



HSBC Bank plc

*(A company incorporated with limited liability in England with registered number 14259)
as Issuer*

PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS

This supplement (the "**Supplement**") to the offering memorandum dated 6 June 2018 relating to the Programme for the Issuance of Notes and Warrants and the supplement thereto dated 8 August 2018 (together, the "**Offering Memorandum**"), which constitutes listing particulars for the purposes of listing ("**Listing**") on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and trading on the Global Exchange Market of Euronext Dublin and, for the avoidance of doubt, which does not constitute (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Directive 2003/71/EC (as amended or superseded)), constitutes supplementary listing particulars (pursuant to rule 3.10 of the Global Exchange Market Listing and Admission to Trading – Rules) for the purposes of Listing.

Terms defined in the Offering Memorandum have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Memorandum and any other supplements to the Offering Memorandum prepared by HSBC Bank plc, as issuer (the "**Issuer**") in relation to its Programme for the Issuance of Notes and Warrants.

This Supplement has been approved by Euronext Dublin for the purposes of Listing.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to:

- insert in Part B of the Offering Memorandum a set of alternative terms and conditions which can be specified to apply to Notes (the "**Alternative Note General Conditions**"), together with a related pro forma Pricing Supplement, as set out in Annex 1 hereto;
- insert in Part D of the Offering Memorandum an alternative set of additional provisions which can be specified to apply to Equity-Linked Notes and Index-Linked Notes (the "**Alternative Equity/Index-Linked Additional Provisions**"), together with a related pro forma Pricing Supplement, as set out in Annex 2 hereto;
- amend certain of the risk factors in the Offering Memorandum to take account of the Alternative Note General Conditions and the Alternative Equity/Index-Linked Additional Provisions, as set out in Annex 3 hereto;
- insert new risk factors to take account of the Alternative Note General Conditions and the Alternative Equity/Index-Linked Additional Provisions, as set out in Annex 4 hereto;
- on page -iv- of the Offering Memorandum insert the following after the last paragraph: "In this Offering Memorandum, references to "**Alternative General Conditions Notes**" are to Notes for

which the relevant Pricing Supplement specifies that "Alternative Note General Conditions" apply."; and

- on page B-89 of the Offering Memorandum, replace the second paragraph of the section entitled "Selling Restrictions Addressing Additional Belgian Securities Laws" with the following:

"Notes other than Alternative General Conditions Notes are not intended to be sold to Belgian Consumers (as defined below). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes other than Alternative General Conditions Notes to Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, the Offering Memorandum, the relevant Pricing Supplement or any other offering material relating to Notes other than Alternative General Conditions Notes to Belgian Consumers."

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated by reference in the Offering Memorandum prior to the date of this Supplement, the statement in this Supplement will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Memorandum has arisen or been noted, as the case may be, since the publication of the Offering Memorandum.

ANNEX 1

PART B - INFORMATION RELATING TO THE NOTES GENERALLY

ALTERNATIVE TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions applicable to the Notes (the "Conditions") of each Series for which the Pricing Supplement specifies that "Alternative Note General Conditions" apply. The Conditions which are completed by the Pricing Supplement and will be incorporated by reference into each Note in global form (subject to the section entitled "Summary of provisions relating to the Notes while in global form") and which will be endorsed on the Definitive Notes (if any) issued in exchange for Notes in global form representing each Tranche, details of the relevant Tranche being as set out in the relevant Pricing Supplement. The Pricing Supplement in relation to any Tranche may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following terms and conditions, replace or modify the following terms and conditions for the purpose of such Tranche. Terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

The Notes are issued by HSBC Bank plc (the "**Issuer**") pursuant to a programme for the issuance of notes and warrants (the "**Programme**") established by the Issuer, are constituted by, and have the benefit of, a deed of covenant dated on or about 31 May 2018 (the "**Deed of Covenant**"). The Notes also have the benefit of a master note issuance agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 31 May 2018 (as further modified and/or amended from time to time, the "**Master Note Issuance Agreement**") and made between the Issuer and, HSBC Bank plc and The Hongkong and Shanghai Banking Corporation Limited as dealers (in this capacity, each a "**Dealer**" and together, the "**Dealers**", which expression shall include any successor Dealer(s)) and an issuing and paying agency agreement dated 24 February 1999 as most recently modified, supplemented and/or restated on or about 31 May 2018 (as further modified and/or amended from time to time, the "**Issuing and Paying Agency Agreement**") and made between the Issuer, HSBC Bank plc and HSBC France as calculation agents (HSBC Bank plc or, as the case may be, HSBC France being the "**Calculation Agent**" with respect to the Notes if so specified in the relevant Pricing Supplement, which expression includes any successor or other Calculation Agent appointed pursuant to the Issuing and Paying Agency Agreement and specified in the relevant Pricing Supplement), HSBC Bank plc and HSBC Bank USA, National Association as transfer agent (HSBC Bank plc or, as the case may be, HSBC Bank USA, National Association being the "**Transfer Agent**", which expression shall include any successor or other Transfer Agent appointed pursuant to the Issuing and Paying Agency Agreement), HSBC Bank plc as the principal paying agent (HSBC Bank plc being the "**Principal Paying Agent**", which expression shall include any successor or other Principal Paying Agent appointed pursuant to the Issuing and Paying Agency Agreement and, together with any additional paying agent appointed pursuant to the Issuing and Paying Agency Agreement or the Computershare Agency Agreement (as defined below), as specified in the relevant Pricing Supplement, the "**Paying Agents**"), HSBC Bank plc as issue agent (HSBC Bank plc being the "**Issue Agent**", which expression shall include any successor or other Issue Agent appointed pursuant to the Issuing and Paying Agency Agreement) and HSBC Bank plc and HSBC Bank USA, National Association as registrar (HSBC Bank plc or, as the case may be, HSBC Bank USA, National Association being the "**Registrar**", which expression shall include any successor or other Registrar appointed pursuant to the Issuing and Paying Agency Agreement), and the other parties specified therein.

In addition, the Issuer has entered into an agreement with Computershare Investor Services PLC dated 23 April 2010 (such agreement, as amended and/or supplemented and/or restated from time to time, the "**Computershare Agency Agreement**") appointing the latter as registrar and paying agent (the "**CREST Registrar**", which expression shall include any successor registrar and paying agent) with respect to Uncertificated Registered Notes (as defined below).

All Notes will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes issued on different issue dates. Each Tranche will be the subject of a Pricing Supplement (the "**Pricing Supplement**"), a copy of which will be attached to or endorsed on or incorporated by reference in each Note of such Tranche. Other than the issue date, the issue price and the date for the first payment of interest, the Notes of each Series will have identical terms and conditions save that a Series may comprise Bearer Notes and Registered Notes and may comprise Notes in more than one

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denomination. The Notes of each Tranche will have identical terms and conditions save that a Tranche may comprise Bearer Notes and Registered Notes and may comprise Notes of different denominations.

Copies of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the Deed of Covenant and the Computershare Agency Agreement are available for inspection by Holders (as defined below) of Notes, and copies of the relevant Pricing Supplement, this Offering Memorandum and any supplement thereto may be obtained in each case during normal business hours at the specified office of the Issuer and of the Paying Agent in London or, in the case of Uncertificated Registered Notes, the CREST Registrar. The Holders (as defined in Condition 2(b) (*Form, Denomination and Title – Bearer Notes*)) for the time being of Notes (the "**Noteholders**", which expression shall, in the case of Bearer Notes, include reference to the Holders of the Coupons appertaining thereto) and of any coupons (the "**Coupons**") or talons (the "**Talons**") (the "**Couponholders**") are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the Computershare Agency Agreement and the Deed of Covenant.

Words and expressions defined in the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement or the Computershare Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any of the Master Note Issuance Agreement, the Issuing and Paying Agency Agreement, the Computershare Agency Agreement and the relevant Pricing Supplement, the relevant Pricing Supplement will prevail.

1. Definitions

As used in these Conditions, the following expressions shall have the following meanings:

"**Accreted Principal Amount**" has the meaning ascribed thereto in Condition 7(e) (Early Redemption of Zero Coupon Notes);

"**Accrual Yield**" means, in the case of Zero Coupon Notes, the percentage rate per annum specified as such in the relevant Pricing Supplement;

"**Administrator/Benchmark Event**" means, in respect of any Series of Notes and a Relevant Benchmark, that one of the following events has occurred or will occur, as determined by the Issuer, in respect of such Relevant Benchmark:

- (a) a "**Non-Approval Event**", being any of the following:
 - (i) any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is not obtained;
 - (ii) the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is not included in an official register; or
 - (iii) the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark does not fulfil any other legal or regulatory requirement applicable to the Issuer or the Relevant Benchmark,

in each case, as required under any applicable law or regulation in order for the Issuer, the Calculation Agent or any other entity to perform its or their respective obligations in respect of the Notes. For the avoidance of doubt, a Non-Approval Event shall not occur if the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is not included in an official register because its authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended if, at the time of such suspension, the continued provision and use of the Relevant Benchmark is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension;

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- (b) a "**Rejection Event**", being the relevant competent authority or other relevant official body rejects or refuses any application for authorisation, registration, recognition, endorsement, an equivalence decision, approval or inclusion in any official register which, in each case, is required in relation to the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark under any applicable law or regulation for the Issuer, the Calculation Agent or any other entity to perform its or their respective obligations in respect of the Notes; or
- (c) a "**Suspension/Withdrawal Event**", being:
 - (i) the relevant competent authority or other relevant official body suspends or withdraws any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark which is required under any applicable law or regulation in order for the Issuer, the Calculation Agent or any other entity to perform its or their respective obligations in respect of the Notes; or
 - (ii) the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is removed from any official register where inclusion in such register is required under any applicable law or regulation in order for the Issuer, the Calculation Agent or any other entity to perform its or their respective obligations in respect of the Notes.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or where inclusion in any official register is withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Relevant Benchmark is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension or withdrawal;

"**Affected Relevant Benchmark**" means, in relation to any Series of Notes, the Relevant Benchmark affected by a Benchmark Trigger Event;

"**Agents**" means each of the Paying Agents, the Transfer Agent, the Issue Agent and the Registrar;

"**Aggregate Outstanding Nominal Amount**" means, in respect of Notes which are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the aggregate outstanding nominal amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes;

"**Alternative Payment Currency**" means the currency, which may be Offshore RMB, specified as such in the relevant Pricing Supplement;

"**Alternative Payment Currency Equivalent**" means the relevant amount in the Settlement Currency determined by the Calculation Agent converted into the relevant Alternative Payment Currency using the Alternative Payment Currency Exchange Rate for the relevant Alternative Payment Currency Fixing Date;

"**Alternative Payment Currency Exchange Rate**" means:

- (a) the rate of exchange between the Settlement Currency and Alternative Payment Currency (expressed as the number of units of Alternative Payment Currency per one unit of Settlement Currency or as the number of units of Settlement Currency per one unit of Alternative Payment Currency (as applicable)) as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time on the Alternative Payment Currency Fixing Date and as observed by the Calculation Agent;
- (b) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the

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Alternative Payment Cross Currency Rate and the Settlement Currency Exchange Rate, as determined by the Calculation Agent; or

- (c) such other rate as may be specified in the relevant Pricing Supplement.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Alternative Payment Currency Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent and (a) if Alternative Payment Currency Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate in accordance with the Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Alternative Payment Currency Exchange Rate in accordance with such Alternative Payment Currency Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in its discretion; or (b) if such Alternative Payment Currency Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in accordance with sub-paragraphs (X) or (Y), as applicable, of Condition 9(f) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

"Alternative Payment Cross Currency Rate" means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Alternative Payment Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

"Alternative Payment Currency Fixing Date" means:

- (a) the date specified as such in the Pricing Supplement;
- (b) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate); or
- (c) otherwise, the fifth day (or such other number of days specified in the relevant Pricing Supplement) prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate).

If such date falls on a day that is a Saturday or Sunday or on which commercial banks are not open for general business and dealings in foreign exchange in the jurisdiction or place specified in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, the Alternative Payment Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction (a "**closed day**"), then:

- (x) if "Condition 1" is specified as applicable in the relevant Pricing Supplement, the Alternative Payment Currency Fixing Date shall be the immediately following calendar day that is not a closed day; and
- (y) otherwise, the Alternative Payment Currency Fixing Date shall be the immediately preceding calendar day that is not a closed day;

"Alternative Payment Currency Fixing Page" means the Reuters or other screen page specified as such in the relevant Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Alternative Payment Currency Exchange Rate by reference to the spot rate prevailing in the international exchange market;

"Alternative Payment Currency Fixing Time" means the time and place specified as such in the relevant Pricing Supplement or, such other time and place as the Calculation Agent determines in

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the case of a successor page to the Alternative Payment Currency Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

"Alternative Payment Currency Jurisdiction" means the jurisdiction specified as such in the relevant Pricing Supplement;

"Alternative Payment Settlement Days" means the number of local banking days specified as such in the relevant Pricing Supplement or if the relevant Pricing Supplement does not specify any Alternative Payment Settlement Days then the Alternative Payment Settlement Days shall be deemed to be 3 local banking days;

"Alternative Pre-nominated Index" means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the relevant Pricing Supplement as an "Alternative Pre-nominated Index" and which is not subject to a Benchmark Trigger Event;

"Benchmark Trigger Event" means:

- (a) in respect of a Series of Notes that references a Relevant Benchmark that is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate, an Index Cessation Event or an Administrator/Benchmark Event; and
- (b) in respect of any other Series of Notes, an Administrator/Benchmark Event;

"Benchmark Trigger Event Determination Date" means, in relation to any Series of Notes and a Relevant Benchmark, the date on which the Issuer determines that a Benchmark Trigger Event has occurred;

"Business Centre" means the city or cities specified as such in the relevant Pricing Supplement;

"Business Day" means:

- (a) in relation to any sum payable in euro, a Euro Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in London and each (if any) Business Centre and on which the relevant Clearing System is open for business; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the principal financial centre of the relevant currency and in each (if any) Business Centre and on which the relevant Clearing System is open for business;

"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;

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- (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 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 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;

"Calculation Amount" means the amount in the Denomination Currency specified as such in the relevant Pricing Supplement;

"Clearing System" means, in relation to a Series of Notes, Euroclear, Clearstream, Luxembourg, DTC, CREST and/or any other clearing system specified in the relevant Pricing Supplement in which Notes of the relevant Series are for the time being held, or, in relation to an individual Note, in which that Note is for the time being held;

"Clearing System Currency Eligibility Event" means the relevant Clearing System(s) ceases to accept payments in the Settlement Currency;

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

"Combined Global Registered Note" means a Registered Note in global form eligible for sale in the United States to "qualified institutional buyers" pursuant to Rule 144A under the Securities Act and to non U.S. persons (as defined in Regulation S under the Securities Act) pursuant to Rule 144A and/or Regulation S under the Securities Act;

"Conversion Rate" means:

- (a) the conversion rate of exchange specified as such in the relevant Pricing Supplement;
- (b) if such rate is not specified in the relevant Pricing Supplement, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as published on the Conversion Rate Fixing Page at the Conversion Rate Fixing Time on the Conversion Rate Fixing Date and as observed by the Calculation Agent; or
- (c) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the conversion rate of exchange determined in accordance with, or derived from the Denomination Currency Conversion Rate and the Settlement Currency Conversion Rate, as determined by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on a Conversion Rate Fixing Date the Relevant Rate is not available for any reason

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as determined by the Calculation Agent, and (a) if Conversion Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Conversion Rate in accordance with the Conversion Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Conversion Rate in accordance with such Conversion Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Conversion Rate in its discretion; or (b) if Conversion Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Conversion Rate in accordance with Condition 9(f) (*Price Source Disruption and FX Disruption*) or Condition 9(g) (*EM Price Source Disruption*) (as applicable) or, if neither Price Source Disruption or EM Price Source Disruption are specified as applicable in the relevant Pricing Supplement, in its discretion;

"Conversion Rate Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place specified as such in the relevant Pricing Supplement, or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Settlement Currency Jurisdiction, Denomination Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

"Conversion Rate Fixing Date" means each of the dates specified as such in the relevant Pricing Supplement or if such date is not a Conversion Rate Business Day the immediately following day that is a Conversion Rate Business Day or, if such date is not specified in the relevant Pricing Supplement, the fifth Conversion Rate Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be a Conversion Rate Business Day if the market was not aware of it not being a Conversion Rate Business Day (by means of a public announcement or by reference to other publicly available information) on the Conversion Rate Fixing Date notwithstanding it subsequently ceases to be a Conversion Rate Business Day for any reason or the market subsequently becomes aware that it was not a Conversion Rate Business Day);

"Conversion Rate Fixing Page" means the Reuters or other screen page specified as such in the Pricing Supplement or any successor page thereof or, if such page is not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Conversion Rate by reference to the spot rate prevailing in the international exchange market;

"Conversion Rate Fixing Time" means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Conversion Rate Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

"CREST" means Euroclear UK and Ireland Limited (formerly known as CRESTCo Limited);

"Cross Currency" means the currency specified as such in the relevant Pricing Supplement, or if such currency is not specified in the relevant Pricing Supplement, the Cross Currency shall mean USD;

"Cross Currency Jurisdiction" means the jurisdiction specified as such in the relevant Pricing Supplement;

"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"**, **"Actual/Actual (ISDA)"**, **"Act/Act"** or **"Act/Act (ISDA)"** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

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- (b) if "**Actual/Actual (ICMA)**" or "**Act/Act (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 one year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (c) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (d) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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- (g) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)]}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D₂** will be 30;

- (h) if "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)]}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30;

"**Deferral Period**" has the meaning ascribed thereto in Condition 9(f) (*Price Source Disruption and FX Disruption*);

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"Denomination Currency" means the currency of denomination of the Notes specified as such in the relevant Pricing Supplement;

"Denomination Currency Conversion Rate" means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Denomination Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

"Denomination Currency Jurisdiction" means the jurisdiction specified as such in the relevant Pricing Supplement;

"Derivative Component" means the option component(s) or embedded derivative(s) in respect of the nominal amount of the Notes or the interest amount due under the Notes;

"Derivative Component Market Value" means, in relation to any Note which is to be redeemed early, the market value of the Derivative Component (which can be positive or negative) as determined by the Calculation Agent by reference to the mark-to-market value of such Derivative Component taking into account the time remaining until the scheduled maturity date of the Notes and calculated in accordance with generally accepted valuation methods for such instruments in the financial markets, **provided that** any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (other than the negative mark-to-market value of such Derivative Component, if applicable), shall not be taken into account when determining the Derivative Component Market Value;

"DTC" means the Depository Trust Company;

"Early Redemption Amount" means, in relation to each Note or Calculation Amount, as applicable,

- (a) where the event giving rise to the early redemption does not constitute Force Majeure
 - (i) an amount equal to the percentage per Calculation Amount;
 - (ii) its Fair Market Value;
 - (iii) its Market Value 1;
 - (iv) its Market Value 2;
 - (v) its Principal Protected Amount;
 - (vi) its Highest Value (Vanilla);
 - (vii) its Highest Value (Structured); or
 - (viii) its Accreted Principal Amount,

in each case (i) as specified in the relevant Pricing Supplement for the event giving rise to the early redemption and calculated in accordance with, and subject to, Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*), and (ii) without prejudice to Condition 7(l) (*Monetisation Option*), if "Monetisation Option" is specified as being applicable in the relevant Pricing Supplement, or

Part B - Information Relating to the Notes Generally – Alternative Terms and Conditions of the Notes

- (b) where the event giving rise to the early redemption constitutes Force Majeure, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note determined by reference to:
- (i) if the Note is actively traded on a regulated market, multilateral trading facility or over-the-counter market and where recent observable bid and ask prices are available, by reference to such prices;
 - (ii) if the Note is not traded on a regulated market, multilateral trading facility or over-the-counter market, or where, in the reasonable determination of the Calculation Agent, no recent observable bid and ask prices that represent the market value of such Notes are available, by reference to a generally accepted valuation method for such instrument in the financial markets,

and provided that any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (excluding, for the avoidance of doubt, any negative mark-to-market value of the Derivative Component, if applicable), shall not be taken into account when determining such amount.

