or if the profits of the Issuer available for distribution, in the opinion of the Board, are not sufficient to enable it to pay in full dividends on those preference shares and on any other shares scheduled to be paid on the same date and that have an equal right to dividends.

All dividends shall be apportioned and paid proportionately to the percentage of the nominal amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid, save that if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly. Subject to the rights attaching to any shares, any dividend or other monies payable in respect of a share may be paid in such currency as the Board may determine. If and whenever the shares on which a dividend is declared are denominated in different currencies, the dividend shall be declared in a single currency (which may be any currency).

Any dividend unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Issuer until claimed and the Issuer is not constituted as a trustee over such unclaimed dividends. Any dividend unclaimed for a period of 12 years after having become due for payment (if the Board so resolves) may be forfeited and revert to the Issuer. No dividends or other monies payable on or in respect of a share shall bear interest against the Issuer. Any dividend which is outstanding in respect of any shares that are forfeited as a result of a failure to pay an unpaid amount when called or the shares of an untraced member which are sold will also be forfeited.

On a return of capital, whether in a winding-up or otherwise, the Ordinary Shares will rank equally in all respects and the Preference Shares in the Issuer will be entitled to the rights attaching to them on issue.

Variation of Rights and Alteration of Capital

The rights attached to any class of shares in the Issuer may (subject to their terms of issue) be varied or abrogated in such manner (if any) as may be provided by the rights contained in the Articles of Association or, in the absence of such provision, with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares held in treasury) or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. At any such separate meeting, the provisions of the Articles of Association relating to general meetings will apply, but the necessary quorum at any such meeting will be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class (except at an adjourned meeting, at which the quorum shall be any holder of shares of the class, present in person or by proxy) and any such person may demand a poll.

The rights attached to the Ordinary Shares may also be varied or abrogated by a special resolution of the Issuer without the separate consent or sanction of the holders of any of the Ordinary Shares; provided that the rights attached to all the Ordinary Shares are thereby varied or abrogated in like manner and to like extent, and, accordingly, neither the passing nor the implementation of any such resolution constitutes a variation or abrogation of any of the rights attached to any of the Ordinary Shares.

As a matter of English law, the Issuer may:

- by ordinary resolution, increase its share capital, consolidate and divide all or any of its shares into shares of a larger nominal amount than its existing shares and sub-divide all or any of its shares into shares of smaller amount; and
- by special resolution, reduce its share capital, any capital redemption reserve, share premium account or other undistributable reserve in any way.

Transfer of Shares

All transfers of shares in the Issuer which are in certificated form may be effected by instrument of transfer in writing in any usual form or in any other form approved by the Board. Such instrument must be executed by or on behalf of the transferor and, if the shares thereby transferred are not fully paid up, by or on behalf of the transferee. The transferor will be deemed to remain the holder of the shares transferred until the name of the transferee is entered in a register of members of the Issuer in respect thereof. All transfers of shares which are in uncertificated form may be effected by means of a computer based system and procedures which enable title to units of a security to be evidenced and transferred without a written instrument (a "**relevant system**").

The Board may refuse to register any transfer of shares (not being fully paid shares or in respect of which the Issuer has a lien) provided that, where any such shares are listed on the London Stock Exchange or such other principal stock exchange in the UK for the time being, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The Board may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the Regulations and the relevant system. If the Board refuses to register a transfer of a share, it must give notice of such refusal to the relevant transferee within two months after the date on which the transfer was lodged with the Issuer, together with reasons for the refusal.

To be registered, a transfer of shares must:

- be in relation to shares which are fully paid up and on which the Issuer does not have any lien;
- relate to one class of shares;
- be in favour of a single transferee or not more than four joint transferees; and
- be duly stamped (if required).

A transfer of shares must be notified to the Issuer's registered office or its registrars, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued or in the case of an uncertificated share) by the certificate to which it relates and such other evidence that proves the title of the transferor and the due execution of the transfer by them or the authority of some other person to do so on their behalf.