"Early Redemption Valuation Date" means the date on which the Issuer determines that it will exercise its option to redeem the Notes early, such date being notified to Noteholders in the relevant notice of early redemption;

"EM Deferral Period" means, in respect of a Scheduled FX Fixing Date, a period of such number of calendar days as specified in the relevant Pricing Supplement, beginning on and including the relevant Scheduled FX Fixing Date;

"EMU Event" means the occurrence of any of the following, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner:

- (a) the withdrawal from legal tender of any currency that, before the introduction of the euro, was lawful currency in one of the member states;
- (b) the redenomination of any underlying value to which the Notes relate into euro;
- (c) any change in the currency of denomination of any index;
- (d) any change in the currency in which some or all the securities or other property contained in any index is denominated;
- (e) the disappearance or replacement of a relevant rate option or other price source for the national currency of any member state, or the failure of the agreed sponsor (or successor sponsor) to publish or display a relevant rate, index, price, page or screen; or
- (f) the change by any organised market, exchange or clearance, payment or settlement system in the unit of account of its operating procedures to the euro;

"Euro", "euro" "EUR", "€" each means the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty;

"Euro Business Day" or "TARGET Business Day" means a day on which TARGET2 is open for settlement of payments in euro;

"Euroclear" means Euroclear Bank S.A./N.V.;

"exchange date" shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in the manner specified in Condition 13 (*Replacement, Exchange and Transfer*);

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"Fair Market Value" means, in relation to any Note which is to be redeemed early, its fair market value immediately prior to the early redemption date, as determined by the Issuer (acting in good faith and in a commercially reasonable manner) and/or the Calculation Agent, as applicable, less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements, and any such calculation of the fair market value shall have the effect of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make payments in respect of the Notes which would, but for such early redemption, have fallen due after the relevant early redemption date. For the purposes of calculating the Fair Market Value following an Event of Default pursuant to Condition 11 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes;

"Fallback Conversion Rate" means, on any date, the rate of exchange between the Denomination Currency and the Settlement Currency (expressed as the number of units of Settlement Currency per one unit of Denomination Currency or as the number of units of the Denomination Currency per one unit of Settlement Currency (as applicable)) as determined by the Calculation Agent in good faith and published on the Fallback Conversion Rate Fixing Page at the Fallback Conversion Rate Fixing Time for such date;

"Fallback Conversion Rate Fixing Page" means the Reuters or other screen page or the relevant section of the EMTA website specified as such in the Pricing Supplement (or any successor page or website thereof), or if such page or section of the EMTA website is not specified in the relevant Pricing Supplement or there is no successor page or website, the Calculation Agent will determine the relevant Conversion Rate from such other source generally applied in the market for determining such exchange rate;

"Fallback Conversion Rate Fixing Time" means the time and place specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Fallback Conversion Rate Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

"Fee Component" means any costs, as notified by the Issuer to the Calculation Agent (including but not limited to any structuring costs) which were included in the issue price of the relevant Note in an amount equal to the amount of such costs multiplied by the number of days from the Early Redemption Valuation Date to the Maturity Date and divided by the number of days from the Issue Date until the Maturity Date of such Notes;

"Final Redemption Amount" has the meaning ascribed thereto in Condition 7(a) (*Redemption and Purchase - At Maturity*);

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

"Floating Rate Note" means a Note which bears interest at a floating rate and in respect of which the relevant provisions of Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions*) are applicable;

"Floating Rate Option" means, in relation to a Note to which ISDA Determination applies, a rate or price source specified as such in the relevant Pricing Supplement;

"Force Majeure" means any force majeure, act of state, or other event or circumstance occurring after the Issue Date as a consequence of which the fulfilment of the obligations of the Issuer under the Notes has become impossible through the occurrence of an external event that is not attributable to the Issuer;

"FX Cut-off Date" has the meaning ascribed thereto in Condition 9(f) (*Price Source Disruption and FX Disruption*);

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"FX Disruption Event" means the occurrence, as determined by the Calculation Agent, of (i) (a) an Inconvertibility, (b) Non-transferability, (c) Illiquidity or (d) any other event affecting the Denomination Currency, Cross Currency, Reference Currency, Settlement Currency or Specified Currency (as applicable) (the **"FX Disruption Relevant Currency"**) which would make it unlawful or not possible using commercially reasonable efforts for reasons outside the control of the Issuer and/or the Calculation Agent, in whole or in part, (including without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial power) for the Issuer (or the Issuer's affiliate) to pay or receive amounts in the FX Disruption Relevant Currency; or (ii) if Offshore RMB is specified as the applicable FX Disruption Relevant Currency, each of the events specified in (i) above, plus an Offshore RMB Disruption;

"Governmental Authority" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the Settlement Currency Jurisdiction or, where the Settlement Currency is specified to be RMB, in the PRC and each Offshore RMB Centre;

"Government Bonds" means, in relation to a Series of Notes, bonds or any other debt securities issued by a government, government agency or subdivision or a transnational or supranational organisation as specified in the relevant Pricing Supplement and **"Government Bond"** shall be construed accordingly;

"Highest Value (Structured)" means, in relation to any Note which is to be redeemed early, the higher of Market Value 2 and the Principal Protected Amount, **provided that**

- (a) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Highest Value (Structured); and
- (b) where Highest Value (Structured) is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Highest Value (Structured);

"Highest Value (Vanilla)" means, in relation to any Note which is to be redeemed early, the higher of Market Value 1 and the Principal Protected Amount, **provided that**

- (a) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Highest Value (Vanilla); and
- (b) where Highest Value (Vanilla) is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Highest Value (Vanilla);

"Illiquidity" means where the foreign exchange market in the Settlement Currency Jurisdiction becomes illiquid after the Trade Date and, as a result of which, the Issuer cannot obtain sufficient Settlement Currency in order to satisfy its obligation to pay any amount in respect of the Notes as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation (if practicable) with two Reference Dealers;

"Inconvertibility" means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the foreign exchange market in the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

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"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 and in its discretion;

"Index Cessation Event" means, in respect of a Relevant Benchmark which is a Reference Rate or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate, the occurrence or existence, as determined by the Issuer, of one or more of the following events:

- (a) the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution, receivership, administration or winding-up of the administrator of the Relevant Benchmark, or the institution of proceedings relating to or analogous to any of the foregoing (as determined by the Issuer) in relation to the administrator, provided that, at that time, there is no successor administrator that will continue to provide the Relevant Benchmark;
- (b) the administrator of the Relevant Benchmark announcing that it has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide the Relevant Benchmark;
- (c) the administrator of the Relevant Benchmark announcing that the Relevant Benchmark has been or will be permanently or indefinitely discontinued; or
- (d) the supervisor of the administrator of the Relevant Benchmark or the administrator of the Relevant Benchmark announcing that the Relevant Benchmark may no longer be used;

"Index-Linked Interest Note" means a Note which bears interest at a rate determined by reference to an index or any other variable as specified in the relevant Pricing Supplement and in respect of which Condition 5(f) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions*) is applicable;

"Initial Underlying Currency Pair Exchange Rate" means the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference Currency (as applicable)) specified as such in the relevant Pricing Supplement;

"Interest Commencement Date" means the date specified as such in the relevant Pricing Supplement;

"Interest Determination Date" means the day determined by the Calculation Agent to be customary for fixing the Reference Rate applicable to deposits in the Relevant Currency for the relevant Interest Period or as otherwise specified in the relevant Pricing Supplement;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

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"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"IRC" means the U.S. Internal Revenue Code of 1986;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and supplemented as at the date of issue of the first Tranche of the Notes of the relevant Series), as published by the International Swaps and Derivatives Association, Inc ("**ISDA**") (copies of which may be obtained from ISDA at www.isda.org);

"Issue Date" means the date specified as such in the relevant Pricing Supplement;

"LBMA" means the London Bullion Market Association or its successor;

"LBMA Physical Settlement Commodity" means each commodity specified as such in the relevant Pricing Supplement;

"LBMA Physical Settlement Disruption Event" means, as determined by the Calculation Agent, an event which is beyond the control of the Issuer or the transferor of the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes and as a result of which the Issuer or such transferor is unable to effect a relevant delivery;

"LBMA Physical Settlement Fallback Redemption Amount" means an amount in the Settlement Currency, US Dollar or such other currency as determined by the Calculation Agent in its sole and absolute discretion in respect of each Note determined by the Calculation Agent, in its sole and absolute discretion, with reference to the price of the LBMA Physical Settlement Commodity to in the spot market on the relevant Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as applicable);

"LBMA Physical Settlement Market Disruption Event" means: (i) the material suspension of, or the material limitation imposed on, trading in the LBMA Physical Settlement Commodity on any exchange or principal trading market which the Calculation Agent considers material in relation to the Notes; (ii) the disappearance of, or of trading in the LBMA Physical Settlement Commodity; or (iii) the disappearance or permanent discontinuance or unavailability of the Conversion Rate or Underlying Currency Pair Exchange Rate notwithstanding the status of trading in the LBMA Physical Settlement Commodity;

"LBMA Transfer Notice" has the meaning given in Condition 9(g) (*Payments – LBMA Physical Settlement*);

"LIBOR" means, in respect of any Relevant Currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (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 (details of historic LIBOR rates can be obtained from the designated distributor);

"local banking day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent, the Paying Agent, or the Registrar or the Transfer Agent to which the relevant Note or Coupon is presented for payment is located;

"Margin" means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

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"Market Value 1" means, in relation to any Note which is to be redeemed early, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note determined by reference to:

- (a) if the Note is actively traded on a regulated market, multilateral trading facility or over-the-counter market and where recent observable bid and ask prices are available, by reference to such prices;
- (b) if the Note is not traded on a regulated market, multilateral trading facility or over-the-counter market, or where, in the reasonable determination of the Calculation Agent, no recent observable bid and ask prices that represent the market value of such Notes are available, by reference to a generally accepted valuation method for such instrument in the financial markets,

provided that

- (i) for the purposes of calculating Market Value 1 following an Event of Default pursuant to Condition 11 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Note;
- (ii) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Market Value 1; and
- (iii) where Market Value 1 is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Market Value 1;

"Market Value 2" means, in relation to any Note which is to be redeemed early, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note which shall be the aggregate of (i) the present value of the savings component of the Notes on the Early Redemption Valuation Date (as calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets) and (ii) the Derivative Component Market Value, **provided that,**

- (a) for the purposes of calculating Market Value 2 following an Event of Default pursuant to Condition 11 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes;
- (b) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (excluding, for the avoidance of doubt, any negative value of the Derivative Component Market Value), shall not be taken into account when determining Market Value 2; and
- (c) where Market Value 2 is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Market Value 2;

"Maturity Date" has the meaning ascribed thereto in Condition 7(a) (*Redemption and Purchase - At Maturity*);

"Maximum Interest Rate" means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

"Maximum Redemption Amount (Call Option)" means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

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"Maximum Redemption Amount (Put Option)" means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

"Minimum Interest Rate" means the percentage rate per annum (or such other applicable period of time) specified as such in the relevant Pricing Supplement;

"Minimum Redemption Amount (Call Option)" means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

"Minimum Redemption Amount (Put Option)" means, in relation to each Note, the percentage of its Calculation Amount specified as such in the relevant Pricing Supplement;

"Monetisation Amount" means, in respect of a Note, the higher of (i) the Principal Protected Amount (if any) and (ii) the amount calculated by the Calculation Agent as follows:

$$(S + D + F) \times (1 + r)^n$$

Where:

"S" is the present value of the savings component of the Notes on the Early Redemption Valuation Date (calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets);

"D" is the Derivative Component Market Value on the Early Redemption Valuation Date;

"F" is the Fee Component;

"r" is a hypothetical annual interest rate that would be applied on an equivalent hypothetical debt instrument issued by the Issuer with the same maturity as the remaining maturing on the Notes from the Early Redemption Valuation Date until the scheduled maturity date of the Notes; and

"n" is the time remaining until the scheduled maturity date of the Notes, expressed as a number of years;

"National Currency Unit" means the national currency unit of any Participating Member State that becomes a denomination of the euro by reason of Council Regulation (EC) No. 1103/97, Council Regulation (EC) No. 974/98 or any other applicable laws;

"Non-transferability" means the occurrence of any event after the Trade Date that makes it impossible for the Issuer to transfer Settlement Currency between accounts inside the Settlement Currency Jurisdiction or from an account inside the Settlement Currency Jurisdiction to an account outside the Settlement Currency Jurisdiction or from an account outside the Settlement Currency Jurisdiction to an account inside the Settlement Currency Jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"Offshore RMB" means RMB that is freely deliverable between accounts in the Offshore RMB Centre in accordance with the law and applicable regulation and guidelines issued by relevant authorities in the Offshore RMB Centre prevailing as of the Trade Date of the Notes;

"Offshore RMB Centre" means the jurisdiction specified as such in the relevant Pricing Supplement;

"Offshore RMB Disruption" means the occurrence of, as determined by the Calculation Agent, an Offshore RMB Inconvertibility, Offshore RMB Non-transferability or Offshore RMB Illiquidity;

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"Offshore RMB Illiquidity" means the occurrence of any event after the Trade Date that makes it impossible (where it has previously been possible) for the Issuer to obtain a firm quote of an offer price in respect of any amount in Offshore RMB in order to satisfy its obligation to pay an amount under the Notes (the **"Relevant Disrupted Amount"**), in each case on the due date for payment, Valuation Date, Conversion Rate Fixing Date or Underlying Currency Pair Fixing Date (as the case may be), either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such Relevant Disrupted Amount, in the general Offshore RMB exchange market in each Offshore RMB Centre in order to perform its obligations under the Notes;

"Offshore RMB Inconvertibility" means the occurrence of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to convert an amount of Offshore RMB no less than the Relevant Disrupted Amount into or from USD (or, if the Settlement Currency specified in the Pricing Supplement is other than USD, then such Settlement Currency) in the general Offshore RMB exchange market in each Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"Offshore RMB Non-Transferability" means the occurrence in each Offshore RMB Centre of any event after the Trade Date that makes it impossible (where it had previously been possible) for the Issuer to transfer Offshore RMB (i) between accounts inside an Offshore RMB Centre, (ii) from an account inside an Offshore RMB Centre to an account outside such Offshore RMB Centre and outside the PRC, or (iii) from an account outside an Offshore RMB Centre and outside the PRC to an account inside such Offshore RMB Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation). For the purpose of Offshore RMB Non-Transferability and Hong Kong as an Offshore RMB Centre only, a segregated Chinese Renminbi fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong;

"Optional Redemption Date (Call Option)" means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(c) (*Redemption at the Option of the Issuer*);

"Optional Redemption Date (Put Option)" means the date specified as such in the relevant Pricing Supplement on which the Notes are being redeemed pursuant to Condition 7(d) (*Redemption at the Option of the Noteholders*);

"Participating Member States" means any member state of the European Union which adopts the single currency in accordance with the Treaty;

"PRC" means the People's Republic of China excluding (solely for this purpose) the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and the Macau Special Administrative Region of the People's Republic of China ("**Macau**") and Taiwan;

"Price Materiality" means the Calculation Agent has determined that the Conversion Rate differs from the Fallback Conversion Rate by the Price Materiality Threshold Percentage or more (**provided that** if the Calculation Agent is unable to determine the Fallback Conversion Rate, the Calculation Agent may determine in its sole discretion (acting in a commercially reasonable matter) whether a Price Materiality has occurred).

"Price Materiality Threshold Percentage" means the percentage specified as such in the Pricing Supplement, or is no such percentage is specified, three per cent.

"Price Source Disruption" means, in relation to a Relevant Rate, such Relevant Rate is not available for any reason as determined by the Calculation Agent;

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"Principal Protected Amount" means an amount, if any, specified as such in the relevant Pricing Supplement in respect of Notes;

"Rate of Interest" means:

- (a) where the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest specified as such in the relevant Pricing Supplement;
- (b) where the Floating Rate Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with Conditions 5(c) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions – Screen Rate Determination*) or 5(e) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions – ISDA Determination*), as applicable; and
- (c) where the Index-Linked Interest Note provisions are specified in the relevant Pricing Supplement as being applicable, the rate of interest determined in accordance with Condition 5(f) (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note provisions - Index-Linked Interest*);

"Redemption Amount" has the meaning given in Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*);

"Redemption Amount (Call Option)" means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*);

"Redemption Amount (Put Option)" means, in relation to each Note, the percentage of its Calculation Amount or its Fair Market Value, in each case as specified in the relevant Pricing Supplement and calculated in accordance with, and subject to, Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*);

"Redenomination Date" means a date (being, in the case of interest-bearing Notes, a date on which interest in respect of such Notes is payable) which:

- (a) is specified by the Issuer in the notice given to the Noteholders pursuant to Condition 10(a) (*Redenomination - General*); and
- (b) falls on or after such date as the country of the Settlement Currency becomes a Participating Member State;

"Reference Bank(s)" means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Currency" means the currency specified as such in the relevant Pricing Supplement;

"Reference Dealers" means leading dealers in the relevant foreign exchange market, as determined by the Calculation Agent;

"Reference Currency Exchange Rate" means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Reference Currency as published on the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

"Reference Currency Jurisdiction" means the jurisdiction specified as such in the relevant Pricing Supplement;

"Reference Rate" has the meaning given in the relevant Pricing Supplement;

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"Regular Period" means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Related Payment Date" means any payment date on the Notes on which the amount payable is calculated by reference to the Relevant Rate determined on the related Scheduled FX Fixing Day;

"Relevant Banking Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Note for a Registered Note where such request for exchange is made to the Principal Paying Agent or the Transfer Agent, in the place where the specified office of the Principal Paying Agent or, as the case may be, the Transfer Agent is located;

"Relevant Benchmark" means, in relation to any Series of Notes:

- (a) each Reference Rate, Floating Rate Option or other interest rate, yield, cost of fund or similar rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Reference Rate or Floating Rate Option);
- (b) each Relevant Rate specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Relevant Rate);
- (c) each Index specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Index);
- (d) each Commodity Reference Price specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Commodity Reference Price); or
- (e) any other index, benchmark or price source specified in the relevant Pricing Supplement as being applicable to such Notes.

To the extent that any index, benchmark or price source constitutes an Alternative Pre-nominated Index or Replacement Index used pursuant to Condition 15A (*Consequences of a Benchmark Trigger Event*), such index, benchmark or price source, as applicable, shall be a "Relevant Benchmark" from the day on which it is first used;

"Relevant Benchmark Determination Date" means, in relation to any Series of Notes and a Relevant Benchmark, a date on which such Relevant Benchmark falls to be determined in accordance with the Conditions;

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"Relevant Benchmark Related Payment Date" means, in relation to any Series of Notes, a Relevant Benchmark and a Relevant Benchmark Determination Date, any payment date under the Notes for which the amount payable is calculated by reference to the Relevant Benchmark as determined on such Relevant Benchmark Determination Date;

"Relevant Currency" has the meaning given in the relevant Pricing Supplement;

"Relevant Currency Business Day" means, in relation to a Relevant Rate that is the:

- (a) Alternative Payment Currency Exchange Rate or Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate (which is being determined for the purposes of determining the Alternative Payment Currency Exchange Rate), an Alternative Payment Currency Fixing Date;
- (b) Conversion Rate or Denomination Currency Conversion Rate or Settlement Currency Conversion Rate (which is being determined for the purposes of determining the Conversion Rate), a Conversion Rate Business Day; or
- (c) Underlying Currency Pair Exchange Rate, Specified Currency Exchange Rate or Reference Currency Exchange Rate, an Underlying Currency Pair Business Day;

"Relevant Financial Centre Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre or centres for the currency in which payment falls to be made (or, where such currency is a National Currency Unit and the Notes have been redenominated into euro pursuant to Condition 10 (*Redenomination*), the former principal financial centre or centres) and in any other place set out in the Pricing Supplement. In the case of payments which fall to be made in euro (save for payments in relation to Notes which have been redenominated into euros pursuant to Condition 10 (*Redenomination*)), a Euro Business Day. The Relevant Financial Centre Days in relation to any Tranche determined in accordance with the above provisions as at the Issue Date shall be specified in the relevant Pricing Supplement;

"Relevant Financial Centre" has the meaning given in the relevant Pricing Supplement;

"Relevant Nominating Body" means, in respect of a Relevant Benchmark:

- (a) the central bank for the currency in which the Relevant Benchmark is denominated or any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark; or
- (b) any working group or committee sponsored by, chaired or co-chaired by, or constituted at the request of (i) the central bank for the currency in which the Relevant Benchmark is denominated, (ii) any central bank or other supervisor which is responsible for supervising either the Relevant Benchmark or the administrator of the Relevant Benchmark, (iii) a group of those central banks or other supervisors or (iv) the Financial Stability Board or any part thereof;

"Relevant Rate" means the Alternative Payment Currency Exchange Rate, Alternative Payment Cross Currency Rate, Conversion Rate, Denomination Currency Conversion Rate, Reference Currency Exchange Rate, Settlement Currency Exchange Rate, Settlement Currency Conversion Rate, Specified Currency Exchange Rate or Underlying Currency Pair Exchange Rate (as applicable);

"Relevant Reference Asset Fallback Provisions" means:

- (a) in relation to a Series of Index-Linked Notes where the Affected Relevant Benchmark is an Index, Condition 22(f)(iii) (*Index Cancellation*), as if the relevant Benchmark Trigger Event were an Index Cancellation;

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- (b) in relation to a Series of Commodity/Commodity Index-Linked Notes where the Affected Relevant Benchmark is a Commodity Reference Price, Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*), as if the relevant Benchmark Trigger Event were a Disappearance of a Commodity Reference Price; and
- (c) in relation to any Series of Notes where the Affected Relevant Benchmark is a Relevant Rate:
 - (i) if (A) "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or (B) neither "Price Source Disruption" nor "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, Condition 9(f) (*Price Source Disruption and FX Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption; and
 - (ii) if "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, Condition 9(g) (*EM Price Source Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Pricing Supplement;

"Replacement Index" has the meaning given to it in Condition 15A(b)(ii)(A) (*Consequences of a Benchmark Trigger Event*);

"Renminbi", **"RMB"** and **"CNY"** all refer to the lawful currency of the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China and the Macau Special Administrative Region of the People's Republic of China and Taiwan);

"Restricted Global Registered Note" means a Registered Note in global form issued and sold solely within the United States or to U.S. persons (as defined in Regulation S under the Securities Act) in reliance on Rule 144A of the Securities Act;

"Scheduled FX Fixing Date" means any day on which the Calculation Agent is required to determine a Relevant Rate;

"Settlement Currency" means the currency specified as such in the relevant Pricing Supplement;

"Settlement Currency Conversion Rate" means, for any Conversion Rate Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Conversion Rate Fixing Page at or around the Conversion Rate Fixing Time and as observed by the Calculation Agent;

"Settlement Currency Exchange Rate" means, for any Alternative Payment Currency Fixing Date, the currency exchange rate between the Cross Currency and the Settlement Currency as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time and as observed by the Calculation Agent;

"Settlement Currency Jurisdiction" means the jurisdiction specified as such in the relevant Pricing Supplement;

"Specified Currency" means the currency specified as such in the relevant Pricing Supplement;

"Specified Currency Exchange Rate" means, for any Underlying Currency Pair Fixing Date, the currency exchange rate between the Cross Currency and the Specified Currency as published on

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the Underlying Currency Pair Fixing Page at or around the Underlying Currency Pair Fixing Time and as observed by the Calculation Agent;

"Specified Currency Jurisdiction" means the jurisdiction specified as such in the relevant Pricing Supplement;

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

"Specified Period" has the meaning given in the relevant Pricing Supplement;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"Trade Date" means the date specified as such in the relevant Pricing Supplement;

"Transfer date" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer;

"Transfer Expenses" means, with respect to any Notes, all stamp, transfer, registration and similar duties and all expenses, scrip fees, levies and registration charges payable on or in respect of or arising on, or in connection with, the purchase or transfer, delivery or other disposition by the transferor to the order of the relevant Noteholders of any underlying value to which the Notes relate;

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

"Underlying Currency Pair Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business and dealings in foreign exchange in the jurisdiction or place as specified in the relevant Pricing Supplement or if no such jurisdiction or place is specified in the relevant Pricing Supplement, the Reference Currency Jurisdiction(s), the Specified Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the Cross Currency Jurisdiction;

"Underlying Currency Pair Exchange Rate" means

- (a) the rate of exchange between the Specified Currency and the Reference Currency (expressed as the number of units of Reference Currency per one unit of Specified Currency or as the number of units of Specified Currency per one unit of Reference Currency (as applicable)) as published on the Underlying Currency Pair Fixing Page at the Underlying Currency Pair Fixing Time on an Underlying Currency Pair Fixing Date and as observed by the Calculation Agent or
- (b) if Cross Currency Exchange Rate is specified as applicable in the relevant Pricing Supplement, the rate of exchange determined in accordance with, or derived from the Specified Currency Exchange Rate and the Reference Currency Exchange Rate, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

The Calculation Agent shall round such rate to the closest four (4) decimal places, 0.00005 being rounded up. If on an Underlying Currency Pair Fixing Date the Relevant Rate is not available for any reason as determined by the Calculation Agent, and (a) if Underlying Currency Pair Exchange Rate Fall-Back provisions are specified in the relevant Pricing Supplement the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate in accordance with the Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement or if the Calculation Agent is not able to determine the relevant Underlying Currency Pair Exchange Rate in accordance with such Underlying Currency Pair Exchange Rate Fall-Back provisions specified in the relevant Pricing Supplement, the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in its discretion; or (b) if such Underlying Currency Pair

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Exchange Rate Fall-Back provisions are not specified in the relevant Pricing Supplement, then the Calculation Agent will determine the Underlying Currency Pair Exchange Rate in accordance with sub-paragraph (i) or (ii), as applicable, of Condition 9(f) (*Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Pricing Supplement, in its discretion;

"Underlying Currency Pair Fixing Date" means each of the dates specified as such in the relevant Pricing Supplement or, if such date is not an Underlying Currency Pair Business Day the immediately following day that is an Underlying Currency Pair Business Day, or if such date is not specified in the relevant Pricing Supplement, the fifth Underlying Currency Pair Business Day prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as applicable) (and for these purposes a day shall be deemed to be an Underlying Currency Pair Business Day if the market was not aware of it not being an Underlying Currency Pair Business Day (by means of a public announcement or by reference to other publicly available information) on the Underlying Currency Pair Fixing Date notwithstanding it subsequently ceases to be an Underlying Currency Pair Business Day for any reason or the market subsequently becomes aware that it was not an Underlying Currency Pair Business Day);

"Underlying Currency Pair Fixing Page" means the Reuters or other screen page as specified as such in the Pricing Supplement or any successor page thereof or, if not specified in the relevant Pricing Supplement or there is no successor page, the Calculation Agent will determine the relevant Underlying Currency Pair Exchange Rate by reference to the relevant spot rate prevailing in the international exchange market;

"Underlying Currency Pair Fixing Time" means the time and place as specified as such in the relevant Pricing Supplement or such other time and place as the Calculation Agent determines in the case of a successor page to the Underlying Currency Pair Fixing Page specified in the Pricing Supplement as being the fixing time and place generally applied in the market for such successor page;

"Unscheduled Holiday" means, in relation to a Relevant Rate, a day, determined by the Calculation Agent, that is not a Relevant Currency Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until on or prior to the second Relevant Currency Business Day (or such other number of Relevant Currency Business Days specified in the relevant Pricing Supplement) immediately preceding the Scheduled FX Fixing Date;

"Zero Coupon Note" means a Note specified as such in the relevant Pricing Supplement and in respect of which Condition 6 (*Zero Coupon Notes*) is applicable; and

"Zero Coupon Note Reference Price" means the price per Note specified as such in the relevant Pricing Supplement.

2. **Form, Denomination and Title**

(a) **Form; Certifications**

Notes are issued in bearer form ("**Bearer Notes**"), in registered form ("**Registered Notes**") or in uncertificated registered form ("**Uncertificated Registered Notes**") as set out in the relevant Pricing Supplement. Bearer Notes issued in definitive form are referred to as "**Definitive Notes**". Definitive Notes will be serially numbered. In the case of Registered Notes, a certificate will be issued to each Noteholder in respect of its registered holding. Each such certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") maintained by the Registrar in respect of the Registered Notes. No single Tranche or Series of Notes offered in reliance on Rule 144A may include Bearer Notes.

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(b) ***Bearer Notes***

(i) *Denomination*

Subject to Condition 10 (*Redenomination*), Bearer Notes will be in the denomination(s) specified in the relevant Pricing Supplement. Bearer Notes of one denomination will not be exchangeable after their initial delivery for Notes of any other denomination.

(ii) *General; Title*

Interest-bearing Definitive Notes will, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery Coupons, presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest-bearing Definitive Notes will also, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery, a Talon for further coupons and the expression "Coupons" shall, where the context so permits, include Talons.

Notes, the principal amount of which is repayable in instalments ("**Instalment Notes**") which are Definitive Notes will have endorsed thereon a grid for recording the repayment of principal or will, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the instalments of principal.

Subject as set out below, title to Bearer Notes will pass by delivery. References herein to the " **Holders**" of Bearer Notes or of Coupons are to the bearers of such Bearer Notes or such Coupons.

To the extent permitted by law, the Issuer, the Principal Paying Agent, any other Paying Agents and the Registrar may deem and treat the Holder of any Bearer Note or of any Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of receiving payment on account thereof and for all other purposes.

(c) ***Registered Notes***

(i) *Denomination*

Registered Notes will be in the denomination(s) and multiples specified in the relevant Pricing Supplement.

(ii) *General; Title*

Title to Registered Notes passes by registration in the Register. References herein to the " **Holders**" of Registered Notes are to the persons in whose names such Registered Notes are so registered in the Register.

To the extent permitted by law, the Issuer, the Principal Paying Agent, any other Paying Agents and the Registrar may deem and treat the person in whose name any Registered Note is registered (and, if more than one, the first named thereof) as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of receiving payment on account thereof and for all other purposes.

(iii) *Regulations concerning transfer and registration of Registered Notes*

All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations (the "**Regulations**") concerning exchange and transfer of Registered Notes scheduled to the Issuing and Paying Agency Agreement. The Regulations may be amended, supplemented or replaced by the Issuer with the prior written approval of the Registrar but without the consent of the Holders of any Notes. A copy of the current

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Regulations are available for inspection during usual business hours at the specified office of the Registrar and the Transfer Agents.

(iv) *Rule 144A Legends*

Upon the transfer, exchange or replacement of Registered Notes bearing the private placement legend for the purpose of Rule 144A under the Securities Act in the case of Restricted Global Registered Notes, Rule 144A Global Registered Notes or Combined Global Registered Notes (a "**Rule 144A Legend**"), each as set forth in the form of the relevant Registered Notes, the Registrar shall deliver only Registered Notes that also bear the relevant legend unless there is delivered to the Issuer and to the Registrar such satisfactory evidence, which may include an opinion, reasonably satisfactory to the Issuer, of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States, that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such Registered Notes are not "restricted securities" within the meaning of Rule 144 under the Securities Act.

(d) *Uncertificated Registered Notes*

The Uncertificated Registered Notes shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Uncertificated Securities Regulations**"). The Uncertificated Registered Notes are participating securities for the purposes of the Uncertificated Securities Regulations. Title to the Uncertificated Registered Notes is recorded on the relevant Operator (as defined below) register of corporate securities. The CREST Registrar on behalf of the Issuer shall maintain a record of uncertified corporate securities (the "**Record**") in relation to the Uncertificated Registered Notes and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer and the CREST Registrar as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**Holder**" and related expressions shall be construed accordingly), and (ii) none of the Issuer and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Notes.

Uncertificated Registered Notes will be in the denomination(s) and multiples specified in the relevant Pricing Supplement.

Title to Uncertificated Registered Notes will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Uncertificated Registered Notes (including transfers of Uncertificated Registered Notes) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

No provision of these Conditions as amended in accordance with the relevant Pricing Supplement shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Notes in uncertificated form, (II) the transfer of title to Uncertificated Registered Notes by means of a relevant system or (III) the Uncertificated Securities Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the relevant Pricing Supplement, so long as the Uncertificated Registered Notes are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Notes shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Notes may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Securities Regulations, and (C) for the avoidance of

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doubt, the Conditions and the relevant Pricing Supplement in relation to any Uncertificated Registered Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Note.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Uncertificated Securities Regulations and the relevant Operator (as such term is used in the Uncertificated Securities Regulations) is CREST (or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Notes and in accordance with the Uncertificated Securities Regulations). Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Notes in accordance with Condition 14 (*Notices*).

If at any time:

- (i) a Noteholder ceases for any reason to be a member of CREST; or
- (ii) the Uncertificated Registered Notes cease for any reason to be participating securities capable of being held in CREST,

then the Issuer shall, in accordance with the rules and procedures governing CREST, ensure that Registered Notes are issued in exchange for the Uncertificated Registered Notes and that such Registered Notes are registered in such names as the Operator shall notify to the Issuer.

3. Status

- (a) The Notes are direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and, at their date of issue, (save for certain obligations required to be preferred by law) with all other unsecured and unsubordinated obligations of the Issuer for the time being outstanding.
- (b) The Notes do not create or transfer in favour of the Noteholder any legal, proprietary, beneficial or other interest in (including, without limitation, voting rights, as applicable) or right to acquire or dispose of any underlying (including, without limitation any reference asset or reference index) or any related purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) as determined in its absolute discretion by the Issuer or an affiliate in order to hedge, individually or on a portfolio basis, a Note ("**Hedging Positions**") and Noteholders shall have no legal, proprietary, beneficial or other interest in any underlying or Hedge Position by virtue of any investment in the Notes.
- (c) The Issuer is not required to hedge the Notes by holding any corresponding Hedging Positions in any underlying and has discretion to decide its hedging strategy.

4. Fixed Rate Note Provisions

(a) Application

This Condition 4 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Accrual of interest

Fixed Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Final Redemption Amount or any other redemption amount, as the case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to

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that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

(c) ***Fixed Coupon Amount***

Only if Fixed Coupon Amount is specified in the relevant Pricing Supplement, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one denomination (as specified in the relevant Pricing Supplement), shall be the relevant Fixed Coupon Amount in respect of the relevant denomination.

(d) ***Calculation of interest amount***

The amount of interest payable in respect of the Notes for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes; or
- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Calculation Amount,

and, in each case, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Settlement Currency (as defined in Condition 1 (*Definitions*)) (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the amount of interest payable in respect of such Note or, as the case may be, the amount of interest payable in respect of the Aggregate Outstanding Nominal Amount shall be the product of (1) the amount (determined in the manner provided above) of interest payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount (or, in the case of Instalment Notes (as defined in Condition 2(b)(ii) (*Form, Denomination and Title – Bearer Notes – General; Title*))), the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount as reduced in proportion with any reduction of the outstanding nominal amount as may be specified in, or determined in accordance with the provisions of the relevant Pricing Supplement without any further rounding). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

5. **Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions**

(a) ***Application***

This Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note provisions, the Index-Linked Interest Note provisions or other variable-linked interest Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) ***Accrual of interest***

Floating Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due

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presentation, payment of the Final Redemption Amount or any other redemption amount, as the case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

(c) *Screen Rate Determination*

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 Notes for each Interest Period will be determined by the Calculation Agent on the following basis, subject always to the provisions of Condition 5(d) (*Alternative Reference Rates*) or Condition 15A (*Consequences of a Benchmark Trigger Event*) (as applicable):

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time;
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the Settlement Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Settlement Currency) on the first day of the relevant Interest Period for loans in the Settlement Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

Investors should note that, if the relevant Pricing Supplement specifies fallback provisions that refer to "ISDA Determination" or the ISDA Definitions, then the Calculation Agent may be required to determine the relevant Rate of Interest by reference to the rates provided by certain financial institutions selected by it in accordance with the ISDA Definitions if (a) such fallback provisions specify a Floating Rate Option which refers expressly to "Reference Banks" in its title or (b) the primary method for determining the relevant rate in accordance with the ISDA Definitions fails for any reason (unless the Pricing Supplement specifies that the fallback in respect

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of such rate shall not be determined by reference to any 'Reference Banks' (as defined in the ISDA Definitions)).

(d) ***Alternative Reference Rates***

If Alternative Reference Rates is specified as applicable in the relevant Pricing Supplement and notwithstanding the provisions of Condition 5(c) (*Screen Rate Determination*), if the Issuer (in consultation with the Calculation Agent) determines that the Reference Rate specified in the relevant Pricing Supplement has ceased to be published on the Relevant Screen Page as a result of such Reference Rate ceasing to be calculated or administered, then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine an alternative rate (the "**Alternative Reference Rate**") and an alternative screen page or source (the "**Alternative Relevant Screen Page**") no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the "IA Determination Cut-off Date") for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5(d));
- (ii) the Alternative Reference Rate shall be such rate as the Independent Adviser determines has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of Eurobonds denominated in the Specified Currency, or, if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the relevant Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Reference Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine an Alternative Reference Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date, then the Issuer (in consultation with the Calculation Agent and acting in good faith and a commercially reasonable manner) shall determine which (if any) rate has replaced the relevant Reference Rate in customary market usage for purposes of determining floating rates of interest in respect of Eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Reference Rate, and the Alternative Reference Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Reference Rate; provided, however, that if this Condition 5(d)(iii) applies and the Issuer is unable to determine an Alternative Reference Rate and Alternative Relevant Screen Page on or prior to the Interest Determination Date relating to the next Interest Period, the Rate of Interest applicable to such Interest Period shall be equal to the sum of the Margin and the rate last determined in relation to the Notes in respect of a preceding Interest Period;
- (iv) if an Alternative Reference Rate and Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Alternative Reference Rate and Alternative Relevant Screen Page shall be the Reference Rate and the Relevant Screen Page in relation to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5(d));
- (v) if the Independent Adviser or, in accordance with Condition 5(d)(iii) above, the Issuer determines an Alternative Reference Rate in accordance with the above provisions, the Independent Adviser or the Issuer (as the case may be) may also, following consultation with the Calculation Agent, specify changes to the Relevant Time, Relevant Financial Centre, Reference Banks, Day Count Fraction, Business Day Convention, Business Days and/or Interest Determination Date applicable to the Notes, and the method for determining the Rate of Interest in relation to the Notes if the Alternative Reference Rate is not available, or fewer than the required number of rates appear, on the Alternative Relevant Screen Page at any time, in order to follow market practice in relation to the Alternative Reference Rate, and shall also specify any other changes (including to the Margin) which the Issuer, following consultation with the Independent Adviser (where

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appointed), determines in good faith are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of the Alternative Reference Rate, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5(d)) and the Issuer shall effect such amendments to the Conditions and such consequential amendments to the Agency Agreement as the Issuer may deem appropriate in order to give effect to this Condition 5(d). No consent of the Holders of the Notes of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with effecting the Alternative Reference Rate, Alternative Relevant Screen Page or such other changes, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (if required); and

- (vi) the Issuer shall promptly following the determination of any Alternative Reference Rate and Alternative Relevant Screen Page give notice thereof and of any changes pursuant to Condition 5(d)(v) to the Principal Paying Agent, the Calculation Agent and the Noteholders (in accordance with Condition 14 (Notices)).

(e) **ISDA Determination**

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the "**Floating Rate Option**" (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
- (ii) the "**Designated Maturity**" (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and
- (iii) the relevant "**Reset Date**" (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement,

provided, however, that:

- (A) unless Alternative Reference Rates is specified as applicable in the relevant Pricing Supplement:
 - (1) if the application of the above provisions does not result in the determination of an ISDA Rate for any Interest Period and if the Issuer (in consultation with the Calculation Agent) has not determined that a Benchmark Trigger Event has occurred in relation to a Relevant Benchmark relating to the Notes, then the Calculation Agent shall determine the ISDA Rate for such Interest Period having regard to such facts and circumstances as it considers relevant; and
 - (2) if in relation to any Interest Period the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Trigger Event has occurred in relation to a Relevant Benchmark relating to the Notes, the provisions of Condition 15A (*Consequences of a Benchmark Trigger Event*) shall apply and the Calculation Agent shall not be required to obtain quotations from Reference Banks (as defined in the ISDA Definitions) for purposes of determining the ISDA Rate for such Interest Period notwithstanding that it might otherwise be required to do so as a fallback procedure for the relevant Floating Rate Option pursuant to the ISDA Definitions; and
- (B) if Alternative Reference Rates is specified as applicable in the relevant Pricing Supplement and the application of the above provisions does not result in the determination of an ISDA

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Rate for any Interest Period, then the provisions of Condition 5(d) (*Alternative Reference Rates*) shall apply as if Screen Rate Determination had been specified in the relevant Pricing Supplement in place of ISDA Determination for such Interest Period, and all future Interest Periods, and as if:

- (1) the Reference Rate were the Floating Rate Option for the Designated Maturity (each as specified in the relevant Pricing Supplement);
- (2) the Relevant Screen Page were the screen page or other price source specified in the ISDA Definitions for such Floating Rate Option;
- (3) the Relevant Time and the Interest Determination Date were, respectively, the time and date as of and on which the ISDA Definitions specify that such Floating Rate Option is, in respect of a Reset Date, to be determined by reference to such screen page or other price source; and
- (4) the Relevant Financial Centre is such city or place as the Calculation Agent determines should be the Relevant Financial Centre to reflect current market practice for such Floating Rate Option.

Investors should note that, 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, then the Calculation Agent may be required to determine the relevant Rate of Interest by reference to the rates provided by certain financial institutions selected by it in accordance with the ISDA Definitions if (a) the Floating Rate Option specified in the Pricing Supplement refers expressly to "Reference Banks" in its title or (b) the primary method for determining the ISDA Rate in accordance with the ISDA Definitions fails for any reason (unless the Pricing Supplement specifies that the fallback in respect of such ISDA Rate shall not be determined by reference to any 'Reference Banks' (as defined in the ISDA Definitions)).

(f) ***Index-Linked Interest***

If the Index-Linked Interest Note provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

(g) ***Maximum or Minimum Interest Rate***

If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(h) ***Calculation of Interest Amount***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Notes for such Interest Period. Unless otherwise provided in the relevant Pricing Supplement, the Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes notwithstanding that the formula specified in the relevant Pricing Supplement may provide for calculation in relation to the Calculation Amount; or

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- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Calculation Amount,

and, in each case, multiplying the product by the Day Count Fraction for such Interest Period, rounding the resulting figure to the nearest sub-unit of the Settlement Currency (as defined in Condition 1 (*Definitions*)) (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the amount of interest payable in respect of such Note or, as the case may be, the amount of interest payable in respect of the Aggregate Outstanding Nominal Amount shall be the product of (1) the amount (determined in the manner provided above) of interest payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount (or, in the case of Instalment Notes (as defined in *Condition 2(b)(ii) (Form, Denomination and Title – Bearer Notes – General; Title)*), the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount as reduced in proportion with any reduction of the outstanding nominal amount as may be specified in, or determined in accordance with the provisions of the relevant Pricing Supplement without any further rounding). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

If interest is required to be paid in respect of the Notes in relation to a period other than an Interest Period, then such interest shall be calculated in accordance with the above paragraph but as if reference therein to "Interest Period" were to such other period.

If the relevant Pricing Supplement specifies an alternative method of calculation of interest amount and "Aggregate Outstanding Nominal Amount Rounding" is specified in such Pricing Supplement as being applicable in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, then such interest shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes and rounded to the nearest currency sub-unit notwithstanding that the formula specified in such Pricing Supplement may provide for the interest amount to be calculated in relation to the Calculation Amount.

- (i) ***Calculation of other amounts***

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

- (j) ***Dividend Equivalent Payments***

In respect of any Series of Notes where the principal and/or interest in respect to such Notes is determined by reference to one or more variables such as an index, formula, security, commodity, currency exchange rate, interest rate, inflation index, the credit of one or more entities or other factor (each variable being a "**Reference Asset**" or, if it is comprised in a basket of variables, a "**Reference Asset Component**"), if the Pricing Supplement in respect of such Notes states the Notes are "Section 871(m) Notes", the Pricing Supplement shall further specify whether the "Dividend Withholding" or "Issuer Withholding" approach to withholding in relation to Section 871(m) IRC shall be applicable to the Notes.

If "Dividend Withholding" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall provide for the Issuer to make payments to Noteholders in respect of any dividend equivalent amounts received or deemed received in respect of any Reference Asset or Reference Asset Component and shall include provisions relating to the amount and timing of such payments.

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If "Issuer Withholding" is specified in the relevant Pricing Supplement, the Pricing Supplement shall specify whether any dividend equivalent amounts are to be treated as being reinvested during the term of the Notes and what portion thereof is expected as of the Issue Date to be treated for U.S. federal income tax purposes as having been withheld from a payment due to the Noteholders.

(k) **Publication**

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s), to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period as a result of the early redemption or the termination of the Notes pursuant to:

- (i) Condition 7(b) (*Redemption for Taxation Reasons*), Condition 7(c) (*Redemption at the Option of the Issuer (Call Option)*), Condition 7(d) (*Redemption at the Option of the Noteholder (Put Option)*), Condition 7(f) (*Early Redemption for Illegality*) or Condition 11 (*Events of Default*) or as a result of the provisions of Condition 9(f) (*Price Source Disruption and FX Disruption*), Condition 10 (*Redenomination*), or
- (ii) where "*Part D - Product Supplement for Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes*" applies to any Notes, Condition 22(f) (*Adjustment to Indices*), Condition 22(g) (*Adjustments and Events affecting Securities*), Condition 22(h) (*Additional Disruption Events*), Condition 22(i) (*Adjustments where the Securities are Units in a Fund*), Condition 22(j) (*Adjustment to Indices for Inflation Rate-Linked Notes*), Condition 22(k) (*Events relating to DR-Linked Notes*), or
- (iii) where "*Part E - Product Supplement for Commodity/Commodity Index Linked Notes*" applies to any Notes, Condition 22(c) (*Consequences of a Market Disruption Event and Disruption Fallbacks*), Condition 22(d) (*Consequences of an Additional Disruption Event*), or
- (iv) where "*Part H - Product Supplement for Fund-Linked Notes*" applies to any Notes, Condition 22(b) (*Occurrence of a Reference Fund Disruption Event*), Condition 22(e) (*Effects of Reference Fund Events*), or
- (v) any other provisions set out in the relevant Pricing Supplement or otherwise.

If the Calculation Amount is less than the minimum denomination, the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum denomination.

(l) **Linear interpolation**

Where "**Linear Interpolation**" is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the Relevant Screen Page, one of which shall be determined as if the Interest Period were the period for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Interest Period were the period for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate in accordance with the provisions of paragraphs (iii)(A) and (B), (iv) and the final proviso of Condition 5(c).

(m) ***Notifications etc.***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) by the Calculation Agent or Independent Adviser will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders **and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.**

6. **Zero Coupon Notes**

- (i) This Condition 6 (*Zero Coupon Notes*) is applicable to the Notes only if the Zero Coupon Note provisions are specified in the relevant Pricing Supplement as being applicable.
- (ii) If any amount payable in respect of a Zero Coupon Note is improperly withheld or refused, such an amount shall thereafter be an amount equal to the sum of:
 - (A) the Zero Coupon Note Reference Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Zero Coupon Note Reference Price on the basis of the relevant Day Count Fraction as may be specified in the relevant Pricing Supplements for the purposes of this Condition 6 (*Zero Coupon Notes*) and Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply) from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7. **Redemption and Purchase**

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled, and subject as otherwise set out in the relevant Pricing Supplement, each Note will be redeemed by the Issuer at an amount (the "**Final Redemption Amount**") as determined by the Calculation Agent and as calculated in accordance with Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*) and the formula or other means specified in the relevant Pricing Supplement, where applicable, in the relevant Settlement Currency on the date specified in the relevant Pricing Supplement as the scheduled date on which such Note is to be redeemed (the "**Maturity Date**") (or, in the case of Instalment Notes, in such number of instalments and in such amounts ("**Instalment Amounts**") as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement), in accordance with the provisions set out in the relevant Pricing Supplement.

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

If in respect of a Series of Notes Condition 8B (*Taxation - No gross-up*) is not specified as applicable in the relevant Pricing Supplement, and:

- (i) on a subsequent date for the payment of interest on such Series of Notes the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*); or
- (ii) if the Issuer were to seek to redeem such Notes (for which purpose no regard shall be had to whether or not the Issuer would otherwise be entitled to redeem such Notes), the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 8A (*Taxation - Gross-up*);

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the Issuer may, having given not less than 30 nor more than 45 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the Noteholders in respect of such Series of Notes, redeem all, but not some only, of such Notes, at their Early Redemption Amount determined by the Issuer in accordance with the Conditions and calculated in accordance with the formula or other means specified in the relevant Pricing Supplement together with interest accrued and unpaid, if any, to the date fixed for redemption **provided that** no such notice of redemption shall be given earlier than 90 days (or in the case of Floating Rate Notes a number of days which is equal to the lesser of the aggregate of the number of days in the then current Interest Period plus 60 days and 90 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

The Issuer may exercise such option in respect of any Note notwithstanding the prior exercise by the Holder thereof or the Issuer of their respective options to require the redemption of such Note under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) respectively, below, if the due date for redemption under this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) would occur prior to that under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively, but not otherwise and, in such circumstances, the exercise of the option under Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*) and 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), respectively shall be rendered ineffective.

Prior to giving any notice of redemption pursuant to this Condition 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) the Issuer may obtain a certificate of an independent legal adviser or accountant to the effect either that such a circumstance does exist or that, upon a change in or amendment to the laws of the United Kingdom (including any regulations pursuant thereto), or in the interpretation or administration thereof, which at the date of such certificate is proposed and in the opinion of such legal adviser or accountant is reasonably expected to become effective on or prior to the date on which the relevant payment of principal or interest in respect of the Notes would otherwise be made, becoming so effective, such circumstances would exist, and any such certificate shall be sufficient to establish the circumstances required by this Condition 7(b).