The Issuer's shares are in registered form and the Articles of Association do not provide for bearer shares.

The Board is required to keep the following registers of its members:

- in the UK, the Principal Register;
- in Hong Kong, a register of members resident in Hong Kong (the "**Hong Kong Branch Register**"); and
- in any such other countries or territories that the Board may from time to time, in its sole discretion, determine, a register of members resident in such country or territory (together with the Hong Kong Branch Register, the "**Overseas Branch Registers**").

Subject to applicable law, any class of shares may be issued, held, registered, converted to, transferred or otherwise dealt with, in uncertificated form or certificated form and converted from uncertificated form to certificated form in accordance with the Regulations and the practices instituted by Euroclear UK & International Limited, or such other person as may from time to time be approved by HM Treasury under the Regulations as operator of the relevant system.

Disclosure of Holdings Exceeding Certain Percentages

The Disclosure, Guidance and Transparency Rules of the UK Financial Conduct Authority ("**DTRs**") require the Issuer's shareholders to notify the Issuer if the voting rights held by such shareholders (including by way of certain financial instruments) reach, exceed or fall below 3 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. Under the DTRs, certain voting rights in the Issuer may be disregarded.

If a shareholder or any person appearing to be interested in shares in the Issuer has been sent a notice under section 793 of the Companies Act (which confers upon public companies the power to require information from any person whom the Issuer knows or has reasonable cause to believe to be interested in the shares) and has failed in relation to any shares (the "**default shares**"), to supply the information requested within the period set out in the notice, then unless the Board otherwise determines, the shareholder is not entitled to be present at or to vote the default shares at any general meeting of the Issuer or to exercise any other right conferred by being a shareholder of the Issuer in relation to such meeting. Unless the Board otherwise determines, if the default shares represent at least 0.25 per cent. in nominal value of the issued shares of that class (excluding shares held as treasury shares), any dividend shall be withheld by the Issuer without interest, no election may be made for any scrip dividend alternative, and no transfer of any shares held by the shareholder will be registered except in limited circumstances.

Mandatory Takeover-Bids, Squeeze-Out and Sell-Out Rules

There are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to the shares in the Articles of Association. However, pursuant to the UK City Code on Takeovers and Mergers, subject to certain exemptions, a mandatory offer must be made for all of the Issuer's shares where a bidder, together with any concert parties, acquires an interest in shares carrying 30 per cent. or more of the voting rights carried by the Issuer's shares; or if a bidder, together with any concert parties, holding not less than 30 per cent. but not more than 50 per cent. of the voting rights carried by the Issuer's shares increases the percentage of shares carrying voting rights in which they are interested. Such a mandatory offer must be made in cash (or be accompanied by a cash alternative) and be at a level of no less than the highest price paid by the bidder or any concert party for any interest in shares of the relevant class during the 12 months prior to the announcement of the offer. The Codes on Takeovers and Mergers and Share Buy-backs in Hong Kong, which also apply to the Issuer, contain similar provisions in relation to mandatory offers.

In addition, the Companies Act provides a bidder with a right to squeeze out minority shareholders (section 979 of the Companies Act) and minority shareholders with a right to be bought out (section 983 of the Companies Act), in each case where such bidder has acquired, or has unconditionally contracted to acquire, both 90 per cent. in value of the Issuer's shares and 90 per cent. of the voting rights carried by the shares. Similar squeeze-out rights are contained in the Codes on Takeovers and Mergers and Share Buy-backs in Hong Kong, which apply where acceptances of offer and purchases made by the bidder and its persons acting in concert with it total 90 per cent. of the disinterested shares (being those shares in the Issuer which are not owned by the bidder or persons acting in concert with it).

Untraced Members

The Issuer is empowered to sell, on such terms as the Board determines, based upon advice of appropriate bankers, brokers or others, to be reasonably practicable, any share registered in the name of a member remaining untraced for 12 years who fails to communicate with the Issuer within three months following notice being sent by the Issuer to the last known physical or email address that it has for the member of the Issuer's intention to make such a disposal; provided that during the 12-year period at least three dividends have become payable and no such dividend has been claimed. Before sending such notice, the Issuer must have used such reasonable efforts as it considers appropriate to trace the relevant holder (which may include engaging a professional asset reunification company or other tracing agent).

The net proceeds from the sale of the shares of an untraced member will be forfeited and will belong to the Issuer and the Issuer will not be liable in any respect to the member who would have been entitled to the shares by law for the proceeds of sale. Any dividend or sum payable in respect of any shares which are outstanding at the time of the sale will also be forfeited and revert to the Issuer when the share is sold. The Issuer may use the money for such good causes as the Board from time to time thinks fit.

Forfeiture and Lien

If a member fails to pay in full any call or instalment of a call on or before the due date for payment, then, following notice by the Board requiring payment of the unpaid amount with any accrued interest and any expenses incurred, such share may be forfeited by a resolution of the Board to that effect (including all dividends declared in respect of the forfeited share and not actually paid before forfeiture). A member whose shares have been forfeited will cease to be a member in respect of the shares, but will, notwithstanding the forfeiture, remain liable to pay to the Issuer all monies which at the date of forfeiture were presently payable together with interest without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

A forfeited share becomes the property of the Issuer, and it may be sold, re-allotted, otherwise disposed of or cancelled as the Board may determine.

The Issuer has a first and paramount lien on every share which is not fully paid, to the extent and in the circumstances permitted by the Companies Act.

The Board may sell all and any of the shares subject to any lien as it may determine, where monies have been called or are payable and a demand has been made in respect thereof. Any share on which the Issuer has a lien may be sold on the terms set out in the Articles of Association. The proceeds of sale shall, after payment of the expenses of the sale, first be applied towards payment of the amount in respect of the lien insofar as it is still payable and then on surrender of the share certificate for cancellation (in the case of shares in certificated form), to the person entitled to the shares at the time of sale.

Winding-Up

Subject to applicable insolvency laws and the Articles of Association, on a winding-up of the Issuer, holders of the Sterling Preference Shares have the right to receive out of assets available for distribution to members, in priority to any payment to holders of Ordinary Shares and any other class of shares (other than other preference shares that rank *pari passu* or in priority as regards repayment of capital), a sum equal to any unpaid dividend on the relevant shares and the amount paid up on the relevant shares together with such premium (if any) as may be determined by the Board prior to the allotment thereof.

On a winding up of the Issuer, the Ordinary Shares rank equally in all respects and distributions of the Issuer's assets to holders of Ordinary Shares will be made in accordance with applicable insolvency laws.

Admission to Trading of the Ordinary Shares

The Ordinary Shares have dual primary listing in the UK and in Hong Kong SAR.

In the UK, the Ordinary Shares currently in issue are listed on the Official List maintained by the UK Financial Conduct Authority and are admitted to trading on the main market of the London Stock Exchange's regulated market for listed securities.

The London Stock Exchange is a key element of the financial infrastructure in the UK. Its roots stretch back to 1801 and the London Stock Exchange's regulated market is regulated by the UK Financial Conduct Authority.

During February 2024, the average daily trading volume (in terms of value) of all order book trading on the London Stock Exchange was £132,228,323. Price and trading information is available on the London Stock Exchange's website which is continually updated with a 15 minute time delay. The trading prices of the Ordinary Shares and daily trading volumes are published on the London Stock Exchange's website and in the London Stock Exchange's Daily Official List, as well as on the Issuer's website. The ISIN of the Ordinary Shares is GB0005405286.

Further information about the London Stock Exchange can be obtained from the website of the London Stock Exchange at www.londonstockexchange.com.

In Hong Kong SAR, the Ordinary Shares currently in issue are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**SEHK**"). The SEHK operates and maintains the only recognised stock exchange in Hong Kong.