(c) ***Redemption at the Option of the Issuer (Call Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of the Issuer, the Issuer may at any time (in the case of Fixed Rate Notes or Zero Coupon Notes), on any Interest Payment Date (in the case of Floating Rate Notes) or otherwise as set out in the relevant Pricing Supplement, having given not less than 5 nor more than 30 days' notice (or such other notice period as may be specified in the relevant Pricing Supplement) to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), redeem on the Optional Redemption Date (Call Option) all or some only of the Notes then outstanding on the Optional Redemption Date (Call Option) and at the Redemption Amount (Call Option) as determined by the Issuer in accordance with the Conditions and as calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

If the Notes of a Series are to be redeemed in part only on any date in accordance with this paragraph (c):

- (i) in the case of Bearer Notes (other than a Note which is a Temporary Global Note or a Permanent Global Note), the Notes to be redeemed shall be drawn by lot in such European city as the Principal Paying Agent may specify, or identified in such other manner or in such other place as the Principal Paying Agent may approve and deem appropriate and fair, subject to the rules and procedures of Euroclear and/or Clearstream, Luxembourg (such redemption to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion); and

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- (ii) in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, **provided always that** the amount redeemed in respect of each Note shall be equal to the minimum denomination thereof or an appropriate multiple thereof,

subject always to compliance with all applicable laws and the requirements of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation.

Where a Minimum Redemption Amount (Call Option) and/or a Maximum Redemption Amount (Call Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Call Option) shall not be less than the Minimum Redemption Amount (Call Option) and shall not be more than the Maximum Redemption Amount (Call Option).

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Condition 13 (*Replacement, Exchange and Transfer*) which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

(d) ***Redemption at the Option of the Noteholder (Put Option)***

Where the Notes are specified in the relevant Pricing Supplement as being redeemable at the option of Noteholders, then where a Noteholder has given not less than 15 nor more than 30 days' notice to the Issuer with a copy to the Issue Agent in accordance with Condition 14 (*Notices*), (which notices shall be irrevocable), the Issuer shall, following receipt of such notice from the Noteholder and confirmation from the Issue Agent that it has been duly notified, redeem on the Optional Redemption Date (Put Option), so many of the Notes in respect of which such Noteholder has exercised such option as are outstanding on the Optional Redemption Date (Put Option) and at the Redemption Amount (Put Option) as determined by the Issuer in accordance with the Conditions and as calculated in accordance with the formula or other means specified in the relevant Pricing Supplement, together with interest accrued but unpaid thereon to the date fixed for redemption.

Where a Minimum Redemption Amount (Put Option) and/or a Maximum Redemption Amount (Put Option) is specified in the relevant Pricing Supplement, the Redemption Amount (Put Option) shall not be less than the Minimum Redemption Amount (Put Option) and shall not be more than the Maximum Redemption Amount (Put Option).

In order for any such notice given by a Noteholder to be effective, the Noteholder shall, on or prior to the date on which such notice is given, deposit the Note or Notes in respect of which such notice is given (together, in the case of an interest-bearing Definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent, or, in the case of a Registered Note, the Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar. The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under Condition 7(b) (*Redemption and Purchase - Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase - Redemption at the Option of the Issuer*) or Condition 7(f) (*Redemption and Purchase - Illegality*).

(e) ***Early Redemption of Zero Coupon Notes***

- (i) The redemption amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount calculated in accordance with Condition 7(k) (*Redemption and Purchase - Calculation and Rounding*) and equal to (i) the Early Redemption Amount (if specified in the relevant Pricing Supplement) or (ii) (if no Early Redemption Amount is specified in the relevant Pricing Supplement) the sum of:
 - (A) the Zero Coupon Note Reference Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Zero Coupon Note Reference Price from (and including) the Issue Date to (but

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excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable ((A) and (B) together the "**Accreted Principal Amount**").

- (ii) Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Pricing Supplement for the purposes of Condition 6 (*Zero Coupon Notes*) and this Condition 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) (or, if no such relevant Day Count Fraction is specified, a Day Count Fraction of 30E/360 shall apply).

- (f) ***Early Redemption for Illegality***

The Issuer shall have the right to terminate its obligations under the Notes, if the Calculation Agent shall have determined that the performance of such obligations under the Notes shall after the Trade Date have become unlawful in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; **provided, however, that** if the Calculation Agent determines that the relevant obligations have become unlawful, the Issuer may obtain an opinion of an independent legal adviser to that effect prior to terminating its obligations under the Notes, and any such opinion shall be sufficient to establish the circumstances required by this Condition 7(f). In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 (*Notices*).

- (g) ***Early Redemption for Significant Change Event***

The Issuer shall have the right (but not the obligation) to terminate its obligations under the Notes, if the Issuer shall have determined that an event or circumstance or combination of events or circumstances has occurred that is not attributable to the Issuer but which has as its consequence that the economic balance of the Notes as at the Issue Date is significantly altered, including, without limitation, where such event causes a material increased cost for the Issuer as a consequence of change in tax laws, solvency or regulatory capital requirements, nationalisation, or regulatory action. In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 (*Notices*).

- (h) ***Purchases***

Each of the Issuer and any person directly or indirectly connected with the Issuer may at any time purchase Notes at any price in the open market or otherwise, and such Notes may be held, reissued, resold or, provided such Notes are held by the Issuer, at the option of the Issuer deissued or cancelled.

- (i) ***Cancellation***

All Notes which are redeemed pursuant to Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*) and 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) shall, and all Notes purchased, pursuant to Condition 7(h) (*Redemption and Purchase – Purchases*) may, at the option of the Issuer, be cancelled forthwith (together with, in the case of Definitive Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or resold.

- (j) ***No Other Redemption Provisions***

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 7(a) (*Redemption and Purchase – At Maturity*), 7(b) (*Redemption and Purchase – Redemption for*

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Taxation Reasons), 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer (Call Option)*), 7(d) (*Redemption and Purchase – Redemption at the Option of the Noteholder (Put Option)*), 7(e) (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*) and 7(f) (*Redemption and Purchase – Early Redemption for Illegality*).

(k) **Calculation and Rounding**

Any redemption amount payable on redemption of a Note (the "**Redemption Amount**") shall be calculated pursuant to this Condition 7 (*Redemption and Purchase*) and in rounding any values determined or calculated in connection with such Redemption Amount, the Calculation Agent shall apply the following rounding conventions:

- (i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Pricing Supplement as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Redemption Amount shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes, rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention) notwithstanding that the formula specified in the relevant Pricing Supplement may provide for the Redemption Amount to be calculated in relation to the Calculation Amount; or
- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Pricing Supplement as being applicable, the Redemption Amount shall be calculated in relation to the Calculation Amount rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention).

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Redemption Amount shall be the product of (1) the amount (determined in the manner provided above) payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount (or, in the case of Instalment Notes (as defined in Condition 2(b)(ii) (*Form, Denomination and Title – Bearer Notes – General; Title*)), the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount as reduced in proportion with any reduction of the outstanding nominal amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement without any further rounding). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(l) **Monetisation option**

If "Monetisation Option" is specified in the relevant Pricing Supplement as being applicable, and an event occurs as a consequence of which the Issuer exercises its right to redeem the Notes at the applicable Early Redemption Amount:

- (a) the Noteholder shall receive, on the Maturity Date (and notwithstanding the early redemption notice) the Monetisation Amount, unless the Noteholder elects, in accordance with this Condition 7(l), to receive the Early Redemption Amount on the date fixed for early redemption of the Notes; and
- (b) the Issuer's notice of early redemption must include the following:
 - (i) the cut-off date and time for each Noteholder to elect to receive the Early Redemption Amount on the date fixed for early redemption of the Notes;
 - (ii) the instructions to allow such Noteholder to make such election, substantially in accordance with the paragraph below; and

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- (iii) the Early Redemption Amount Valuation Date;
- (iv) the Early Redemption Amount;
- (v) the amount calculated by the Calculation Agent as the Monetisation Amount; and
- (vi) a confirmation that, in the absence of making an election to receive the Early Redemption Amount, such Noteholder will receive the Monetisation Amount on the Maturity Date.

In order to elect to receive the Early Redemption Amount on the date fixed for early redemption of the Notes, a Noteholder must no later than the cut-off date and time set out in the Issuer's notice of early redemption, give notice to the Issuer with a copy to the Principal Paying Agent in accordance with Condition 14 (*Notices*), and, on or prior to the date on which such notice is given, deposit the Note or Notes in respect of which such notice is given (together, in the case of an interest-bearing Definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent, or, in the case of a Registered Note, the Registrar.

8. **Taxation**

8A. *Taxation - Gross-up*

This Condition 8A will be applicable to all Series of Notes unless it is specified in the relevant Pricing Supplement that Condition 8B (*Taxation - No gross-up*) is applicable.

All payments by the Issuer of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the United Kingdom unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges.

In the event that the Issuer is so required by law to withhold or deduct, it will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes and/or, as the case may be, Coupons, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) to, or to a third party on behalf of, a Holder of a Note or Coupon who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it having some connection with the United Kingdom or any other relevant jurisdiction, other than the mere holding of such Note or Coupon;
- (b) unless it is proved, in the case of Bearer Notes, to the satisfaction of the Principal Paying Agent or the Paying Agent to whom the same is presented, or, in the case of Registered Notes, to the satisfaction of the Registrar, that the Holder is unable to avoid such withholding or deduction by satisfying any statutory requirement or by making a declaration of non residence or other similar claim for exemption to the relevant tax authorities or by notifying (and/or presenting evidence of such notification to) any tax authorities of such payment of principal or interest or by presenting the relevant Note or Coupon at the specified office of another Paying Agent;
- (c) more than 30 days after the Relevant Date (defined below) except, in the case of Bearer Notes, to the extent that the Holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days;
- (d) in the case of Registered Notes, unless it is proved to the satisfaction of the Registrar that the Holder, immediately upon becoming the Holder, (i) was eligible for the benefits of a tax treaty with the United Kingdom or any other relevant jurisdiction that provides for a complete exemption from withholding taxes on payments under the Notes, or (ii) was

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otherwise entitled to a complete exemption from withholding taxes on payments under the Notes; or

- (e) to, or to a third party on behalf of, a Holder who is not the sole beneficial owner of the Note or any Coupon, or a portion of either, or that is a fiduciary or partnership, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due but, in the case of Bearer Notes, if the full amount of the money payable has not been received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect shall have been duly given to the relevant Holders in accordance with Condition 14 (*Notices*).

If the Issuer becomes resident for tax purposes in any taxing jurisdiction other than the United Kingdom, references in this Condition 8 (*Taxation*) to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

Any reference in these Conditions to principal or interest or both in respect of the relevant Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable under this Condition 8 (*Taxation*);
- (ii) the principal amount payable on the relevant Notes on the Maturity Date;
- (iii) the principal amount payable on redemption of the relevant Notes prior to such Maturity Date; and
- (iv) any premium and any other amounts which may be payable under or in respect of the relevant Notes.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts permitted or required by the rules of IRC Section 871(m), or IRC Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**U.S. Permitted Withholding**"). Neither the Issuer nor any Paying Agent will have any obligation to pay additional amounts or otherwise indemnify a holder for any U.S. Permitted Withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of U.S. Permitted Withholding.

8B. *Taxation - No gross-up*

This Condition 8B will only be applicable to a Series of Notes where it is specified in the relevant Pricing Supplement that Condition 8B (*Taxation - No gross-up*) is applicable.

All payments by the Issuer of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the United Kingdom unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges. **In the event that the Issuer is so required by law to withhold or deduct, the Issuer shall not be required to pay any additional amounts in connection with such withholding or deduction.**

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9. Payments

(a) *Bearer Notes*

Payments of principal and interest (if any) in respect of Bearer Notes will (subject as provided below) be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Note or, in the case of payments of interest, surrender of the relevant Coupon at the specified office of any Paying Agent outside the United States (subject to the next paragraph). No payments on Bearer Notes will be made by mail to an address in the United States or by transfer to an account maintained by the Holder in the United States.

Payments of amounts due in respect of interest on Bearer Notes and exchanges of Talons for Coupon sheets will not be made at the specified office of any Paying Agent in the United States or its possessions (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "Code")) and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law, in which case the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

If the due date for payment of any amount due in respect of any Bearer Note is not both a Relevant Financial Centre Day and, if such Bearer Note is a Definitive Note or if the Pricing Supplement so specifies, a local banking day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note which is a Definitive Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they appertain will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relative Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

Upon the due date for redemption of any Definitive Note other than a Fixed Rate Note, all unmatured Coupons and Talons (if any) relating to such Definitive Note (whether or not attached) shall become void and no payment shall be made in respect of them.

Definitive Notes which are Fixed Rate Notes should be presented for payment with all unmatured Coupons appertaining thereto, failing which the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, that portion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 8 (*Taxation*)) for the payment of such principal, whether or not such Coupon has become void pursuant to Condition 12 (*Prescription*) or, if later, five years from the date on which such Coupon would have become due.

Notwithstanding the above, if any Definitive Notes should be issued with a Maturity Date and an interest rate or rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption, such unmatured Coupons (whether or not attached) shall become void (and no

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payment shall be made in respect thereof) as shall be required so that the amount required to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall, in its sole and absolute discretion, determine which unmatured Coupons are to become void, and shall select, in its sole and absolute discretion, for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

Upon any Definitive Notes becoming due and repayable prior to their Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside the United States (save as provided above) in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 12 (*Prescription*) below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

If (otherwise than by reason of the application of the above) the due date for redemption of any Bearer Note is not the due date for the payment of a Coupon appertaining thereto, interest accrued in respect of such Note from and including the last preceding due date for the payment of a Coupon (or from the Issue Date or the Interest Commencement Date, as the case may be) will be paid only against surrender of such Bearer Note and all unmatured Coupons appertaining thereto.

(b) *Registered Notes*

Payment of the amount due on final redemption in respect of Registered Notes will be made against presentation and, save in the case of partial payment of any such amount, surrender of the relevant certificate at the specified office of the Registrar or of the Transfer Agent. If the due date for payment of the Final Redemption Amount or any other redemption amount, as the case may be, of any Registered Note is not both a Relevant Financial Centre Day and, if such Registered Note is not in global form or if the Pricing Supplement so specifies, a local banking day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), Condition 5 (*Floating Rate Note, Index-Linked Interest Note Provisions*) or Condition 6 (*Zero Coupon Notes*), as appropriate.

Payment of amounts (whether principal, interest or otherwise) due (other than on final redemption) in respect of Registered Notes will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the Register at the close of business (local time in the place of the specified office of the Registrar) on the fifteenth day prior to the due date for such payment (the "**Record Date**").

Payment will be made in the currency in which such amount is due either by cheque posted to the Noteholder's registered address (or, in the case of joint Holders, the first-named) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar or to the Transfer Agent and the Registrar or, as the case may be, the Transfer Agent has acknowledged such application for payment to be made to a designated account denominated in the relevant Settlement Currency (as defined in Condition 1 (*Definitions*)), in each case as specified in Condition 9(c) (*Payments – Uncertificated Registered Notes*) below.

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(c) ***Uncertificated Registered Notes***

The Issuer shall pay or cause to be paid when due payments of principal and interest (if any) in respect of Uncertificated Registered Notes to the relevant Noteholder's cash memorandum account (as shown in the records of the Operator), such payment to be made in accordance with the rules of the Operator. Each of the persons shown in the Operator register of corporate securities as holder of a particular principal amount of Uncertificated Registered Notes must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

(d) ***General Provisions***

The following provisions apply to both Bearer Notes and Registered Notes (and do not apply to Uncertificated Registered Notes). Subject to Condition 9(e) (*Payments – Payment of Alternative Payment Currency Equivalent*), payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the relevant Settlement Currency either by cheque or, at the option of the payee, by transfer to an account in the relevant Settlement Currency specified by the payee other than, for payments in respect of Bearer Notes, any such account in the United States.

Payments and deliveries will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

Without prejudice to the generality of the foregoing, the Issuer reserves the right to require any person receiving payment of principal or, as the case may be, payment of interest with respect to any Note or Coupon to provide a Paying Agent with such certification or information as may be required to enable the Issuer or any parent or holding company of the Issuer or any subsidiary of any such parent or holding company to comply with the requirements of the US Federal Income Tax laws or such other laws as the Issuer or any such parent or holding company or subsidiary thereof may be required to comply with.

(e) ***Payment of Alternative Payment Currency Equivalent***

If "Payment of Alternative Payment Currency Equivalent" is specified as applicable in the relevant Pricing Supplement, then if by reason of a FX Disruption Event, a Clearing System Currency Eligibility Event or any other event specified in the relevant Pricing Supplement as an Additional Alternative Payment Currency Event, the Issuer is not able to satisfy payments in respect of the Notes when due in the Settlement Currency, the Issuer may, settle any such payment in U.S. dollars or any other currency specified as the Alternative Payment Currency in the relevant Pricing Supplement on (i) the due date at the Alternative Payment Currency Equivalent of any such amount due or (ii) if in the applicable Pricing Supplement "Condition 1" is specified as applicable to the Alternative Payment Currency Fixing Date, the date falling the Alternative Payment Settlement Days after the due date at the Alternative Payment Currency Equivalent of any such amount due and, in each case, no further payment on account of interest or otherwise shall be due in respect of such postponed payment.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9(e) (*Payments – Payment of Alternative Payment Currency Equivalent*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders. By acceptance thereof, purchasers of the Notes will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the calculation of the Alternative Payment Currency Equivalent by the Calculation Agent.

(f) **Price Source Disruption and FX Disruption**

(X) If "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then, if on any Scheduled FX Fixing Date:

(A) a Price Source Disruption occurs, (other than as a result of an Unscheduled Holiday) and no Alternative Payment Currency Exchange Rate Fall-Back provisions, Underlying Currency Pair Exchange Rate Fall-Back provisions and/or Conversion Rate Fall-Back provisions (as applicable) are specified in the relevant Pricing Supplement, then the Calculation Agent shall:

(1) determine the Relevant Rate by reference to the rate of exchange published by available recognised financial information vendors (as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner) on the Scheduled FX Fixing Day (the "**Fallback Reference Price**"); or

(2) unless the Pricing Supplement specifies Dealer Poll as not applicable, in the event that the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market, the Calculation Agent will request four Reference Dealers to provide a quotation of their rate for the Relevant Rate as of the Scheduled FX Fixing Date. If at least two quotations are provided, the Relevant Rate will be the arithmetic mean of such quotations; and

(3) if (i) the Pricing Supplement specifies Dealer Poll as not applicable and the Calculation Agent is unable to determine a Fallback Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fallback Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; (ii) the Calculation Agent determines that the Relevant Rate determined in accordance with paragraph (2) above does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; or (iii) fewer than 2 quotations are provided by Reference Dealers following the Calculation Agent's request pursuant to paragraph (2) above, the Calculation Agent will determine the Relevant Rate on the first succeeding Business Day on which the Price Source Disruption ceases to exist; **provided, however, that** if the Price Source Disruption continues for thirty consecutive calendar days (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (the "**FX Cut-off Date**"), the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that FX Cut-off Date; or

(B) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the Scheduled FX Fixing Date for such Relevant Rate and all other Relevant Rates which have the same Scheduled FX Fixing Date shall be postponed to the first succeeding Relevant Currency Business Day; **provided, however, that** in the event that the Scheduled FX Fixing Date is postponed as a result of the occurrence of an Unscheduled Holiday (a "**Postponed FX Fixing Date**"), and if the Postponed FX Fixing Date has not occurred on or before the thirtieth consecutive calendar day (or such other number of calendar days as may be specified in the relevant Pricing Supplement) after the Scheduled FX Fixing Date (any such period being a "**Deferral Period**"), then the next day after the Deferral Period that is or would have been a Relevant Currency Business Day but for an Unscheduled Holiday, shall be deemed to be the Postponed FX Fixing Date

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and the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that Postponed FX Fixing Date.

- (Y) Except to the extent that (i) "EM Price Source Disruption" is specified as being applicable, and (ii) "FX Disruption Event" is specified as being not applicable in the relevant Pricing Supplement, if at any time, a FX Disruption Event occurs, the Issuer, in its sole and absolute discretion, may elect to either:
- (A) having given not less than five days' notice to the Noteholders in accordance with Condition 14 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount (and, if the FX Disruption Event occurs on a Scheduled FX Fixing Day on which there is a Price Source Disruption or Unscheduled Holiday, for the purposes of determining such Early Redemption Amount the Calculation Agent shall first determine any Relevant Rate (a) in accordance with sub-paragraph (X)(A) or (X)(B) above, as applicable, of Condition 9(f) (*Price Source Disruption and FX Disruption*)) if "Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement or, alternatively (b) in good faith and in a commercially reasonable manner, on the date notified to the Noteholders; or
 - (B) instruct the Calculation Agent to make such adjustment(s) to the Conditions as it determines to be necessary or desirable to reflect or account for the FX Disruption Event with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant FX Disruption Event,

provided, however, that in relation to sub-paragraphs (Y)(A) and (Y)(B) above, if as a result of the FX Disruption Event the Issuer is not able to satisfy payments in respect of the Notes when due in the Settlement Currency, the Issuer may settle any such payment pursuant to the provisions of Condition 9(e) (*Payment of Alternative Payment Currency Equivalent*).

(g) ***EM Price Source Disruption***

If "EM Price Source Disruption" is specified as being applicable in the relevant Pricing Supplement, then:

- (i) subject to sub-paragraph (iii) below and **provided that** no Conversion Rate Fall-Back provisions are specified in the relevant Pricing Supplement, if on any Scheduled FX Fixing Date:
 - (A) Price Materiality is specified as applicable and a Price Materiality occurs, the Relevant Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;
 - (B) a Price Source Disruption occurs or is continuing, the relevant Conversion Rate Fixing Date shall be postponed until the first Conversion Rate Business Day after such Scheduled FX Fixing Date on which no Price Source Disruption exists (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period, the Conversion Rate will be determined in accordance with sub-paragraph (ii) below; or
 - (C) an Unscheduled Holiday occurs (whether or not a Price Source Disruption also occurs), the relevant Conversion Rate Fixing Date shall be postponed to the first succeeding Conversion Rate Business Day (the "**Postponed FX Fixing Date**"), **provided that** if the Postponed FX Fixing Date has not occurred within the EM Deferral Period the Conversion Rate will be determined in accordance with paragraph sub-paragraph (ii) below;
- (ii) subject to sub-paragraph (iii) below, notwithstanding the provisions of sub-paragraphs (i)(B) and (i)(C) above, in no event shall the total number of consecutive calendar days

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for which a fixing date is deferred due to (i) an Unscheduled Holiday, or (ii) a Price Source Disruption (or any combination of (i) and (ii)), exceed the EM Deferral Period. Accordingly, if on the first Conversion Rate Business Day (or date which would have been a Conversion Rate Business Day but for the occurrence of an Unscheduled Holiday) after such period has lapsed (the "**Cut-off Fixing Date**") (X) an Unscheduled Holiday occurs or is continuing (but no Price Source Disruption occurs or is continuing on such day), then the Conversion Rate shall be a rate determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, or (Y) a Price Source Disruption occurs or is continuing on such day, then the Conversion Rate shall be the Fallback Conversion Rate determined on the Cut-off Fixing Date; and

- (iii) notwithstanding any other provision of this Condition 9(g), if the Fallback Conversion Rate is not available or, at any time following the determination of the Conversion Rate or Fallback Conversion Rate, the Calculation Agent determines that such rate does not accurately represent the rate which the Calculation Agent determines that the Issuer could have achieved in the general foreign exchange market at the time such Conversion Rate or Fallback Conversion Rate was determined, the applicable Conversion Rate shall be a rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

(h) ***Postponement of Payments***

- (i) If a Scheduled FX Fixing Date is postponed in accordance with Condition 9(f) (*Price Source Disruption and FX Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable.
- (ii) If a Scheduled FX Fixing Date is postponed in accordance with Condition 9(g) (*EM Price Source Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Conversion Rate Fixing Date or, if later, the Cut-off Fixing Date or Postponed FX Fixing Date, as applicable.
- (iii) Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 9(h) (*Postponement of Payments*) (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Related Payment Date which is so postponed shall be calculated as if such Related Payment Date had not been postponed pursuant to this Condition 9(h) (*Postponement of Payments*) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

(i) ***LBMA Physical Settlement***

The following provisions apply where LBMA Physical Settlement is specified as being applicable in the relevant Pricing Supplement.

A. ***LBMA Transfer Notice***

- (i) Each Noteholder shall, on or before 4:00 pm (London time) on the date falling 5 Conversion Rate Business Days or Underlying Currency Pair Business Days (as applicable) before the relevant Interest Payment Date, the Maturity Date or date of early redemption of the Notes (as applicable) (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Paying Agents and the Noteholders

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accordingly) send to the relevant Clearing System, in accordance with its then applicable operating procedures, and copied to the Principal Paying Agent, an irrevocable notice (an "**LBMA Transfer Notice**") in the form from time to time approved by the Issuer, which must:

- (A) specify the name and address of the Noteholder;
 - (B) specify the number of Notes in respect of which he is the Noteholder;
 - (C) specify the number of the Noteholder's account at the relevant Clearing System, to be debited with such Notes;
 - (D) irrevocably instruct and authorise the relevant Clearing System, (1) to debit the Noteholder's account with such Notes on the relevant Interest Payment Date, the Maturity Date or the relevant early redemption date of the Notes (as applicable) and (2) that no further transfers of the Notes specified in the LBMA Transfer Notice may be made;
 - (E) contain a representation and warranty from the Noteholder to the effect that the Notes to which the LBMA Transfer Notice relates are free from all liens, charges, encumbrances and other third party rights;
 - (F) specify the number and account name of the account in London with a member of the LBMA where the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes shall be credited;
 - (G) contain an irrevocable undertaking to pay the Transfer Expenses (if any) and an irrevocable instruction to the relevant Clearing System, to debit on or after the relevant Interest Payment Date, the Maturity Date or the relevant early redemption date of the Notes (as applicable) the cash or other account of the Noteholder with the relevant Clearing System, specified in the LBMA Transfer Notice with such Transfer Expenses; and
 - (H) authorise the production of the LBMA Transfer Notice in any applicable administrative or legal proceedings.
- (ii) An LBMA Transfer Notice, once delivered to the relevant Clearing System, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of an LBMA Transfer Notice following delivery of such LBMA Transfer Notice to the relevant Clearing System. A LBMA Transfer Notice shall only be valid to the extent that the relevant Clearing System have not received conflicting prior instructions in respect of the Notes which are the subject of the LBMA Transfer Notice.
 - (iii) Failure properly to complete and deliver a LBMA Transfer Notice may result in such notice being treated as null and void with the consequence set out in subparagraph (C). Any determination as to whether such notice has been properly completed and delivered as provided shall be made by the relevant Clearing System, after consultation with the Principal Paying Agent and shall be conclusive and binding on the Issuer and the Noteholder.
 - (iv) The Principal Paying Agent shall promptly on the local banking day following receipt of a LBMA Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.

B. *Delivery obligation*

Subject to the other provisions of this Condition 9(g), if the LBMA Physical Settlement provisions are specified in the relevant Pricing Supplement as being applicable, the Issuer shall discharge its obligation to deliver the relevant amount of interest, Final Redemption Amount, Early Redemption Amount and/or any other amount in respect of the Notes by

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crediting, or procuring the credit of, the same on the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) to the account in London with a member of the LBMA specified in the LBMA Transfer Notice of the relevant Noteholder.

C. *LBMA Physical Settlement Fallback Redemption Amount*

In the event that any Noteholder fails to deliver a valid LBMA Transfer Notice by 4:00 pm on the day falling 5 Conversion Rate Business Days or Underlying Currency Pair Business Days (as applicable) before the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations hereunder and notify to the Paying Agents and the Noteholders accordingly), the Calculation Agent shall determine the LBMA Physical Settlement Fallback Redemption Amount and the Issuer shall pay the LBMA Physical Settlement Fallback Redemption Amount in respect of each Note held by such Noteholder on the Maturity Date, the relevant Interest Payment Date or date of early redemption of the Notes.

D. *Disruption*

(i) *LBMA Physical Settlement Market Disruption Event*

If a LBMA Physical Settlement Market Disruption Event occurs or exists on any date on which the Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) is to be determined, the Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) shall be the rate determined by the Calculation Agent taking into consideration the latest available Conversion Rate or Underlying Currency Pair Exchange Rate (as applicable) as of a date on which no LBMA Physical Settlement Market Disruption Event occurred or existed and any other information which the Calculation Agent considers relevant.

(ii) *Settlement Disruption of LBMA Physical Settlement*

The Calculation Agent shall determine whether or not at any time a LBMA Physical Settlement Disruption Event has occurred and where it determines such an event has occurred and has prevented any delivery on the original day that but for such LBMA Physical Settlement Disruption Event would have been the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable), then such date will be the first succeeding day on which the relevant delivery can take place unless a LBMA Physical Settlement Disruption Event prevents settlement on each of the ten (10) Business Days immediately following the original date that, but for the LBMA Physical Settlement Disruption Event, would have been the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable). In that case, (a) if the relevant delivery can be effected in any other commercially reasonable manner, then the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) will be that tenth (10th) Business Day with delivery being effected in such manner, and (b) if such delivery cannot be effected in any other commercially reasonable manner, then the relevant Interest Payment Date, the Maturity Date or the date of early redemption of the Notes (as applicable) will be postponed until delivery can be effected in another commercially reasonable manner.

(h) *Conversion*

If Conversion provisions are specified as being applicable in the relevant Pricing Supplement in relation to any specified amount payable in respect of the Notes, the relevant amount payable in respect of the Notes will be determined in accordance with the relevant Conversion provisions specified in the relevant Pricing Supplement. Notwithstanding anything contained in these Conditions or the relevant Pricing Supplement, the currency of payment in respect of such amount shall be as determined in accordance with such Conversion provisions, such currency shall be

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deemed to be the Settlement Currency in respect of such payment and the "Settlement Currency Jurisdiction" specified in the relevant Pricing Supplement shall be deemed to be modified accordingly in relation to such amount.

10. **Redenomination**

(a) **General**

Where redenomination is specified in the relevant Pricing Supplement as being applicable, and in respect of Notes denominated in a National Currency Unit (as defined in Condition 1 (*Definitions*)), the Issuer may, without the consent of the Noteholders, upon giving at least 30 days' prior notice to the Noteholders in accordance with Condition 14 (*Notices*), designate a Redenomination Date.

With effect from the Redenomination Date:

- (i) each Note shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated into such amount of euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Settlement Currency, converted into euro at the rate for the conversion of the relevant Settlement Currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with EC regulations); **provided, however, that** if the Issuer determines that market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (ii) if Notes are in definitive form:
 - (A) all unmatured Coupons denominated in the relevant Settlement Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes and Coupons denominated in euro are available for exchange (**provided that** such Notes and Coupons are available) and no payments will be made in respect thereof;
 - (B) the payment obligations contained in all Notes denominated in the Settlement Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 10(a)(ii) (*Redenomination – General*)) shall remain in full force and effect; and
 - (C) new Notes and Coupons denominated in euro will be issued in exchange for Notes and Coupons denominated in the relevant Settlement Currency in such manner as the Issuer may specify and as shall be notified to the Noteholders in the Euro Exchange Notice;
- (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the relevant Settlement Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro, as though references in the Notes to the Settlement Currency were to euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union; and

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- (iv) such other changes will be made to the terms and conditions of the Notes as the Issuer may decide to conform such Notes to conventions then applicable to Notes denominated in euro. Any such other changes will not take effect until after it has been notified to the Noteholders in accordance with Condition 14 (*Notices*).

Neither the Issuer nor any Paying Agent will be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of euro or any currency conversion or rounding effected in connection therewith.

(b) ***Interest***

Following redenomination of the Notes pursuant to 10(a) (*Redenomination – General*):

- (i) where Notes are in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (ii) in respect of Fixed Rate Notes where interest is payable annually, any interest required to be calculated for a period of less than one year in respect of the Notes shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365); **provided, however, that** if the Issuer determines that the market practice in respect of internationally offered euro denominated securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (iii) in respect of Fixed Rate Notes where interest is payable quarterly or semi-annually, the amount of interest payable in respect of each Note on any Interest Payment Date shall be calculated by applying the Rate of Interest to the principal amount of such Note, dividing the product by four or two (as the case may be) and rounding the figure down to the nearest euro 0.01. If interest is required to be calculated for any other period, it shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365); **provided, however, that** if the Issuer determines that the market practice in respect of internationally offered euro denominated securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (iv) in respect of Floating Rate Notes, the Interest Amount payable in respect of the Notes for each Interest Period will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during the Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 360 and rounding the resulting figure down to the nearest euro 0.01; and
- (v) in respect of Floating Rate Notes, the Rate of Interest for any subsequent Interest Period shall be determined by the Calculation Agent on the basis of provisions which it determines reflect the market practice in respect of internationally offered euro denominated securities.

11. **Events of Default**

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing in relation to a Series of Notes:

- (a) there is a default for more than 14 days in the repayment of any principal due on the Notes of such Series or any of them or in the payment of any interest due in respect of the Notes of such Series or any of them, **provided that** it shall not be such a default to withhold or refuse any such payment (1) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time during the said period of 14 days by independent legal advisers acceptable to the Principal Paying Agent as to such validity or applicability; or
- (b) an order is made or an effective resolution is passed for the winding up of the Issuer in England (otherwise than in connection with a scheme of reconstruction or amalgamation the terms of which shall previously have been approved in writing by an Extraordinary Resolution of the Holders of the relevant Series of Notes),

then any Noteholder may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer (such date the "**Early Redemption Date**"), declare the Note held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, as specified in the relevant Pricing Supplement, together with interest accrued and unpaid until the date of its redemption, without presentment, demand, protest or other notice of any kind.

12. **Prescription**

Notes and Coupons will become void unless presented for payment within a period of 10 years and five years, respectively, from the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect thereof. Any monies paid by the Issuer to the Principal Paying Agent for the payment of the principal or interest in respect of any Notes or Coupons and remaining unclaimed when such Notes or Coupons become void will then revert to the Issuer and all liability of the Principal Paying Agent with respect thereto will thereupon cease.

There shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 12 (*Prescription*) or Condition 9 (*Payments*).

13. **Replacement, Exchange and Transfer**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office (in the case of a Bearer Note or Coupon) of the Issue Agent or (in the case of Registered Notes) of the Registrar or of the Transfer Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

Upon the terms and subject to the conditions set out in the Issuing and Paying Agency Agreement and the relevant Pricing Supplement, a Registered Note may be exchanged for a Registered Note or Notes of equal aggregate principal amount in such different authorised denominations as may be requested by the Noteholder by surrender of such Registered Note at the specified office of the Registrar or of the Transfer Agent, together with a written request for the exchange.

Upon the terms and subject to the conditions set out in the Issuing and Paying Agency Agreement, a Registered Note, in definitive form, may be transferred in whole or in part only (**provided that** such part is, or is an appropriate multiple of, the minimum denomination set out in the Pricing Supplement) by the Holder or Holders surrendering the Registered Note for registration of transfer at the specified office of the Registrar or the Transfer Agent, duly endorsed by, or accompanied

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by a written instrument to transfer in form satisfactory to the Issuer and the Registrar or the Transfer Agent, duly executed by the Holder or Holders thereof or his or their attorney duly authorised in writing. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

If so set out in the relevant Pricing Supplement, the Holder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Issuing and Paying Agency Agreement. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of the Principal Paying Agent or of the Registrar or the Transfer Agent, together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined below) where the exchange date would, but for the provisions of this paragraph, occur between the Record Date (as defined in Condition 9(b) (*Payments - Registered Notes*)) for such payment of interest and the date on which such payment of interest falls due.

Each new Registered Note to be issued upon the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for delivery at the specified office of the Registrar or the Transfer Agent, or, at the option of the Holder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expenses of delivery by other than regular mail or insurance charges that may be imposed in relation hereto, shall be borne by the Issuer.

The Registrar or the Transfer Agent, as the case may be, shall not be required to register the transfer or exchange of Registered Notes for a period of 15 days preceding the due date for any payment of principal or interest in respect of such Notes.

14. Notices

(a) *Notices to Noteholders*

All notices to the Holders of Notes or the Coupons appertaining thereto will be valid: (i) if published, in the case of Bearer Notes and Coupons, in one leading daily newspaper with circulation in London (which is expected to be the *Financial Times* or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe); (ii) in the case of Registered Notes, if mailed to their registered addresses (as advised by the Registrar) or to that of the first named of them in the case of joint Holders; **provided that**, in each case, in the case of Notes admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system the rules of such listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation have been complied with; and (iii) in the case of Uncertificated Registered Notes, if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Uncertificated Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange. Any such notice shall be deemed to have been given on the date of such publication or delivery or, if published more than once, on the date of the first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

Holders of any Coupons appertaining to Bearer Notes will be deemed for all purposes to have notice of the contents of any notice given to the Holders of such Bearer Notes in accordance herewith.

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(b) ***Notices from Noteholders***

Notices given by any Noteholder shall be in writing and given by lodging the same, together with the relevant Note or Notes (if applicable), with the Principal Paying Agent or other Paying Agent or with the Registrar (as the case may be) at its specified office.

15. Paying Agents, Calculation Agents, Issue Agents, Transfer Agents and Registrars

- (a) The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Calculation Agents, the initial Issue Agent, the initial Transfer Agent, the initial Registrar and their respective initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, Calculation Agent, Issue Agent, Transfer Agent or Registrar and/or approve any change in the specified office through which any Paying Agent, Calculation Agent, Issue Agent, Transfer Agent or Registrar acts, **provided that:**

- (i) so long as any Bearer Notes are outstanding, there will at all times be a Principal Paying Agent; and
 - (ii) so long as any Registered Notes are outstanding, there will at all times be a Registrar and a Transfer Agent.
- (b) In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 9(a) (*Payments - Bearer Notes*). Any variation, termination, appointment or change shall only take effect (other than in the case of an insolvency, when it shall be of immediate effect) after notice has been given to the Noteholders in accordance with Condition 14 (*Notices*).
- (c) All calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Notes (including any determinations by the Calculation Agent as to the exercise or non-exercise by it of its powers, duties and discretions for such purposes) shall be made in good faith and in a commercially reasonable manner, and in exercising any discretion to amend or adjust the Conditions, the Calculation Agent will exercise such discretion with a view to replicating as closely as possible the economic position that existed prior to the occurrence of the event giving rise to the exercise of such discretion.
- (d) The Agents and the Calculation Agent shall not act as agents for the Noteholders but shall be agents of the Issuer. All calculation functions required of the Calculation Agent under these Conditions may be delegated to any such person as the Calculation Agent, in its absolute discretion, may decide.

15A. Consequences of a Benchmark Trigger Event

- (a) This Condition 15A shall apply unless Condition 5(d) (*Alternative Reference Rate*) is specified as being applicable in the relevant Pricing Supplement.
- (b) If the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Trigger Event has occurred in relation to a Relevant Benchmark relating to a Series of Notes, then:
 - (i) if an Alternative Pre-nominated Index has been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement:
 - (A) unless the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Relevant Benchmark shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from the Benchmark Trigger Event Determination Date; and

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- (B) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Alternative Pre-nominated Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; and
- (ii) if an Alternative Pre-nominated Index has not been specified in relation to such Relevant Benchmark in the relevant Pricing Supplement or the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, the Issuer shall do any of the following:
 - (A) determine that references to such Relevant Benchmark shall be deemed to be replaced by references to such index, benchmark or price source as the Issuer determines would have the effect of placing the Issuer in an economically equivalent position to that which it would have been in had the Benchmark Trigger Event not occurred (the "**Replacement Index**") (and in making such determination the Issuer shall be entitled to take into account such facts and circumstances as it considers relevant including, without limitation, (i) any index, benchmark or other price source which measures the same market or economic reality as the Relevant Benchmark and which is formally designated, nominated or recommended by the administrator or sponsor of the Relevant Benchmark or (ii) any index, benchmark or other price source which is formally designated, nominated or recommended by any Relevant Nominating Body, in each case to replace the Relevant Benchmark), in which case:
 - (1) references to such Relevant Benchmark shall be deemed to be replaced with references to such Replacement Index with effect from the Benchmark Trigger Event Determination Date; and
 - (2) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Replacement Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; or
 - (B) follow the steps for determining the relevant rate or level set out in the Relevant Reference Asset Fallback Provisions (if any); or
 - (C) determine that the Notes shall be redeemed, in which case the Issuer shall redeem the Notes at the Early Redemption Amount specified in the relevant Pricing Supplement on the date selected by the Issuer and give notice of such redemption to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*);

provided, however, that if (A)(1) it is or would be unlawful at any time under applicable law or regulation or (2) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Notes, then such provision shall not apply and the Issuer shall not make such determination (as the case may be) and the Issuer shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements and (B) the Issuer will, notwithstanding any other provision of this Condition, make any determination and exercise any discretion as to whether the Alternative Pre-Nominated Index is to be used following such Benchmark Trigger Event or which Replacement Index is to be used, and which adjustments are to be made to the Conditions following such replacement, in such manner as to put the Issuer and the Noteholder in substantially the same

Part B - Information Relating to the Notes Generally – Alternative Terms and Conditions of the Notes

economic position as prior to the occurrence of the Benchmark Trigger Event, in each case without prejudice to the right of the Issuer to redeem the Notes in accordance with this Condition.

- (c) In making any determination under this Condition 15A, the Issuer shall take account of such facts and circumstances as it considers relevant.
- (d) If the Issuer is not able to determine the Relevant Benchmark in accordance with the provisions of this Condition 15A on any Relevant Benchmark Determination Date, then the Relevant Benchmark Determination Date shall be postponed to such date as it is able to make such determination and any Relevant Benchmark Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Pricing Supplement) following the postponed Relevant Benchmark Determination Date.
- (e) Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 15A (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Relevant Benchmark Related Payment Date which is so postponed shall be calculated as if such Relevant Benchmark Related Payment Date had not been postponed pursuant to this Condition 15A) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.
- (f) The Issuer shall promptly following the determination of any replacement for a Relevant Benchmark pursuant to paragraph (b)(i)(A) or (b)(ii)(A) above give notice thereof and of any changes pursuant to paragraph (b)(i)(B) or (b)(ii)(A)(2) (as applicable) to the Principal Paying Agent, the Calculation Agent and the Noteholders (in accordance with Condition 14 (*Notices*)).
- (g) Without prejudice, in the case of any Index-Linked Notes, to Condition 22(f)(ii) (*Index Modification*), if the definition, methodology or formula for a Relevant Benchmark in respect of a Series of Notes, or other means of calculating the Relevant Benchmark in respect of a Series of Notes, is changed, then references to such Relevant Benchmark shall be to such Relevant Benchmark as so changed.

16. Meetings of Noteholders, Modification and Substitution

(a) Meetings of Noteholders

The Master Note Issuance Agreement contains provisions for convening meetings of the Holders of the Notes of any Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Note Issuance Agreement) of a modification of the Notes or any of the provisions of the Master Note Issuance Agreement. Such a meeting may be convened by the Issuer or by Holders of the Notes of any Series holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders of the Notes of any Series whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes, reducing or cancelling the amount of principal payable in respect of the Notes or altering the currency of payment of the Notes), the quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders of the Notes of any Series shall be binding on all the Noteholders, whether or not they are present at the meeting.

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Any modification of the Notes shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

(b) *Modification*

Subject in case of the Master Note Issuance Agreement or the Issuing and Paying Agency Agreement (as applicable) to the agreement of the other parties thereto, the Issuer may agree, without the consent of the Noteholders, to:

- (i) any modification (except as mentioned above) of the Master Note Issuance Agreement or the Issuing and Paying Agency Agreement or the Conditions which is not materially prejudicial to the interests of the Noteholders as a whole;
- (ii) any modification of the Conditions or the Master Note Issuance Agreement or the Issuing and Paying Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (iii) any modification of the Notes which is made to correct an inconsistency between the Pricing Supplement and conditions of the Note issue (comprising these Conditions as completed by the relevant Pricing Supplement) and the relevant termsheet relating to the Notes.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

(c) *Substitution*

The Issuer may also agree, without the consent of the Noteholders, to the substitution of a subsidiary or holding company of the Issuer or any subsidiary of any such holding company (the "**New Issuer**") in place of the Issuer as principal debtor under the Notes of any Series and the Coupons appertaining thereto (if any), **provided that** such Notes and the Coupons appertaining thereto (if any) are irrevocably guaranteed by the Issuer. In the event of any such substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer. Any such substitution shall be promptly notified to the relevant Noteholders in accordance with Condition 14 (*Notices*). In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Noteholder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Noteholder.

17. **Provision of Information**

The Issuer shall, during any period in which it is not subject to and in compliance with the periodic reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, duly provide to any Holder of a Note which is a "**restricted security**" within the meaning of Rule 144(a)(3) under the Securities Act or to any prospective purchaser of such securities designated by such Holder, upon the written request of such Holder or (as the case may be) prospective Holder addressed to the Issuer and delivered to the Issuer or to the specified office of the Registrar, the information specified in Rule 144A(d)(4) under the Securities Act.

18. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Holders of Notes of any Series or Holders of the Coupons appertaining thereto (if any) to create and issue further notes ranking equally in all respects with the Notes of such Series so that the same shall be consolidated and form a single series with such Notes for the time being outstanding.

19. **Effects of European Economic and Monetary Union**

Following the occurrence of an EMU Event, the Calculation Agent shall make such adjustment (and determine the effective date of such adjustment) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount, Early Redemption Amount or any amount of interest set out in the relevant Pricing Supplement and/or any other adjustment and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes.

Following the occurrence of an EMU Event, without prejudice to the generality of the foregoing, the Issuer shall be entitled to make such conversions between amounts denominated in the National Currency Units and the euro, and the euro and the National Currency Units, in each case, in accordance with the conversion rates and rounding rules in Regulation (EC) No. 1103/97 as it determines to be appropriate.

Neither the Issuer nor the Calculation Agent will be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection therewith.

20. **Third Party Rights**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

21. **Governing Law**

(a) ***Governing law***

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by and shall be construed in accordance with English law.

(b) ***English courts***

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with the Notes (including any Dispute regarding the existence, validity or termination of the Notes or the consequence of their nullity).

PRO FORMA PRICING SUPPLEMENT FOR NOTES (ALTERNATIVE NOTE GENERAL CONDITIONS)

[When completing any Pricing Supplement, or adding any other Pricing Supplement or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]

PRICING SUPPLEMENT

Pricing Supplement dated: [•]

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

[Further] Issue of

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

[(to be consolidated and form a single series with the existing [Insert details of existing Tranche(s)]) issued pursuant to HSBC Bank plc's Programme for the Issuance of Notes and Warrants]

PART A - CONTRACTUAL TERMS

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**")] and must be read in conjunction with the offering memorandum dated 6 June 2018 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Offering Memorandum. The Alternative Note General Conditions shall apply to the Notes.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow the links to 'Investor relations', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

The Offering Memorandum does not comprise (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Directive 2003/71/EC as amended (the "Prospectus Directive"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU, as amended and not to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive).