The roots of the Hong Kong stock market stretch back to 1891, when the first formal stock exchange was formed. The SEHK, being the current operator of the Hong Kong stock market, was created from the merger of the Hong Kong Stock Exchange, Far East Exchange, Kam Ngan Stock Exchange and Kowloon Stock Exchange in 1986. The principal regulator of Hong Kong's securities and futures markets, including the Main Board of the SEHK, is the Securities and Futures Commission.

During February 2024, the SEHK (Main Board and GEM) had an average daily turnover by value of HK$ 1,431,687,842. Stock price information on the Ordinary Shares is available on the website of Hong Kong Exchanges and Clearing Limited which is continually updated with a delay of at least 15 minutes.

Further information about the SEHK can be obtained from the website of Hong Kong Exchanges and Clearing Limited at http://www.hkex.com.hk/.

The Ordinary Shares currently in issue are also traded on the Bermuda Stock Exchange, as well as on the New York Stock Exchange in the form of American Depositary Shares.

The past and future performance of the Ordinary Shares and their volatility may be obtained from: https://www.hsbc.com/investors/shareholder-information.

TAXATION

United Kingdom Taxation

*The following is a general summary of the UK withholding taxation treatment as at the date hereof in relation to payments of principal and interest in respect of the Securities. It is based on current UK tax law in force as applied in England and Wales and the current published practice of His Majesty's Revenue & 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 other UK tax aspects of acquiring, holding or disposing of Securities. The comments relate only to the position of persons who are absolute beneficial owners of the Securities and who hold the Securities as investments. 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 prospective purchaser in relation to the Securities. Securityholders who are in any doubt as to their tax position should consult their professional advisers. Securityholders who may be liable to taxation in jurisdictions other than the UK in respect of their acquisition, holding or disposal of the Securities 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 UK taxation aspects of payments in respect of the Securities. In particular, Securityholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Securities even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the UK.*

A. United Kingdom Withholding Tax

Securities 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 "**Act**")) for the purposes of Section 987 of the 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 Act). Whilst the Securities are and continue to be quoted Eurobonds, payments of interest on such Securities may be made without withholding or deduction for or on account of UK income tax.

(i) Securities will be regarded as being "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 UK official list (within the meaning of Part 6 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 UK in which there is a recognised stock exchange.

Euronext Dublin is a recognised stock exchange. Securities which are officially listed and admitted to trading on the Global Exchange Market of that exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

(ii) In all cases falling outside the exemption described above, interest on the Securities may fall to be paid under deduction of UK 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 relief or exemption under domestic law which may apply.

B. Other Rules Relating to United Kingdom Withholding Tax

(i) Where interest has been paid under deduction of UK income tax, Securityholders or Couponholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

(ii) Securities may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Securities will not generally be subject to any UK withholding tax pursuant to the provisions mentioned above.

(iii) Where Securities are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax provisions as outlined above.

(iv) The references to "interest" in the above summary under the heading "United Kingdom Taxation" mean "interest" as understood in UK 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 Securities or any related documentation. Where a payment on a Security does not constitute (or is not treated as) interest for UK tax purposes, and the payment has a UK source, it would potentially be subject to UK withholding tax if, for example, it constitutes (or is treated as) an annual payment for UK tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Pricing Supplement). In such a case, the payment may fall to be made under deduction of UK tax (the rate of withholding depending on the nature of the payment), 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 relief or exemption under domestic law which may apply.

(v) The above summary under the heading "*United Kingdom Taxation*" assumes that there will be no substitution of the Issuer pursuant to Condition 15 (*Modification of Terms, Waiver and Substitution*) of the Securities and does not consider the tax consequences of any such substitution.

Singapore Taxation

The statements below are general in nature and are based on the laws (including certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Monetary Authority of Singapore ("MAS") and Inland Revenue Authority of Singapore ("IRAS")) in force as at the date of this Offering Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. It should be noted that as of the date of this Offering Memorandum, the Income Tax (Qualifying Debt Securities) Regulations have not been amended to reflect the amendments to the ITA in respect of the qualifying debt securities scheme pursuant to the Income Tax (Amendment) Act 2023. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant financial sector incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger, the Dealer and any other persons involved in the Programme or the issuance of the Securities accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the statements below are made on the assumption that the Comptroller of Income Tax in Singapore regards each tranche of Securities as "debt securities" for the purposes of the ITA. If any tranche of Securities is not regarded as "debt securities" for the purposes of the ITA, or any distribution payment made under any tranche of Securities is not regarded as interest payable on indebtedness, the tax treatment to holders may differ. Investors and holders of any tranche of Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of Securities.

Interest and Other Payments

Generally, interest and other payments derived by a holder of the Securities who is not resident in Singapore and who does not have any permanent establishment in Singapore is not subject to tax, as such income is likely to be regarded as arising from a source outside Singapore, given that the Issuer is issuing the Securities outside Singapore and not through a branch or otherwise in Singapore. However, even if such interest and payments are regarded as sourced in Singapore, such interest and other payments may also be exempt from tax, including withholding of tax, if the Securities qualify as "qualifying debt securities" as discussed below. Where the Securities are intended to be "qualifying debt securities" for the purpose of the ITA, this will be specified in the relevant Pricing Supplement.

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is 24 per cent. from the year of assessment 2024. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties. Companies are generally subject to income tax at the rate of 17 per cent. on income accrued in, derived from, or received in Singapore from outside Singapore.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

The terms "early redemption fee" and "redemption premium" are defined in the ITA as follows:

"**early redemption fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

References to "early redemption fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

In addition, if the Securities are regarded as "debt securities" and if more than half of a particular Tranche of Securities issued under the Programme are distributed by Specified Licensed Entities, such Tranche of Securities issued under the Programme up to 31 December 2028 would be "qualifying debt securities" for the purposes of the ITA, to which the following treatments shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Securities as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Securities of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Specified Income**") from the Securities paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Securities as the MAS may require), Specified Income from the Securities derived by any company or body of persons (as defined in the ITA) in Singapore, other than any non-resident who qualifies for the tax exemption as described in paragraph (i) above, is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant financial sector incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Securities a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Specified Income) derived from the Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the Issuer, or such other person as the MAS may direct, furnishing to the MAS a return on debt securities in respect of the Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Securities as the MAS may require,

payments of Specified Income derived from the Securities are not subject to withholding of tax by the Issuer.

The term "**Specified Licensed Entity**" means any of the following persons:

(a) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(b) a finance company licensed under the Finance Companies Act 1967 of Singapore;

(c) a person who holds a capital markets services licence under the Securities and Futures Act 2001 to carry on a business in any of the following regulated activities: (i) advising on corporate finance; (ii) dealing in capital markets products; or

(d) such other person as may be prescribed by rules made under Section 7 of the ITA.

However, notwithstanding the foregoing:

(A) if during the primary launch of any Tranche of the Securities, the Securities of such Tranche are issued to fewer than four (4) persons and 50 per cent. or more of the issue of such Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Securities would not qualify as "qualifying debt securities"; and

(B) even though a particular Tranche of Securities are "qualifying debt securities", if, at any time during the tenure of such Tranche of Securities, 50 per cent. or more of the issue of such Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Securities held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

Where interest, discount income, early redemption fee or redemption premium (i.e. the Specified Income) is derived from the Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the ITA (as mentioned above) shall not apply if such person acquires such

Securities using the funds and profits of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Securities without deduction or withholding of tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, early redemption fee or redemption premium) derived from the Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Taxation relating to Payments on Hybrid Instruments

The ITA currently does not contain specific provisions on how financial instruments that exhibit both debt-like and equity-like features, i.e. hybrid instruments, should be treated for income tax purposes. However, the IRAS has published the e-Tax Guide: Income Tax Treatment of Hybrid Instruments (Second Edition) on 21 October 2019 (the "**Hybrid Instruments e-Tax Guide**") which sets out the income tax treatment of hybrid instruments, including the factors that the IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, the IRAS has stated in the Hybrid Instruments e-Tax Guide that:

(a) whether or not a hybrid instrument will be treated as debt or equity security for income tax purposes will firstly depend on its legal form, to be determined based on an examination of the legal rights and obligations attached to the instrument;

(b) a hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer. If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors, not limited to the following, would have to be examined to ascertain the nature of the instrument for income tax purposes.