[Specify target market, if required. For example:

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

[PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[For Notes offered and sold in the United States of America include:

IMPORTANT NOTICES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("REGULATIONS")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATIONS) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATIONS. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

AVAILABLE INFORMATION

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

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

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

1. Issuer: HSBC Bank plc
2. Tranche number: []

[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]

3. Currency:

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- (i) Settlement Currency [] [subject to Condition 9(h) (Payments - Conversion)]
- (ii) Denomination Currency [specify/Settlement Currency]
4. Aggregate Principal Amount:
- [(i) Series:] []
- [(ii) Tranche:] []
5. Principal Protected Amount [Not applicable] [[] per cent. of the Aggregate Principal Amount] [Accreted Principal Amount]¹
6. Issue Price: [[] per cent. of the Aggregate Principal Amount] [plus accrued interest from [insert date] (in the case of fungible interest-bearing issues only, if applicable)][An amount as determined by the Calculation Agent equal to [] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [].]
7. (i) Denomination(s) (Condition 2): []²
- (ii) Calculation Amount³: []
- (iii) Aggregate Outstanding Nominal Amount Rounding: [Applicable] [Not applicable]
8. (i) Issue Date: []
- (ii) Interest Commencement Date: [specify] [Issue Date] [Not applicable]
- (iii) Trade Date: []
9. Maturity Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year. In case of undated Notes, specify undated.] [specify] [adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "Business Day"]

¹ The Accreted Principal Amount should be included for any Zero-Coupon Notes that are principal protected Notes.

² If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange the Permanent Global Note for (i) definitive Notes in paragraph (c) of the Permanent Global Note - see item 22(iii) below or (ii) the Global Registered Note for Definitive Notes in paragraph (d) of the Global Registered Note – see item 24(ii) below - as applicable - should not apply.

³ The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.

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10. Change of interest or redemption basis: [Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11. Fixed Rate Note provisions: [Applicable] [Not applicable]
(Condition 4)
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) Rate(s) of Interest: [] per cent. [per annum] [] [payable [annually/semi-annually/quarterly/ monthly] in arrear] []
- (ii) Interest Payment Date(s): [dd/mm, dd/mm, dd/mm and dd/mm] [in each year]
[adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "Business Day" [not adjusted]
- (iii) Fixed Coupon Amount(s): [[] per Calculation Amount] [Not applicable]
- (iv) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)] [Not applicable] [other (specify)]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not applicable / other (give details)]
- (vi) Business Centre(s): [Not applicable/give details]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not applicable/give details] (Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)
12. Floating Rate Note provisions: [Applicable] [Not applicable]
(Condition 5)
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) [Interest Period(s)] / [Specified Period]⁴: [specify]
- (ii) Interest Payment Dates: [Not applicable – Floating Rate Convention applies] [specify payment dates]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (v) Business Centre(s): [Not applicable/give details]

⁴ Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

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- (vi) Screen Rate Determination: [Applicable] [Not applicable]
- (1) Reference Rate: [[•] month] [specify LIBOR or other]
- (2) Interest Determination Date(s): []
- (3) Relevant Screen Page: []
- (4) Alternative Pre-nominated Index: [] [specify Alternative Pre-nominated Index details] [Not applicable]
- (5) Relevant Financial Centre: []
- (6) Relevant Time: []
- (7) Relevant Currency: []
- (vii) Alternative Reference Rate: [Applicable][Not applicable]
- (viii) ISDA Determination: [Applicable] [Not applicable]
- (1) Floating Rate Option: []
- (2) Designated Maturity: []
- (3) Reset Date: []
- (4) Alternative Pre-nominated Index: [] [specify Alternative Pre-nominated Index details] [Not applicable]
- (ix) 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]
- (x) Margin(s): [[+/-][] per cent. [per annum]] [Not applicable]
- (xi) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/360/other (specify)]
- (xii) Minimum Interest Rate: [[] per cent. [] [per annum]] [Not applicable]
- (xiii) Maximum Interest Rate: [[] per cent. [] [per annum]] [Not applicable]
- (xiv) Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
13. Zero Coupon Note provisions: [Applicable] [Not applicable]
(Condition 6)
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [[] per cent [per annum]]

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- (ii) Zero Coupon Note Reference Price: []
- (iii) Day Count Fraction in relation to Early Redemption Amounts and last payments: []
14. Equity/ Index-Linked Interest Note and other variable-linked interest Note provisions: [Applicable] [Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/formula/other variable: [give or annex details –]
- (ii) Provisions for determining interest where calculated by reference to Equity/ Index and/or formula and/or other variable: []
- (iii) Provisions for determining interest where calculation by reference to Equity/ Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: []
[Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Interest or calculation period(s): []
- (v) Interest Payment Dates: []
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (*give details*)]
- (vii) Business Centre(s): []
- (viii) Minimum Interest Rate: [[] per cent. [per annum]]
- (ix) Maximum Interest Rate: [[] per cent. [per annum]]
- (x) Day Count Fraction: []

PROVISIONS RELATING TO REDEMPTION

15. Issuer's optional redemption (Call Option): [Applicable] [Not applicable]
(Condition 7(c))
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Redemption Amount (Call Option): [[] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value]
- (ii) Series redeemable in part: [[] per Calculation Amount (*specify — otherwise redemption will only be permitted of entire Series*)] [Fair Market Value]

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- (iii) Optional Redemption Date (Call Option): []
 - (iv) Minimum Redemption Amount (Call Option): [[] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
 - (v) Maximum Redemption Amount (Call Option): [[] per Calculation Amount (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
16. Noteholder's optional redemption (Put Option): [Applicable] [Not applicable]
 (Condition 7(d)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Redemption Amount (Put Option): [[] per Calculation Amount / (*specify — if not par, also specify details of any formula*)] [Fair Market Value]
 - (ii) Optional Redemption Date (Put Option): []
 - (iii) Minimum Redemption Amount (Put Option): [[] per Calculation Amount / (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
 - (iv) Maximum Redemption Amount (Put Option): [[] per Calculation Amount / (*specify — if not par, also specify details of any formula*)] [Fair Market Value] [Not applicable]
17. Final Redemption Amount of each Note: [] per Calculation Amount (*specify — if not par, also specify details of any formula*)
 (Condition 7(a))
18. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Index-Linked or other variable-linked: [Applicable] [Not applicable]
- (i) Index/formula/other variable: [give annex details]
 - (ii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or formula and/or other variable: []
 - (iii) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]* [See paragraph 25(v) below]
 - (iv) Minimum Final Redemption Amount []
 - (v) Maximum Final Redemption Amount: []

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19. Instalment Notes: [Applicable] [Not applicable]
 (Condition 7(a))
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- | | | |
|--|------------------------|--------------------------|
| Instalment Date(s) and corresponding Instalment: | Instalment Date
[] | Instalment Amount
[] |
|--|------------------------|--------------------------|
20. Early Redemption:
- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): [[100] per cent. of the Calculation Amount] [Fair Market Value] [Market Value 1] [Market Value 2] [Principal Protected Amount] [Highest Value (Vanilla)] [Highest Value (Structured)] [Accreted Principal Amount]
 (Conditions 7(b) or 7(f))
- (ii) Early Redemption Amount (upon redemption following an Event of Default): [[100] per cent. of the Calculation Amount] [Fair Market Value] [other (specify details)]
 (Condition 11)
- (iii) Early Redemption Amount (in case of other events giving rise to the determination of an Early Redemption Amount (other than Force Majeure)): [[100] per cent. of the Calculation Amount] [Fair Market Value] [Market Value 1] [Market Value 2] [Principal Protected Amount] [Highest Value (Vanilla)] [Highest Value (Structured)] [Accreted Principal Amount] [Not applicable]
- (iv) Monetisation Option [Applicable] [Not applicable]
- (v) Other redemption provisions: [Specify] [Not applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes: [Bearer Notes/Registered Notes/ Uncertificated Registered Notes]
 (Condition 2(a))
22. [New Global Note [(delete if Registered Note)]/ Issued under the new safekeeping structure [(delete if Bearer Note)]: [Yes/No]
23. If issued in bearer form:
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: [Temporary] [Permanent] Global Note
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes: [Yes] [No] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note] [(specify)]
 (Condition 2(a))

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- (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation: [Yes] [No] [*If no, specify:* Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.]
- (iv) Coupons to be attached to Definitive Notes:⁵ [Yes] [No] [Not applicable]
 [N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems - see provisions contained in Permanent Global Note]
- (v) Talons for future Coupons to be attached to Definitive Notes:⁶ [Yes] [No] [Not applicable]
 [N.B. The above comment also applies here]
24. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days after the Issue Date] [(*specify*)]
25. If issued in registered form (other than Uncertificated Registered Notes): [Applicable] [Not applicable]
- (i) Initially represented by: [Regulation S Global Registered Note][Rule 144A Global Registered Note][Unrestricted Global Registered Note and Restricted Global Registered Note][Combined Global Registered Note][Definitive Registered Notes]
- [(ii) [Regulation S Global Registered Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Regulation S Global Registered Note][Unrestricted Global Registered Note] for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note]]
- [(ii) [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note][Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note]]

⁵ *Definitive Notes will typically have coupons attached to them if interest-bearing.*

⁶ *Talons will be needed if there are 27 or more coupons.*

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- [(ii) [Combined Global Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]
26. Payments:
(Condition 9)
- (i) Relevant Financial Centre Day: [specify all places]
- (ii) Payment of Alternative Payment Currency Equivalent: [Applicable] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
 - Cross Currency: [] (delete if Cross Currency Exchange Rate is not applicable)
 - Cross Currency Jurisdiction: [] (delete if Cross Currency Exchange Rate is not applicable)
 - Settlement Currency Jurisdiction: []
 - Alternative Payment Currency: []
 - Alternative Payment Currency Jurisdiction: []
 - Alternative Payment Currency Fixing Page: []
 - Alternative Payment Currency Fixing Time: []
 - Alternative Payment Currency Fixing Date: [] [Condition 1 applies] [The relevant jurisdictions/places for the purposes of the Alternative Payment Currency Fixing Date are []]
 - Alternative Payment Currency Exchange Rate Fall-Back provisions: [] [Not applicable]
 - Additional Alternative Payment Currency Event: []
 - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [] [Not applicable]
 - Alternative Pre-nominated Index: [] [specify Alternative Pre-nominated Index details] [Not applicable]

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- (iii) Conversion provisions: [Applicable in respect of [[interest payments under the Notes][Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount][*other*]] [the Conversion Rate is []]][*specify further Conversion provisions*][Not applicable]
- Conversion Rate Business Days: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] []] [Condition 1 applies]]
 - Conversion Rate Fixing Date: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] []]]
 - Cross Currency Exchange Rate: [Applicable] [Not applicable]
 - Cross Currency: []
 - Cross Currency Jurisdiction: []
 - Conversion Rate Fixing Page: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] []] [Condition 1 applies]]
 - Conversion Rate Fixing Time: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*] []]]
 - Denomination Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*][]]]
 - Settlement Currency Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [*other*][]]]
 - Conversion Rate Fall-Back provisions: [] [Condition 1 applies]
 - Alternative Pre-nominated Index: [] [*specify Alternative Pre-nominated Index details*] [Not applicable]

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- (iv) Underlying Currency Pair [Applicable in respect of [[interest payments under the Notes] [Final Redemption Amount]] [The Initial Underlying Currency Pair Exchange Rate is []] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
 - Cross Currency: []
 - Cross Currency Jurisdiction: []
 - Reference Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]]
 - Reference Jurisdiction(s): Currency [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]]
 - Specified Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]]
 - Specified Jurisdiction(s): Currency [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]]
 - Underlying Currency Pair Business Days: [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [Condition 1 applies]]
 - Underlying Currency Pair Fixing Date: [in respect of [interest payments under the Notes] [Final Redemption Amount] []]
 - Underlying Currency Pair Fixing Page: [in respect of [interest payments under the Notes] [Final Redemption Amount] []] [Condition 1 applies]
 - Underlying Currency Pair Fixing Time: [in respect of [interest payments under the Notes] [Final Redemption Amount] []]
 - Underlying Currency Pair Exchange Rate Fall-Back provisions: [] [Condition 1 applies]
 - Alternative Pre-nominated Index: [] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (v) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [] [Condition 1 applies]
 - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9(h): [3] []
 - Dealer Poll: [Applicable] [Not applicable]
 - Unscheduled Holiday and Deferral Period: [The number of Relevant Currency Business Days for the purpose of the definition of Unscheduled Holiday in Condition 1 is [] [and the number of

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- calendar days for the purposes of the Deferral Period is [] [as per Condition 1]]
- Interest Adjustment: [Applicable] [Not applicable]
- (vi) EM Price Source Disruption: [Applicable] [Not applicable]
- Price Materiality: [Applicable] [Not applicable]
 - Price Materiality Threshold Percentage: [] [3 per cent.]
 - FX Disruption Event: [Applicable] [Not applicable]
 - EM Deferral Period: The number of calendar days for the purposes of the Deferral Period is [] [[14]⁷ [30]⁸.
 - Fallback Conversion Rate Fixing Page: []
 - Fallback Conversion Rate Fixing Time: []
 - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9: [3] []
 - Interest Adjustment: [Applicable] [Not Applicable]
- (vii) LBMA Physical Settlement provisions: [Applicable [in respect of [Index-Linked Interest Note provisions] [Final Redemption Amount] [Early Redemption Amount] [] [and []]]] [Not applicable]
- LBMA Physical Settlement Commodity(ies): [] [and []]
27. Redenomination: [Applicable] [Not applicable]
(Condition 10)
28. Other terms: [Not applicable/specify/See Annex]
- (When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)
29. Valuation Date: []

DISTRIBUTION

30. (i) If syndicated, names of Relevant Dealer(s): [Not applicable / HSBC Bank plc/other - give name]

⁷ Include for a USD-EGP currency pair (subject to review of the relevant confirmation)

⁸ Include for a USD-CLP currency pair (subject to review of the relevant confirmation)

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- (ii) If syndicated, names [, addresses and underwriting commitments] of other Dealers (if any): [Not applicable/other - give name]
 [Give addresses and underwriting commitments]
 (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)
31. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]
32. Selling restrictions: [For Bearer Notes: TEFRA C Rules/TEFRA D Rules/TEFRA Not applicable]
 United States of America: [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
 [Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "Transfer Restrictions"]
 40-day Distribution Compliance Period: [Applicable] [Not applicable]
33. Exemption(s) from requirements under Directive 2003/71/EC (as amended) (the "Prospectus Directive"): [Not applicable. This offer is made exclusively to investors outside the European Economic Area]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the Prospectus Directive)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive)]/[The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
34. Additional U.S. federal income tax considerations: [Not applicable/give details] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "Taxation – United States Taxation – Withholding on Dividend Equivalent Payments" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: []]. Additional information regarding the application of Section 871(m) to the

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Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] *[The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.]*

35. Additional selling restrictions:

[specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement]

[In offers of Notes pursuant to Rule 144A insert:

TRANSFER RESTRICTIONS⁹

Because of the following restrictions, purchasers of Notes offered in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as the investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes, Combined Global Registered Notes and any US Definitive Registered Notes or Combined Definitive Registered Notes (as defined in "*Summary of Provisions relating to the Notes while in Global Form*" in the Offering Memorandum) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE [AND THE SECURITIES, IF ANY, TO BE DELIVERED UPON EXERCISE THEREOF]¹⁰ HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "**QUALIFIED**

⁹ *Transfer Restrictions are only to be included for Notes offered in the United States in reliance on Rule 144A.*

¹⁰ *To be included if the underlying securities have not been registered under the Securities Act.*

INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")), (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

*EITHER*¹¹

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND NOTE (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.]

*OR*¹²

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1986, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED

¹¹ This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

¹² This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

(THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SIMILAR LAW PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING DEEMED A BENEFIT PLAN INVESTOR OR SIMILAR LAW PLAN OR (B)(I) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("**PTCE**") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (AND, IF APPLICABLE, ANY PERSON OR ENTITY ACTING ON BEHALF OF SUCH PURCHASER OR TRANSFEREE) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (II) NEITHER ISSUER NOR ITS AFFILIATES HAS (A) PROVIDED ANY ADVICE OR RECOMMENDATION WITH RESPECT TO THE MANAGEMENT OF ANY INTEREST IN THE NOTE OR THE ADVISABILITY OF ACQUIRING, HOLDING, DISPOSING OR EXCHANGING ANY INTEREST IN THE NOTE, (B) DIRECTED ANY SUCH ADVICE SPECIFICALLY TO, OR RENDERED ANY SUCH ADVICE BASED ON THE PARTICULAR NEEDS OF, ANY PURCHASER OR TRANSFEREE, OR (C) TAKEN ANY OTHER ACTION WITH RESPECT TO THE ACQUISITION, HOLDING, OR DISPOSITION OF THE NOTE THAT WOULD MAKE THE ISSUER OR AN AFFILIATE A 'FIDUCIARY' WITHIN THE MEANING OF SECTION 3(21) OF ERISA AND SECTION 4975(E)(3) OF THE CODE. "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual

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capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Notes or any interests therein will not be), and is not (and for so long as it holds such Notes or interests therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a governmental, church or non-U.S. plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan or (b) such purchaser or transferee's acquisition, holding and disposition of this Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a governmental, church plan or non-U.S. plan, will not result in a violation of any Similar Law). In addition, each purchaser and transferee of any such offered Note or interest therein that is a Benefit Plan Investor shall be required or deemed to represent and warrant to the Issuer, on each day from the date on which such beneficial owner acquires such Note or interest through and including the date on which it disposes of such Note or interest, and at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, that (a) the fiduciary making the decision to invest in such Note on its behalf (the "**Independent Fiduciary**") is a bank, insurance company, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3-21(c)(1)(i); (b) the Independent Fiduciary is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21(c); (c) the Independent Fiduciary is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) the Independent Fiduciary is responsible for exercising independent judgement in evaluating the acquisition, holding and disposition of such Note; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation to any of the Issuer and its affiliates (the "**Transaction Parties**") for investment advice (as opposed to other services) in connection with its acquisition or holding of such Note. In addition, each such purchaser or transferee will be required or deemed to acknowledge and agree that the Independent Fiduciary (x) understands that none of the Transaction Parties or other persons that provide marketing services, nor any of their affiliates, has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a fiduciary capacity, in connection with the purchaser's or transferee's acquisition or holding of such Notes and (y) has received and understands the disclosure of the existence and nature of the interests of the Transaction Parties disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Certain ERISA Considerations*" in the Offering Memorandum.

- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]

CONFIRMED

HSBC BANK PLC

By:
Authorised Signatory

Date:

PART B - OTHER INFORMATION

1. LISTING

- (i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin [on or around the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted] [Not applicable]
- (ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading on the Global Exchange Market with effect from [the Issue Date/ *[insert date]*]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not applicable]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
- (iii) Estimated total expenses of admission to trading: *[(specify amount)]*

2. RATINGS

- Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]
- [Standard & Poor's Credit Market Services Europe Limited: []]
- [Moody's Investors Service Limited: []]
- [Fitch Ratings Limited: []]

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

[Save for any fees payable to the Dealer(s), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The Dealer(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]¹³

4. Fixed Rate Notes only - YIELD

- Indication of yield: [[] per cent. per annum] [Calculated as *[include details of method of calculation in summary form]* on the Issue Date]¹⁴
- [As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

¹³ For unlisted Notes delete this paragraph.

¹⁴ For unlisted Notes delete this paragraph.

5. **[Index-Linked or other variable-linked Interest Notes only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]¹⁵**

(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.)

OPERATIONAL INFORMATION

6. ISIN Code: [Not applicable]

7. Common Code: [Not applicable]

8. CUSIP: [Not applicable]

9. Valoren Number: [Not applicable]

10. SEDOL: [Not applicable]

11. WKN: [Not applicable]

12. Other identifier / code: [Not applicable]

13. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No] [Not applicable]¹⁶

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[include this text if "yes" selected]*

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]*. Note that this does not necessarily

¹⁵ For unlisted Notes delete this paragraph.

¹⁶ Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB collateral eligibility requirements, in order to be eligible as collateral a security must, among other things, be denominated in Euro and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg Euro MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

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mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*Include this text if "no" selected*]

14. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST/ None/*specify other*]
15. Delivery: Delivery [against/free of] payment
16. Settlement procedures: [Eurobond/Medium Term Note/ *other (specify)*]
17. Additional Paying Agent(s) (if any): [None/ *specify*]
18. Common Depository: [HSBC Bank plc] [Not applicable] [*specify*]
19. Calculation Agent: [HSBC Bank plc] [HSBC France] [*other (specify)*]
20. ERISA Considerations: [ERISA prohibited] [ERISA terms apply]

ANNEX 2

ALTERNATIVE ADDITIONAL PROVISIONS RELATING TO EQUITY-LINKED NOTES AND INDEX-LINKED NOTES

The following additional condition shall be deemed to be added as Condition 22 to the terms and conditions set out in the section headed "*Alternative Terms and Conditions of the Notes*" appearing in "*Part B - Information relating to the Notes Generally*" of this Offering Memorandum in respect of any issue of Equity-Linked Notes or Index-Linked Notes for which the Pricing Supplement specifies that the "Alternative Note General Conditions" apply.

The terms and conditions of the Equity-Linked Notes and Index-Linked Notes (the "**Terms and Conditions of the Equity-Linked Notes and Index-Linked Notes**") shall consist of Condition 22 and the terms and conditions set out in the section headed "*Alternative Terms and Conditions of the Notes*" appearing in "*Part B - Information relating to the Notes Generally*" of this Offering Memorandum, as amended or supplemented by the terms of each Tranche of Notes set out in the Pricing Supplement, examples of which are set out below.

22. Provisions relating to Equity-Linked Notes and Index-Linked Notes

(a) **Definitions**

As used in this Condition 22, and unless otherwise provided in the relevant Pricing Supplement, the following expressions shall have the following meanings:

"**Additional Disruption Event**" has the meaning ascribed thereto in Condition 22(h);

"**Automatic Early Redemption Amount**" means in respect of an Automatic Early Redemption Date and as calculated by the Calculation Agent in good faith, an amount equal to the Calculation Amount multiplied by the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date or such other amount as specified in the relevant Pricing Supplement;

"**Automatic Early Redemption Date(s)**" means each of the date(s) specified as such in the relevant Pricing Supplement, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Pricing Supplement;

"**Automatic Early Redemption Event**" means (unless otherwise specified in the relevant Pricing Supplement) that the price of the relevant Security or, as the case may be, the level of the Index, in either case as determined by the Calculation Agent as of the Valuation Time on the relevant Automatic Early Redemption Valuation Date is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the relevant Automatic Early Redemption Price, or as the case may be, the relevant Automatic Early Redemption Level;

"**Automatic Early Redemption Level**" means, in respect of an Automatic Early Redemption Valuation Date, the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

"**Automatic Early Redemption Price**" means, in respect of an Automatic Early Redemption Valuation Date, the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

"**Automatic Early Redemption Rate**" means, in respect of any Automatic Early Redemption Valuation Date, the percentage rate specified as such for such Automatic Early Redemption Valuation Date in the relevant Pricing Supplement;

"**Automatic Early Redemption Valuation Date(s)**" means each of the date(s) specified as such in the relevant Pricing Supplement (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), subject to the provisions of Condition 22(e)(A) which shall apply as if such Automatic Early Redemption Valuation Date were a Valuation Date;

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"Averaging Date" means, in respect of each Valuation Date, each date specified as such or otherwise determined as provided in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), subject to the provisions of Condition 22(e)(B);

"Cash Settlement" means, in relation to a Series of Notes, that the relevant Noteholder is entitled to receive from the Issuer on the Maturity Date an amount calculated in accordance with the relevant Pricing Supplement in the Settlement Currency;

"Clearing System Business Day" means, in relation to any Securities, any day on which the principal domestic clearing system customarily used for settling trades in such Securities is (or, but for the occurrence of an event beyond the control of the Issuer as a result of which such clearing system cannot clear the transfer of such securities, would have been) open for the acceptance and execution of settlement instructions;

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

"Conversion" means, in respect of any Securities, any irreversible conversion by the Underlying Company of such Securities into other securities;

"Delisting" means that the Exchange announces that, pursuant to the rules of such Exchange, the Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system (an **"Alternative Exchange"**) located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) or that the Calculation Agent determines that listing or trading of Securities on the Exchange (or an Alternative Exchange) has not commenced and will not commence in the foreseeable future prior to redemption of the Notes.