    These factors include (but are not limited to):

    (i) nature of interest acquired;

    (ii) investor's right to participate in issuer's business;

    (iii) voting rights conferred by the instrument;

    (iv) obligation to repay the principal amount;

    (v) payout;

    (vi) investor's right to enforce payment;

    (vii) classification by other regulatory authority; and

    (viii) ranking for repayment in the event of liquidation or dissolution;

(c) if a hybrid instrument is characterised as a debt instrument for income tax purposes, distributions from the issuer to the investors are regarded as interest; and

(d) if a hybrid instrument issued by a company or real estate investment trust is characterised as an equity instrument for income tax purposes, payments from the issuer to the investors are regarded as either dividends or distributions.

It is not clear whether the Securities will be regarded as "debt securities" under the ITA and the tax treatment to holders of the Securities under Singapore law may differ depending on the characterisation and treatment of the securities by the IRAS. Prospective holders and holders of the Securities should consult their own accounting and tax advisers regarding the Singapore tax consequences of their acquisition, holding or disposal of the Securities.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**"), Singapore Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, for tax purposes in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Securities is made. Please see the section below on "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes*".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued an e-tax guide titled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-tax guide titled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 - Financial Instruments".

Holders of the Securities who may be subject to the tax treatment under sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

Income Tax on Gains Received in Singapore from the Sale or Disposal of Foreign Assets

Under section 10L of the ITA, gains received in Singapore from the sale or disposal by an entity of a relevant group of any foreign asset (i.e. any movable or immovable property situated outside Singapore at the time of such sale or disposal or any rights or interest thereof) is treated as income chargeable to tax. Section 10L applies to sales or disposals that occur on or after 1 January 2024. Under this section, debt securities issued by a company that is incorporated outside Singapore would likely be considered as "foreign assets".

Broadly, a seller entity would be a member of a "relevant group" if (a) its assets, liabilities, income, expenses and cash flows (i) are included in the consolidated financial statements of the parent entity of the group, or (ii) are excluded from the consolidated financial statements of the parent entity of the group solely on size or materiality grounds or on the grounds that the entity is held for sale, and (b) the entities of the group are not all incorporated in a single jurisdiction or any entity of the group has a place of business in more than one jurisdiction.

There are certain exclusions in this regard. The taxation of such gains would not apply to a sale or disposal that is:

(A) carried out as part of, or incidental to, the business of a "prescribed financial institution", which includes licensed banks, licensed finance companies and holders of a capital markets services licence;

(B) carried out as part of, or incidental to, the relevant business activities or operations of an entity enjoying certain tax incentives, such as the financial sector incentive; or

(C) carried out by an excluded entity that has adequate economic substance in Singapore (as defined and provided for under section 10L of the ITA).

The IRAS has also issued an e-tax guide titled "Income Tax: Tax Treatment of Gains or Losses from the Sale of Foreign Assets".

Holders of the Securities who may be subject to the tax treatment under section 10L of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their sale or disposal of the Securities.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

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 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 Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, 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 Securities, such withholding would not apply prior to the second anniversary of the date on which U.S. treasury regulations defining the term "foreign passthru payments" are published in the U.S. Federal Register. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

HSBC Bank plc (the "**Dealer**") has, in a dealer agreement dated on or about 27 March 2024 (the "**Dealer Agreement**", which expression includes any amendments and supplements thereto) 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 Securities. 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 Securities, the Issuer and the relevant Dealer(s) will agree details relating to the form of such Securities and the Conditions relating to such Securities. The Dealer Agreement contains provisions for the Issuer to appoint other dealers (together with the Dealer, the "**Dealers**") from time to time either generally in respect of the Programme or in relation to a particular Tranche of Securities. The price and amount of Securities 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.