With respect to Depository Receipts, a "Delisting" shall not occur in respect of the Underlying Securities if the Underlying Securities are immediately re-listed, re-traded or re-quoted on an Alternative Exchange regardless of the location of such Alternative Exchange;

"Delivery Disruption Event" means, as determined by the Calculation Agent, the failure by the Issuer to deliver or to procure delivery on the relevant Settlement Date the Securities Transfer Amount under the relevant Note due to illiquidity in the market for such Securities;

"Deposit Agreement" means, in relation to each Depository Receipt, the agreement(s) or other instrument(s) constituting such Depository Receipt, as from time to time amended or supplemented;

"Depository" means, in relation to a Depository Receipt, the issuer of such Depository Receipt as appointed under the Deposit Agreement, including its successors from time to time;

"Depository Receipt(s)" means any Security specified as such in the relevant Pricing Supplement **provided that** if the relevant Deposit Agreement is terminated at any time, any reference to any Depository Receipt(s) shall thereafter be construed as a reference to the relevant Underlying Securities or relevant Replacement DRs, as applicable and as determined by the Calculation Agent pursuant to Condition 22(k) (*Events relating to DR-Linked Notes*);

"Disrupted Day" means (a) any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or (b) if the Notes are Multiple Exchange Index-Linked Notes, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred or (c) any Scheduled Trading Day on which the Index Sponsor fails to publish the Index;

"Disrupted Day Related Payment Date" means any payment date on the Notes on which the amount payable is calculated by reference to the price or level (as applicable) of a Security,

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Index, basket of Securities or basket of Indices determined on the related Valuation Date or Limit Valuation Date;

"DR-Linked Notes" means a Series of Equity-Linked Notes which relate to one or more Securities which are Depository Receipts;

"Early Closure" means (a) the closure on any Exchange Business Day of the relevant Exchange (in the case of Equity-Linked Notes or Cash Equity Notes) or any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of Index-Linked Notes) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or (b) if the Notes are Multiple Exchange Index-Linked Notes, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"Equity-Linked Note" means a Series of Notes in respect of which either an amount, which shall be calculated by reference to the value of a Security or Securities and/or a formula, is payable or a Securities Transfer Amount is deliverable (as indicated in the relevant Pricing Supplement);

"Exchange" means (a) with respect to a Security or an Index, each exchange or quotation system specified as such in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Security or the components of the Index, as the case may be, has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Security or components, as the case may be, as on the original Exchange); or (b) in the case of a Multiple Exchange Index and each relevant Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent (which exchange or quotation system as of the Issue Date may be specified as such in the relevant Pricing Supplement);

"Exchange Business Day" means (a) any Scheduled Trading Day on which each Exchange and any relevant Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or (b) with respect to a Multiple Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means (a) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Securities on the Exchange (in the case of an Equity-Linked Note) or on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of an Index-Linked Note), or (ii) to effect transactions in, or obtain market values for, future or options contracts relating to the Securities (in the case of an Equity-Linked Note) or the relevant Index (in the case of an Index-Linked Note) on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) futures or options contracts relating to the Index on the relevant Related Exchange;

"Extraordinary Dividend" means the amount per Security specified or otherwise determined as provided in the relevant Pricing Supplement or, if no such amount is so specified or determined, any dividend or the portion of any dividend which the Calculation Agent determines is generally considered an Extraordinary Dividend by the market in respect of the relevant Security;

"Extraordinary Event" means (a) in all cases other than where the Pricing Supplement specifies that the Securities are Units in a Fund, a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting (b) in the case where the Pricing Supplement specifies that the Securities are Units in a Fund, a Merger Event, Nationalisation, Insolvency, Delisting or Extraordinary Fund Event;

"Extraordinary Fund Event" means, in the determination of the Calculation Agent, the occurrence or existence of any of the following:

- (i) the Fund (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) to (E) above;
- (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (iii) the resignation, termination or replacement of the Fund Adviser (as defined below);
- (iv) any change or modification of the Fund Documents that could reasonably be expected to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Issue Date;
- (v) any breach or violation of any strategy or investment guidelines stated in the Fund Documents that is reasonably likely to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent);
- (vi) any restrictions or increase in charges or fees are imposed by the Fund on any investor's ability to redeem the Units, in whole or in part, or on any existing or new investor's

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ability to make new or additional investments in such Units, or any mandatory redemption, in whole or in part, of such Units is imposed by the Fund (in each case other than any restriction in existence on the Issue Date);

- (vii) (A) cancellation, suspension or revocation of the registration or approval of the Units or the Fund by any governmental, legal or regulatory entity with authority over the Units or the Fund, (B) any change in the legal, tax, accounting or regulatory treatments of the Fund or the Fund Adviser that is reasonably likely to have an adverse impact on the value of the Units or on any investor therein (as determined by the Calculation Agent), or (C) the Fund or the Fund Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of the Fund;
- (viii) (A) the occurrence of any event affecting the Units that, in the determination of the Calculation Agent, would make it impossible or impracticable to determine the value of the Units, and such event is likely, in the determination of the Calculation Agent, to continue for the foreseeable future; or (B) any failure of the Fund to deliver, or cause to be delivered (1) information that the Fund has agreed to deliver, or cause to be delivered to the Issuer and/or Calculation Agent or (2) information that has been previously delivered to the Issuer and/or Calculation Agent in accordance with the Fund's, or its authorised representative's, normal practice and that the Issuer and/or Calculation Agent deems necessary for it to monitor the Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Units;
- (ix) (A) the cancellation or cessation of any Underlying Index or (B) a material change in the formula for or the method of calculating or any other material modification to any Underlying Index (other than a modification prescribed in that formula or method to maintain such Underlying Index in the event of changes in constituent stock and capitalisation and other routine events) or (C) the relevant sponsor of any Underlying Index fails to calculate and announce such Underlying Index; and
- (x) on or after the Strike Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that the Issuer will incur a materially increased cost in performing its obligations under the Notes.

"Final Index Level" means, with respect to an Index and a Valuation Date, the level determined as provided in the relevant Pricing Supplement or, if no such level is so provided (a) the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Valuation Date or (b) with respect to a Multiple Exchange Index, the official closing level of the Index on the Valuation Date as calculated and published by the Index Sponsor or (c) if Averaging Dates are specified in the relevant Pricing Supplement in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded up to four decimal places (with 0.00005 being rounded up)) of the Reference Levels on such Averaging Dates;

"Final Price" means, with respect to a Security and a Valuation Date, the price determined as provided in the relevant Pricing Supplement, or if no such price is so provided (a) the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Valuation Date or (b) if Averaging Dates are specified in the relevant Pricing Supplement in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded up to four decimal places (with 0.00005 being rounded up)) of the Reference Prices on such Averaging Dates;

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"**Fund**" means the exchange traded fund or similarly traded or listed fund as specified in the relevant Pricing Supplement;

"**Fund Adviser**" means, with respect to a Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment manager (including a non-discretionary investment manager to a discretionary investment manager or to another non-discretionary investment manager), as provided in the related Fund Documents;

"**Fund Documents**" means, in relation to any Fund, the constitutive and governing documents, subscription agreements and other agreements of such Fund specifying the terms and conditions relating to such Fund, in each case as amended and supplemented from time to time;

"**Government Bonds**" means, in relation to a Series of Notes, bonds or any other debt securities issued by a government, government agency or subdivision or a transnational or supranational organisation as specified in the relevant Pricing Supplement and "**Government Bond**" shall be construed accordingly;

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited;

"**Hypothetical Broker Dealer**" means a hypothetical broker dealer which is (i) subject to the same securities laws and rules and regulations of any securities regulators, exchanges and self-regulating organisations as apply to the Issuer or any affiliate designated by it and (ii) domiciled in the same tax jurisdiction as the Issuer or its such designated affiliates;

"**Index**" means, in relation to a Series of Notes, the index to which such Notes relates, as specified in the relevant Pricing Supplement, subject to adjustment pursuant to this Condition 22, and "**Indices**" shall be construed accordingly;

"**Index-Linked Note**" means a Series of Notes in respect of which an amount calculated by reference to an Index or Indices and/or a formula is payable (as indicated in the relevant Pricing Supplement) including Inflation Rate-Linked Notes;

"**Index Rules**" means the rules of the Index Sponsor in relation to the Index specified as such in the relevant Pricing Supplement;

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

"**Index Substitution Notice**" has the meaning given in Condition 22(f)(iii);

"**Inflation Rate-Linked Note**" means a Note in relation to which the interest payable thereon (if any) and/or the redemption amount thereof is determined by reference to an inflation rate, inflation rates or any other inflation rate-dependent variables (as indicated in the relevant Pricing Supplement);

"**Initial Index Level**" means, with respect to an Index, the level specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if no such level is so specified or otherwise determined, the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date or, with respect to a Multiple Exchange Index, the official closing level of the Index on the Strike Date as calculated and published by the Index Sponsor each as rounded up to four decimal places (with 0.00005 being rounded up);

"**Initial Price**" means, with respect to a Security, the price specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if no such price is so specified or otherwise determined, the price of such Security as determined by the Calculation Agent as of

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the Valuation Time on the relevant Exchange on the Strike Date each as rounded up to four decimal places (with 0.00005 being rounded up);

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Company, (A) all the Securities of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Securities of that Underlying Company become legally prohibited from transferring them;

"Knock-in Amount" means the interest amount, redemption amount or other amount as specified as such in the relevant Pricing Supplement;

"Knock-in Amount Payment Date" means such date as specified in the relevant Pricing Supplement subject to adjustment in accordance with the Business Day Convention specified in the relevant Pricing Supplement;

"Knock-in Determination Day" means each Scheduled Trading Day specified as such in the relevant Pricing Supplement or if Knock-in Determination Period is specified in the relevant Pricing Supplement as being applicable, each Scheduled Trading Day during the Knock-in Determination Period, in each case subject to the provisions of Condition 22(e)(A) which shall apply as if such Knock-in Determination Day were a Valuation Date;

"Knock-in Determination Period" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

"Knock-in Event" means (unless otherwise specified in the relevant Pricing Supplement) that the price of the Security or, as the case may be, the level of the Index, determined by the Calculation Agent as of the Valuation Time or, if specified as such in the relevant Pricing Supplement, observed by the Calculation Agent continuously on any Knock-in Determination Day is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price or, as the case may be, the Knock-in Level;

"Knock-in Level" means the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

"Knock-in Period Beginning Date" means the date specified as such in the relevant Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of Condition 22(e) which shall apply as if such Knock-in Period Beginning Date were a Valuation Date;

"Knock-in Period Ending Date" means the date specified as such in the relevant Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of Condition 22(e) which shall apply as if such Knock-in Period Ending Date were a Valuation Date;

"Knock-in Price" means the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

"Knock-out Amount" means the interest amount, redemption amount or other amount as specified as such in the relevant Pricing Supplement;

"Knock-out Amount Payment Date" means such date as specified in the relevant Pricing Supplement subject to adjustment in accordance with the Business Day Convention specified in the relevant Pricing Supplement;

"Knock-out Determination Day" means each Scheduled Trading Day specified as such in the relevant Pricing Supplement or if Knock-out Determination Period is specified in the relevant Pricing Supplement as being applicable, each Scheduled Trading Day during the Knock-out

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Determination Period, in each case subject to the provisions of Condition 22(e)(A) which shall apply as if such Knock-out Determination Day were a Valuation Date;

"Knock-out Determination Period" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

"Knock-out Event" means (unless otherwise specified in the relevant Pricing Supplement) that the price of the Security or, as the case may be, the level of the Index, determined by the Calculation Agent as of the Valuation Time or, if specified as such in the relevant Pricing Supplement, observed by the Calculation Agent continuously on any Knock-out Determination Day is, as specified in the relevant Pricing Supplement, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Price or, as the case may be, Knock-out Level;

"Knock-out Level" means the level of the Index specified as such or otherwise determined in the relevant Pricing Supplement;

"Knock-out Period Beginning Date" means the date specified as such in the relevant Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of Condition 22(e) which shall apply as if such Knock-out Period Beginning Date were a Valuation Date;

"Knock-out Period Ending Date" means the date specified as such in the relevant Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of Condition 22(e) which shall apply as if such Knock-out Period Ending Date were a Valuation Date;

"Knock-out Price" means the price per Security specified as such or otherwise determined in the relevant Pricing Supplement;

"Market Disruption Event" means (a) the occurrence or existence of (i) a Trading Disruption, or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (iii) an Early Closure **provided that** for the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a component of the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event; or (b) with respect to a Multiple Exchange Index, either:

- (A) (1) the occurrence or existence, in respect of any Component Security, of (aa) a Trading Disruption, or (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (i) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time at which the relevant price or level triggers the Knock-in Level or the Knock-out Level, as the case may be, or (ii) in all other circumstances, ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, OR (cc) an Early Closure AND (2) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR
- (B) the occurrence or existence, in respect of futures or options contracts relating to the Index of: (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (i) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time at which the relevant price or level triggers the Knock-in Level or the Knock-out Level, as the case may be, or (ii) in all other circumstances,

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ends at the relevant Valuation Time in respect of the Related Exchange; or (cc) an Early Closure;

For the purposes of determining whether a Market Disruption Event exists in respect of a Multiple Exchange Index at any time, if a Market Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data";

"Merger Event" means in respect of any relevant Securities, any (i) reclassification or change of such Securities that results in a transfer of or an irrevocable commitment to transfer all of such Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Underlying Company with or into another entity or person (other than a consolidation, amalgamation or merger in which such Underlying Company is the continuing entity and which does not result in a reclassification or change of all of such Securities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Securities of the Underlying Company that results in a transfer of or an irrevocable commitment to transfer all such Securities (other than such Securities owned or controlled by such other entity or person); or (iv) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all of such Securities outstanding but results in the outstanding Securities (other than Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Securities immediately following such event, in each case if the closing date of a Merger Event (or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent) is on or before, in the case of any Equity-Linked Note which is to be redeemed by delivery of a Securities Transfer Amount, the Maturity Date or, in any other case, the final Valuation Date;

If the Notes are DR-Linked Notes, "Merger Event" shall include the occurrence of any of the events described in (i) to (iv) (inclusive) above in relation to the relevant Underlying Securities;

"Multiple Exchange Index" means an Index identified or specified as such in the relevant Pricing Supplement;

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

"Nationalisation" means that all the Securities (or, if the Notes are DR-Linked Notes, the relevant Underlying Securities) or all or substantially all the assets of an Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;

"Notional Sale Date" has the meaning given in the definition of Settlement Date below;

"Potential Adjustment Event" means (i) a subdivision, consolidation or reclassification of relevant Securities (unless resulting in a Merger Event), or a free distribution or dividend of any such Securities to existing holders whether by way of bonus, capitalisation or similar issue; or (ii) a distribution, issue or dividend to existing holders of the relevant Securities of (A) such Securities or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of such Securities or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; or (iii) an Extraordinary Dividend; or (iv) a call by the Underlying Company in respect of relevant Securities that are not fully paid; or (v) a repurchase by the Underlying Company or any of its subsidiaries of relevant Securities

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whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (vi) in respect of the Underlying Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Underlying Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Securities; or (viii) any other event specified as such in the relevant Pricing Supplement;

With respect to Depository Receipts, "Potential Adjustment Event" shall also include (x) the occurrence of any of the events described in (i) to (viii) (inclusive) above in respect of the relevant Underlying Securities, provided that the occurrence of any of the events described in (i) to (vi) (inclusive) in respect of the relevant Underlying Securities shall not constitute a Potential Adjustment Event unless, the Calculation Agent determines that such event has a diluting or concentrative effect on the theoretical value of the Securities and (y) the making of any amendment or supplement to the terms of the Deposit Agreement;

"**Reference Level**" means, unless otherwise specified in the relevant Pricing Supplement (a) in respect of an Index and an Averaging Date, the level of such Index as determined by the Calculation Agent as of the Valuation Time on the Exchange on such Averaging Date and (b) in respect of a Multiple Exchange Index and an Averaging Date, the official closing level of such Multiple Exchange Index on such Averaging Date as calculated and published by the Index Sponsor;

"**Reference Price**" means, unless otherwise specified in the relevant Pricing Supplement, in respect of a Security and an Averaging Date, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the Exchange on such Averaging Date;

"**Related Exchange**" means, subject to the proviso below, in respect of a Security or an Index, each exchange or quotation system specified as such for such Security or Index in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Security or Index, as the case may be, has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Security or Index, as the case may be, as on the original Related Exchange) **provided, however, that** where "All Exchanges" is specified as the Related Exchange in the relevant Pricing Supplement, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Security or Index, as the case may be;

"**Replacement DRs**" means, if the relevant Deposit Agreement is terminated, any depository receipts which the Calculation Agent determines, in accordance with Condition 22(k) (*Events relating to DR-Linked Notes*) are to replace the Depository Receipts constituted by such terminated Deposit Agreement;

"**Residual Amount**" means, in relation to a Noteholder and a Note, the fraction of a Security rounded down pursuant to Condition 22(b), as determined by the Calculation Agent or such amount as otherwise specified in the relevant Pricing Supplement;

"**Residual Cash Amount**" means, in respect of a Residual Amount, the product of such Residual Amount and the fraction of which the numerator is the Final Price and the denominator is the Initial Price or such amount as otherwise specified in the relevant Pricing Supplement;

"**Scheduled Averaging Date**" has the meaning given in Condition 22(e)(ii)(B)(3)(bb);

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"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"Scheduled Final Averaging Date" has the meaning given in Condition 22(e)(ii)(B)(3)(aa);

"Scheduled Trading Day" means (a) any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading for their respective regular trading sessions; notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; (b) with respect to a Multiple Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session or (c) any day on which the Index Sponsor is scheduled to publish the level of the Index;

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"Securities" means, in relation to a Series of Notes or in relation to an Index, the equity securities, debt securities (including without limitation Government Bonds), depository receipts or other securities or property, as adjusted pursuant to this Condition 22, to which such Notes or Index, as the case may be, relate, as specified in the relevant Pricing Supplement and **"Security"** shall be construed accordingly;

"Securities Transfer Amount" means the number of Securities per Note as specified in the relevant Pricing Supplement or if no such number is so specified, the number of Securities per Note calculated by the Calculation Agent and equal to the fraction of which the numerator is the Calculation Amount and the denominator is the Initial Price;

"Settlement Cycle" means, in respect of a Security or an Index, the period of Clearing System Business Days following a trade in the relevant Security or the securities underlying such Index, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period);

"Settlement Date" means, in relation to Securities to be delivered in respect of an Equity-Linked Note (a) in the case of Equity-Linked Notes which relate to equity securities and unless otherwise specified in the relevant Pricing Supplement, the later of (i) the Maturity Date and (ii) the date that falls one Settlement Cycle after the later of (i) the Exchange Business Day following the Valuation Date (the **"Notional Sale Date"**) (or if such day is not a Clearing System Business Day, the next following Clearing System Business Day) subject to the provisions of Condition 22(b) and (ii) the Scheduled FX Fixing Date (as postponed pursuant to Condition 9(f)) falling on or immediately after such Valuation Date (if any) or, (b) in any other case, and unless otherwise specified in the relevant Pricing Supplement, the date specified as such in the relevant Pricing Supplement, subject to adjustment in accordance with the Following Business Day Convention unless another Business Day Convention (as defined in Condition 1) is specified in the relevant Pricing Supplement. In each case, if a Settlement Disruption Event prevents delivery of such Securities on that day, then the Settlement Date shall be determined in accordance with Condition 21(b)(ii);

"Settlement Disruption Event" in relation to a Security or a Component Security, means an event which the Calculation Agent determines to be beyond the control of the Issuer or relevant obligor and to be an event as a result of which the relevant Clearing System cannot clear the transfer of such Security or Component Security;

"Specified Maximum Number of Disrupted Days" means, in relation to an Equity-Linked Note or an Index-Linked Note, the eighth Scheduled Trading Day or such other number of Scheduled Trading Days specified as such in the relevant Pricing Supplement;

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"Strike Date" means the date specified as such in the relevant Pricing Supplement (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of Condition 22(e));

"Substitute Index" has the meaning given in Condition 22(f)(iii);

"Successor Index" has the meaning given in Condition 22(f)(i) or Condition 22(j) as applicable;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Underlying Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Trading Disruption" means (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Securities on the Exchange (in the case of an Equity-Linked Note) or on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of Index-Linked Notes), or (ii) in futures or options contracts relating to the Securities or the relevant Index on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component Security on the Exchange in respect of such Component Security, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange;

"Transfer Notice" means for the purposes of Equity-Linked Notes only a notice in the form from time to time approved by the Issuer, which must:

- (i) specify the name and address of the Noteholder;
- (ii) specify the number of Notes in respect of which it is the Noteholder;
- (iii) specify the number of the Noteholder's account at the relevant Clearing System to be debited with such Notes;
- (iv) irrevocably instruct and authorise the relevant Clearing System, (A) to debit the Noteholder's account with such Notes on the Settlement Date, if the Issuer elects (or has elected) the Physical Delivery provisions being applicable or otherwise on the Maturity Date and (B) that no further transfers of the Notes specified in the Transfer Notice may be made;
- (v) contain a representation and warranty from the Noteholder to the effect that the Notes to which the Transfer Notice relates are free from all liens, charges, encumbrances and other third party rights;
- (vi) specify the number and account name of the account at the relevant Clearing System to be credited with the Securities if the Issuer elects (or has elected) the Physical Delivery provisions being applicable;
- (vii) contain an irrevocable undertaking to pay the Transfer Expenses (if any) and an irrevocable instruction to the relevant Clearing System to debit on or after the Settlement Date the cash or other account of the Noteholder with the relevant Clearing System specified in the Transfer Notice with such Transfer Expenses;
- (viii) include a certificate of non-US beneficial ownership in the form required by the Issuer; and

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- (ix) authorise the production of the Transfer Notice in any applicable administrative or legal proceedings;

"Underlying Company" means the issuer of the Security as specified in the relevant Pricing Supplement and, if the Notes are DR-Linked Notes, each of the Depository and the issuer of the relevant Underlying Security, in each case subject to adjustment in accordance with Condition 22(g);

"Underlying Index", in relation to a Fund, has the meaning given to it in the relevant Pricing Supplement;

"Underlying Security" means, with respect to DR-Linked Notes and a Depository Receipt, the security and any other property to which such Depository Receipt relates;

"Unit", in relation to a Fund, has the meaning given to it in the relevant Pricing Supplement;

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur;

"Valuation Date" means each date specified or otherwise determined as provided in the relevant Pricing Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case subject to Condition 22(e); and

"Valuation Time" means:

- (a) in relation to each Security to be valued or each Index (other than a Multiple Exchange Index) the level of which falls to be determined on any date, the time on such date specified as such in the relevant Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on such date in relation to such Security or Index, as applicable or such scheduled time as set out in the Index Rules. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (b) in relation to a Multiple Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

(b) ***Physical Delivery***

In relation to Equity-Linked Notes which are to be redeemed by the delivery of a Securities Transfer Amount, and subject to the other provisions of these Conditions and the relevant Pricing Supplement:

- (i)
- (A) Each Noteholder shall, on or before the date five calendar days before the Maturity Date or the date of early termination or redemption (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, the relevant Clearing System to perform their respective obligations in relation to the Notes and notify to the Paying Agents and the Noteholders) send to the relevant Clearing System, in accordance with its then applicable operating procedures, and copied to the Principal Paying Agent, a duly completed Transfer Notice.
- (B) A Transfer Notice, once delivered to the relevant Clearing System, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of a

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Transfer Notice following delivery of such Transfer Notice to the relevant Clearing System. A Transfer Notice shall only be valid to the extent that the relevant Clearing System have not received conflicting prior instructions in respect of the Notes which are the subject of the Transfer Notice.