General

No action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Memorandum or any Pricing Supplement come are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they subscribe for, purchase, offer, sell or deliver Securities or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out below) to the extent that such restrictions shall, as a result of change(s) in, or change(s) in official interpretation of, after the date hereof, applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the first paragraph under the heading "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in a supplement to this Offering Memorandum or in the relevant Pricing Supplement. Each new Dealer so appointed will be required to represent, acknowledge (as applicable) and agree to the following selling restrictions as part of its appointment.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, 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 MiFID II; or

(ii) a customer within the meaning of 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.

United States of America

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons 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 Securities 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 and regulations thereunder.

Each Dealer has agreed that (a) it will not offer, sell or deliver Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities of a Tranche, as certified to the Principal Paying and Conversion Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Securities to or through more than one Dealer, by each of such Dealers as to the Securities of such Tranche purchased by or through it, in which case the Principal Paying and Conversion 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 Securities 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 Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Securities comprising any Tranche, any offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Selling restrictions addressing United Kingdom securities laws

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the UK by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed that:

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

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the UK; and

(c) it has complied and will comply with the PI Rules, as amended or replaced from time to time, with such Dealer deemed to be a "firm" for these purposes.

Mainland China

Each Dealer has represented and agreed that the Securities may not be offered or sold directly or indirectly within mainland China (which excludes Hong Kong and Macau Special Administrative Regions and Taiwan), except as permitted by applicable laws of mainland China. This Offering Memorandum or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in mainland China. This Offering Memorandum, any information contained herein or the Securities have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in mainland China and thus may not be supplied to the public in mainland China or used in connection with any offer for the subscription or sale of the Securities in mainland China.

The Securities may only be invested in by investors in mainland China that are authorised to engage in the investment in the Securities of the type being offered or sold. Investors are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant governmental authorities in mainland China, including, but not limited to, the People's Bank of China, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the National Administration of Financial Regulation and their respective successor authorities and/or other relevant regulatory bodies, and complying with all relevant regulations in mainland China, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

Hong Kong

Each Dealer has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities, other than (i) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO.

Important Notice to CMIs (including private banks) pursuant to Paragraph 21 of The Hong Kong SFC Code of Conduct

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs with respect to a CMI offering, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Securities. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Memorandum and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Securities (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Securities. CMIs are informed that a private bank rebate may be payable as stated in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Securities, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus orders should be sent to the Dealers/Managers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Singapore

Each Dealer has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Taiwan

The Securities have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Securities in Taiwan.

Italy

The offering of the Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Dealer has represented and agreed that any offer, sale or delivery of the Securities or distribution of copies of this Offering Memorandum or any other document relating to the Securities in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Each Dealer has represented and agreed that it will not offer, sell or deliver any Security or distribute any copies of this Offering Memorandum and/or any other document relating to the Securities in the Republic of Italy except:

(a) to qualified investors (*investitori qualificati*) as defined pursuant to Article 2 of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**") and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Italian CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the EU Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any such offer, sale or delivery of the Securities or distribution of copies of this Offering Memorandum or any other document relating to the Securities in the Republic of Italy must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations;

(b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020); and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

GENERAL INFORMATION

1. The establishment and continuation of the Programme was authorised pursuant to resolutions of the Board of Directors of the Issuer passed on 1 August 2014 and 25 January 2024. The maximum aggregate principal amount of Securities outstanding at any one time under the Programme will not exceed USD 50,000,000,000 (and for this purpose, any Securities denominated in another currency shall be translated into U.S. Dollars at the date of the agreement to issue such Securities (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Securities which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

2. The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to the Securities of each Series will be set out in the relevant Pricing Supplement. The relevant Pricing Supplement will specify any other clearing system that has accepted the relevant Securities for clearance together with any further appropriate information.

3. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Principal Paying and Conversion Agent or, as the case may be, the Registrar in relation to each Tranche of Securities.

4. In relation to the Issuer, any transfer of, or payment in respect of, a Security or Coupon involving the government of any country which is at the relevant time the subject of United Nations sanctions, any person or body resident in, incorporated in or constituted under the laws of any such country or exercising public functions in any such country or any person or body controlled by any of the foregoing or by any person acting on behalf of the foregoing may be subject to restrictions pursuant to such sanctions.

5. So long as Securities are listed on the Official List of Euronext Dublin and to trading on the Global Exchange Market, a copy of the following documents may be inspected during normal business hours at the registered office of the Issuer or (where a website link is provided) at the website set out by each relevant document listed below:

   (a) the up to date memorandum and articles of the Issuer (website: www.hsbc.com (please follow links to 'Investors', 'Shareholder and dividend information', 'AGM and shareholder meetings'));

   (b) the 2023 Form 20-F, the 2023 Annual Report and Accounts and the 2022 Annual Report and Accounts (website: www.hsbc.com (please follow links to 'Investors', 'Results and announcements', 'All reporting'));

   (c) the Trust Deed (including the Forms of Securities, Coupons, Talons and Receipts); and

   (d) in the case of any issue of unlisted instruments, any Pricing Supplement will generally only be available for inspection by a holder of such Security and such holder must provide evidence satisfactory to the Issuer as to the identity of such holder.

6. The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors (as defined in the Trust Deed) and/or any other expert in accordance with the provisions of the Trust Deed whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Auditors or such other expert in connection therewith contains any limit on liability (monetary or otherwise) of the Auditors or such other expert.

7. The Issuer will, at its registered office, at the registered office of HSBC Bank plc and at the specified offices of the Paying Agents, make available for inspection during normal office hours, free of charge, upon oral or written request, a copy of this Offering Memorandum and any document incorporated by reference therein prepared in relation to the Programme. Written or oral requests for such documents should be directed to the specified office of any Paying Agent.

8. PricewaterhouseCoopers LLP ("**PwC**") has audited without qualification the financial statements contained in the 2023 Annual Report and Accounts and the 2022 Annual Report and Accounts for the financial years ended 31 December 2023 and 31 December 2022.

9. There has been no material adverse change in the prospects of the Issuer since 31 December 2023.

10. There has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 31 December 2023.

11. Save as disclosed in Note 28 (*Provisions*) and in Note 36 (*Legal proceedings and regulatory matters*) on pages 405 to 406, and on pages 417 to 420 respectively, of the 2023 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 Offering Memorandum which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Issuer and its subsidiaries.

12. The Legal Entity Identifier (LEI) code of the Issuer is MLU0ZO3ML4LN2LL2TL39.

HEAD AND REGISTERED OFFICE OF THE ISSUER

HSBC Holdings plc
8 Canada Square
London
E14 5HQ
United Kingdom
(Tel: +44 20 7991 8888)

TRUSTEE

The Law Debenture Trust Corporation p.l.c.
8th Floor
100 Bishopsgate
London
EC2N 4AG
United Kingdom

PRINCIPAL PAYING AND CONVERSION AGENT AND REGISTRAR

HSBC Bank plc
8 Canada Square
London
E14 5HQ
United Kingdom

ARRANGER AND DEALER

HSBC Bank plc
8 Canada Square
London
E14 5HQ
United Kingdom

LEGAL ADVISERS TO THE ISSUER

as to English law

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ
United Kingdom

LEGAL ADVISERS TO THE ARRANGER AND DEALER(S) AND THE TRUSTEE

as to English law

Linklaters LLP
One Silk Street
London
EC2Y 8HQ
United Kingdom