- (C) Failure properly to complete and deliver a Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided shall be made by the Principal Paying Agent and shall be conclusive and binding on the Issuer and the Noteholder.
- (D) The Principal Paying Agent shall promptly on the local banking day following receipt of a Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.
- (E) Delivery of the Securities will be via the relevant Clearing System. The delivery or transfer of Securities to each Noteholder is at the relevant Noteholder's risk and if delivery occurs later than the earliest possible date for delivery, no additional amounts will be payable by the Issuer.
- (F) The Issuer shall discharge its obligation to redeem the relevant proportion of the Notes by delivering, or procuring the delivery of, the Securities Transfer Amount on the Settlement Date to the Clearing System for credit to the account with the Clearing System specified in the Transfer Notice of the relevant Noteholder.
- (G) The amount of Securities to be delivered to or for the account of each Noteholder shall be an amount of Securities equal to the number of Notes in respect of which such Noteholder is the holder as specified in the relevant Transfer Notice multiplied by the Securities Transfer Amount **provided, however, that** if a Noteholder would become entitled to a number of Securities which is not equal to a board lot of the Securities at such time, as determined by the Calculation Agent, or an integral multiple thereof, then the Noteholder's entitlement to delivery of Securities shall be rounded down to the nearest whole Security.
- (H) In relation to each Noteholder, the Calculation Agent shall calculate the Residual Amount and the Residual Cash Amount. The Residual Cash Amount shall be paid by the Issuer to the relevant Noteholder on the Settlement Date.
- (I) Each Noteholder shall be required as a condition of its entitlement to delivery of Securities in respect of any Notes to pay all Transfer Expenses in respect of such Notes.
- (J) After delivery to or for the account of a Noteholder of the relevant Securities Transfer Amount and for such period of time as the transferor or its agent or nominee shall continue to be registered in any clearing system as the owner of the Securities comprised in such Securities Transfer Amount (the "**Intervening Period**"), none of such transferor or any agent or nominee for the Issuer or such transferor shall (i) be under any obligation to deliver to such Noteholder or any other person any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or such transferor, agent or nominee in its capacity as holder of such Securities, (ii) be under any obligation to exercise any rights (including voting rights) attaching to such Securities during the Intervening Period, or (iii) be under any liability to such Noteholder or any other person in respect of any loss or damage which the Noteholder or any other person may sustain or suffer as a result, whether directly or indirectly, of the Issuer or such transferor, agent or nominee being registered in such clearing system during such Intervening Period as legal owner of such Securities.

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- (K) All dividends on Securities to be delivered will be payable to the party that would receive such dividends according to market practice for a sale of the Securities executed on the Notional Sale Date to be delivered in the same manner as such Securities. Any such dividends will be paid to or for credit to the account specified by the Noteholder in the relevant Transfer Notice. No right to dividends on the Securities will accrue to Noteholders prior to the Notional Sale Date.
- (ii) The Calculation Agent shall determine whether or not at any time a Settlement Disruption Event has occurred and where it determines such an event has occurred and so has prevented delivery of Securities on the original day that but for such Settlement Disruption Event would have been the Settlement Date, then the Settlement Date will be the first succeeding day on which delivery of such Securities can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the eight relevant Clearing System Business Days immediately following the original date (or during such other period (the "**Disruption Period**") specified in the relevant Pricing Supplement) that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case, if the Securities are debt securities, the Issuer shall use reasonable efforts to deliver such Securities promptly thereafter acting in good faith and in a commercially reasonable manner (as determined by the Calculation Agent) outside the Clearing System and in all other cases (a) if such Securities can be delivered in any other commercially reasonable manner (as determined by the Calculation Agent), then the Settlement Date will be the first Business Day on which settlement of a sale of Securities executed on that eighth relevant Clearing System Business Day, or during such other period specified in the relevant Pricing Supplement, customarily would take place using such other commercially reasonable manner (as determined by the Calculation Agent) of delivery (which other manner of delivery will be deemed the relevant Clearing System for the purposes of delivery of the relevant Securities), and (b) if such Securities cannot be delivered in any other commercially reasonable manner (as determined by the Calculation Agent), then the Settlement Date will be postponed until delivery can be effected through the relevant Clearing System or in any other commercially reasonable manner.

For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Securities comprised in a basket, the Settlement Date for Securities not affected by the Settlement Disruption Event will be the first day on which settlement of a sale of such Securities executed on the Maturity Date customarily would take place through the relevant Clearing System.

- (iii) If the Calculation Agent determines that a Delivery Disruption Event has occurred, it shall notify the Issuer who shall promptly notify the relevant Noteholder(s) and the Issuer may then:
- (A) determine, in its sole and absolute discretion, a new Settlement Date such date being no later than the earlier of (i) the Scheduled Trading Day immediately following the day on which the Delivery Disruption Event has ceased to exist and (ii) the eighth Scheduled Trading Day falling after the original Settlement Date, provided, in each case such day is a Clearing System Business Day (or, if not, the Scheduled Trading Day that is a Clearing System Business Day immediately following such day);
- (B) determine (either upon the occurrence of a Delivery Disruption Event or, if no new Settlement Date was determined prior to the eighth Scheduled Trading Day falling after the original Settlement Date pursuant to paragraph (A) above, upon such eighth Scheduled Trading Date (the "**Postponed Determination Date**"), in its sole and absolute discretion, that the obligation to deliver the relevant Securities Transfer Amount will be terminated and the Issuer will pay such amount as in the opinion of the Calculation Agent (such opinion to be made acting in good faith and in a commercially reasonable manner) is fair (i) by reference to the spot price on an Exchange for such Securities on the date of the Delivery Disruption Event (or the Postponed Determination Date, if the Issuer

has first elected to apply paragraph (A) above), or if no such spot price is available (or if the Calculation Agent acting in good faith and in a commercially reasonable manner determines that such spot price materially differs from the price that would be obtained in a liquid and well-functioning market), (ii) as determined by the Calculation Agent to be the arithmetic mean of the price quoted for such Securities by investment banks appointed by the Calculation Agent that are acting in the market for the relevant Securities on the date of the Delivery Disruption Event (or the Postponed Determination Date, if the Issuer has first elected to apply paragraph (A) above) or (iii) if less than two such quotations are received, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, in each case by way of compensation for the non-delivery of the Securities Transfer Amount, in which event the entitlements of the respective Noteholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount; or

- (C) deliver on the Settlement Date (as may have been postponed pursuant to paragraph (A) above) such amount of the Securities Transfer Amount (if any) as it can deliver on that date and the Issuer will pay such amount as in the opinion of the Calculation Agent (such opinion to be made acting in good faith and in a commercially reasonable manner) is fair (i) by reference to the spot price on an Exchange for such Securities on the date of the Delivery Disruption Event (or the Postponed Determination Date, if the Issuer has first elected to apply paragraph (A) above), or if no such spot price is available, (or if the Calculation Agent acting in good faith and in a commercially reasonable manner determines that such spot price materially differs from the price that would be obtained in a liquid and well-functioning market) (ii) as determined by the Calculation Agent to be the arithmetic mean of the price quoted for such Securities by investment banks appointed by the Calculation Agent that are acting in the market for the relevant Securities on the date of the Delivery Disruption Event (or the Postponed Determination Date, if the Issuer has first elected to apply paragraph (A) above) or (iii) if less than two such quotations are received, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, in each case by way of compensation for the non-delivery of the remainder of the Securities Transfer Amount, in which event the entitlements of the respective Noteholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

Where this Condition 22(b)(iii) fails to be applied, insofar as the Calculation Agent determines to be practical, the same shall be applied as between the Noteholders on a *pro rata* basis, but subject to such rounding down (whether of the amount of a payment or of a number of Securities to be delivered) and also to such other adjustments as the Calculation Agent determines to be appropriate to give practical effect to such provisions.

(c) ***Automatic Early Redemption***

This Condition 22(c) is applicable only if Automatic Early Redemption Event is indicated as applicable in relevant Pricing Supplement.

If on any Automatic Early Redemption Valuation Date, the Automatic Early Redemption Event occurs, then unless previously redeemed or purchased and cancelled, the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date, together with any interest accrued but unpaid thereon to the Automatic Early Redemption Date (unless otherwise specified in the relevant Pricing Supplement) immediately following such Automatic Early Redemption Valuation Date and the Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount in the relevant currency equal to the relevant Automatic Early Redemption Amount.

(d) ***Knock-in and Knock-out Provisions***

This Condition 22(d) is applicable only if "Knock-in Event" or "Knock-out Event" is specified as applicable in the relevant Pricing Supplement. If on a Knock-in Determination Day or Knock-out Determination Day, a Knock-in Event or Knock-out Event (respectively) occurs, then a Knock-in Amount or Knock-out Amount (respectively) becomes payable on the relevant Knock-in Amount Payment Date or Knock-out Amount Payment Date (respectively), all as specified as such in the relevant Pricing Supplement.

(e) ***Consequences of Disrupted Days***

For the purposes of this Condition 22(e) "**Limit Valuation Date**" shall mean, if any Valuation Date in respect of a Note is a Disrupted Day, the Specified Maximum Number of Disrupted Days following such Valuation Date, notwithstanding the fact that such day is a Disrupted Day.

(i) If any Valuation Date is a Disrupted Day, then:

(A) in the case of an Equity-Linked Note, or an Index-Linked Note which, in each case, relates to a single Security or Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, **provided that** the Valuation Date shall not fall after the Limit Valuation Date. In that case:

(1) in respect of an Index Linked Note, the Limit Valuation Date will be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level of the Index as of the Valuation Time on the Limit Valuation Date determined in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security or other property on the Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and

(2) in respect of an Equity Linked Note, the Limit Valuation Date shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and the Calculation Agent shall determine its good faith estimate of the value for the relevant Security as of the Valuation Time on that Limit Valuation Date;

(B) in the case of an Index Linked Note which relates to a basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index, unless each of the succeeding Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Index notwithstanding the fact that such day is a Disrupted Day relating to that Index and the Calculation Agent shall determine the level of that Index, as of the Valuation Time on the Limit Valuation Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect to the relevant security or other property on the Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and

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(C) in the case of an Equity Linked Note which relates to a basket of Securities, the Valuation Date for each Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Security affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Security, unless each of the Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Security. In that case, (1) the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Security, notwithstanding the fact that such day is a Disrupted Day, and (2) the Calculation Agent shall determine its estimate of the value for that Security as of the Valuation Time on the Limit Valuation Date.

(ii) If Averaging Dates are specified in the relevant Pricing Supplement, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index or Securities:

(A) The Final Price or Final Index Level will be, in relation to any Valuation Date:

(1) in respect of an Index-Linked Note or an Equity-Linked Note settled by way of Cash Settlement which, in each case, relates to a single Security or Index (as the case may be), the arithmetic mean of the Reference Price of the Security or (as the case may be) of the Reference Level of the Index on each Averaging Date;

(2) in respect of an Index-Linked Note settled by way of Cash Settlement which relates to a basket of indices, the arithmetic mean of the amounts for such basket determined by the Calculation Agent as provided in the relevant Pricing Supplement as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Index Level is so provided, the arithmetic mean of the amounts for such basket calculated on each Averaging Date as the sum of the Reference Level of each Index comprised in such basket (weighted or adjusted in relation to each Index as provided in the relevant Pricing Supplement); and

(3) in respect of an Equity-Linked Note settled by way of Cash Settlement which relates to a basket of Securities, the arithmetic mean of the prices for such basket determined by the Calculation Agent as provided in the relevant Pricing Supplement as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Price is so provided, the arithmetic mean of the prices for such basket calculated on each Averaging Date as the sum of the values calculated for the Securities of each Underlying Company as the product of (aa) the Reference Price of such Security and (bb) the number of such Securities comprised in such basket (weighted or adjusted in relation to each Security as provided in the relevant Pricing Supplement).

(B) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Pricing Supplement in relation to "**Averaging Date Market Disruption**" is:

(1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Price or Final Index Level, as applicable, **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Condition 22(e)(i) will apply for purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates in relation to a Valuation Date occur after that

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Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date, Automatic Early Redemption Date, Instalment Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option) or any other early redemption date in accordance with the Conditions or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date;

(2) **"Postponement"**, then Condition 22(e)(i) will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date, Instalment Date, Automatic Early Redemption Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option) or any other early redemption date in accordance with the Conditions or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or

(3) **"Modified Postponement"**, then:

(aa) in the case of an Index Linked Note or an Equity Linked Note which relates to a single Index or Security, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date (the **"Scheduled Final Averaging Date"**) in relation to the relevant Scheduled Valuation Date, then the Limit Valuation Date shall be deemed to be the Averaging Date, notwithstanding the fact that such day is a Disrupted Day (irrespective of whether that Limit Valuation Date is already an Averaging Date) and:

(i) in respect of an Index Linked Note, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 22(e)(i)(A)(1); and

(ii) in respect of an Equity Linked Note, the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with Condition 22(e)(i)(A)(2); and

(bb) in the case of an Index Linked Note or an Equity-Linked Note which relates to a basket of Indices or Securities, the Averaging Date for each Index or Security not affected by the occurrence of a Disrupted Day shall be the day specified in the relevant Pricing Supplement as an Averaging Date in relation to the relevant Valuation Date (the **"Scheduled Averaging Date"**) and the Averaging Date for an Index or Security affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index or Security. If

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the first succeeding Valid Date in relation to such Index or Security has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging Date, then the Limit Valuation Date shall be deemed to be the Averaging Date (irrespective of whether that Limit Valuation Date is already an Averaging Date) and:

- (i) in respect of an Index Linked Note, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 22(e)(i)(B); and
- (ii) in respect of an Equity Linked Note or a Cash Equity Note, the Calculation Agent shall determine the relevant amount for that Averaging Date in accordance with Condition 22(e)(i)(C).

If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date, Automatic Early Redemption Date, Instalment Date, an Optional Redemption Date (Call Option), an Optional Redemption Date (Put Option) or other early redemption date or Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.

If a Valuation Date is postponed pursuant to this Condition 22(e) (*Consequences of Disrupted Days*), the Scheduled FX Fixing Date falling on or immediately following the Scheduled Valuation Date may, in the Calculation Agent's discretion (i) be postponed such that the Scheduled FX Fixing Date will be deemed to occur the number of days following the Valuation Date as the Scheduled FX Fixing Date would have occurred following the Scheduled Valuation Date had it not been for the postponement pursuant to this Condition 22(e) (*Consequences of Disrupted Days*) or (ii) if the Scheduled Valuation Date and Scheduled FX Fixing Date are the same date, be postponed to the Valuation Date, provided, in each case, that if the postponed Scheduled FX Fixing Date would, as a result of this paragraph, occur on a day which is not a Relevant Currency Business Day, it will be postponed to the immediately following Relevant Currency Business Day.

If a Valuation Date is postponed in accordance with this Condition 22(e) (*Consequences of Disrupted Days*), any Disrupted Day Related Payment Date will also be postponed, if needed, such that the Disrupted Day Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the Pricing Supplement) following the later of (i) the postponed Valuation Date or, if later, the Limit Valuation Date, as applicable and (ii) the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Date, as applicable.

Unless Interest Adjustment is specified in the relevant Pricing Supplement as being applicable, no further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 22(e) (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Disrupted Day Related Payment Date which is so postponed shall be calculated as if such Disrupted Day Related Payment Date had not been postponed pursuant to this Condition 22(e)) unless, in the case of a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4 (*Fixed Rate Note Provisions*), 5 (*Floating Rate Note, Index-Linked Interest Note Provisions and other variable-linked interest Note Provisions*) or 6 (*Zero Coupon Notes*), as appropriate.

(f) ***Adjustments to Indices***

This Condition 22(f) is applicable only in relation to Index-Linked Notes other than Inflation Rate-Linked Notes in relation to which Condition 22(j) shall apply.

(i) ***Successor Index***

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that Index (the "**Successor Index**") will be deemed to be the Index.

(ii) ***Index Modification***

If on or prior to any Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or other routine events) (an "**Index Modification**"), then the Calculation Agent shall determine whether such Index Modification has a material effect on the Notes, and if so, shall make such adjustment(s) (if any) as it determines appropriate to account for the economic effect of the Index Modification with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant Index Modification, and determine the effective date of any such modification or adjustment.

(iii) ***Index Cancellation***

If on or prior to any Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date (A) the Index Sponsor fails to calculate and announce a relevant Index, (B) the Index Sponsor announces that it suspends the calculation and publication of the level of a relevant Index, or (C) the Index Sponsor permanently cancels the Index and no Successor Index exists (each an "**Index Cancellation**"), then:

- (1) the Issuer shall as soon as is reasonably practicable after determining the same give notice (an "**Index Cancellation Notice**") of such Index Cancellation to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*);
- (2) if Index Substitution is specified as being applicable in the relevant Pricing Supplement, the Issuer shall (acting in good faith and a commercially reasonable manner), determine whether or not and the date as of which the Index is to be substituted with a Substitute Index and, if it so determines, it shall give an Index Substitution Notice to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*) and, with effect from the date so determined, the Substitute Index shall be deemed to be the Index; and
- (3) if no Substitute Index has been identified within ten Business Days of the giving of such Index Cancellation Notice or if Index Substitution has not been specified as being applicable in the relevant Pricing Supplement, the Issuer shall (acting in good faith and a commercially reasonable manner), determine whether or not the relevant Notes shall continue and:
 - (A) if it determines that the Notes shall continue, then the Calculation Agent shall determine the Final Index Level for such Valuation Date, Automatic Early Redemption Valuation Date or the Reference Level

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for such Averaging Date, as the case may be using, in lieu of a published level of that Index, the level for that Index as at that Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date (as applicable) as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the Index Cancellation, but using only those components that comprised that Index immediately prior to that Index Cancellation; and

- (B) if it determines that continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date, the Issuer shall terminate the relevant Notes as of the date selected by the Issuer and give notice thereof to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 14 (*Notices*), specifying the Early Redemption Amount and early redemption date, and the entitlements of the relevant Noteholders to receive the Final Redemption Amount (or any other payment to be made by the Issuer, as the case may be) shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

For these purposes:

"Index Substitution Notice" means a notice specifying a Substitute Index to be substituted for the Index and the date as of which such substitution is to take effect; and

"Substitute Index" means, in respect of an Index, a successor index identified by the Calculation Agent using commercially reasonable efforts, with characteristics, objectives and rules similar to the Index in effect immediately prior to the occurrence of the Index Cancellation with a view to produce a commercially reasonable result which will put the Issuer and the Noteholders in substantially the same economic position as prior to the relevant Index Cancellation.

- (iv) *Correction of Index Levels*

If the level of an Index published by the Index Sponsor at any time and used or to be used by the Calculation Agent for any calculation or determination under the Notes is subsequently corrected and the correction is published by the Index Sponsor after the original publication, the Calculation Agent will make such adjustment as it determines to be appropriate, if any, to the settlement or payment terms of the Notes to account for such correction **provided that** if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable in respect of the Notes and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Issuer shall be entitled to reimbursement of the relevant excess payment (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Noteholder, together with interest on that amount for the period from and including the day on which payment was originally made to (but excluding) the day of payment of reimbursement by the Noteholder (all as calculated by the Calculation Agent). Any such reimbursement shall be effected in such manner as the Issuer shall determine.

- (g) *Adjustments and Events affecting Securities*

This Condition 22(g) is applicable only in relation to Equity-Linked Notes.

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(i) *Potential Adjustment Events*

The Calculation Agent shall determine whether or not at any time a Potential Adjustment Event has occurred and where it determines such an event has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Securities and, if so, will make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and/or any other adjustment(s) and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes as the Calculation Agent determines to be appropriate to account for that diluting or concentrative effect with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant Potential Adjustment Event, and determine the effective date(s) of such adjustment(s).

(ii) *Extraordinary Events*

(A) Following the occurrence of any Extraordinary Event, the Issuer will determine whether or not the relevant Notes shall continue and, if so, determine any adjustments to be made. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate with a view to produce a commercially reasonable result which will put the Issuer and the Noteholders in substantially the same economic position as prior to the relevant Extraordinary Event, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent, acting in good faith and in a commercially reasonable manner.

(B) If the Issuer determines that continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case, after having taken into account any possible adjustment pursuant to paragraph (A) above), then the Notes shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer) as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

(iii) *Conversion*

In respect of an Equity-Linked Note, following the occurrence of any Conversion, the Issuer will determine whether or not the Notes will continue and, if so, determine any adjustment(s) to be made. If the Issuer determines that the Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate with a view to producing a commercially reasonable result which will put the Issuer and the Noteholders in substantially the same economic position as prior to the Conversion, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, number of or type of shares, other securities or other property which may be delivered under such Notes and, in any case, any other variable relevant to the settlement or payment terms of the

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relevant Notes and/or any other adjustment and determine the effective date(s) of such adjustment(s). If the Issuer determines that continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case, after having taken into account any possible adjustment pursuant to this paragraph), then the Notes shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

(iv) *Correction of Prices*

In the event that any price published or announced on a given day and utilised or to be utilised for the purpose of any calculation or determination under the Notes is subsequently corrected and the correction is published or announced by the Exchange within one Settlement Cycle after the original publication, the Calculation Agent will make such adjustment(s) as it determines to be appropriate, if any, to the amount payable in respect of the Notes and their terms to account for such correction and the Calculation Agent shall determine the effective date(s) of such adjustment(s) **provided that** if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable in respect of the Notes and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Issuer shall be entitled to reimbursement of the relevant excess payment (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Noteholder, together with interest on that amount for the period from and including the day on which payment was originally made to (but excluding) the day of payment of reimbursement by the Noteholder (all as calculated by the Calculation Agent). Any such reimbursement shall be effected in such manner as the Issuer shall determine.

(h) *Additional Disruption Events*

- (A) Following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the relevant Notes shall continue and, if so, the Calculation Agent shall determine any adjustments to be made with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant Additional Disruption Event. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Pricing Supplement, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent.
- (B) If the Issuer determines that the continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case, after having taken into account any possible adjustment pursuant to paragraph (A) above), then the Notes shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

For the purposes any Series of Notes, "**Additional Disruption Event**" means any event specified as such in the relevant Pricing Supplement, and for such purpose the following terms

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if so specified shall be deemed to have the following meanings unless otherwise provided in the relevant Pricing Supplement:

- (ii) **"Change in Law"** means, in relation to any Notes, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines (in its sole and absolute discretion) that (x) it will, or it will with the passing of time, or it has become illegal for the Issuer to issue, have outstanding and/or perform its obligations with respect to the Notes or (y) the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position or due to any regulation, rule or other regulatory action of any regulator of the Issuer in respect of the Notes);
- (iii) **"Failure to Deliver"** means the failure of a party to deliver, when due, the relevant Securities in respect of the Notes, where such failure is due to illiquidity in the market for such Securities; and
- (iv) **"Insolvency Filing"** means that the issuer of the Securities institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by creditors and not consented to by the issuer of the Securities shall not be deemed an Insolvency Filing.

(i) ***Adjustments where the Securities are Units in a Fund***

Where the Securities are specified in the relevant Pricing Supplement as being Units in a Fund, in the case of the occurrence at any time on or prior to the Valuation Date of any Extraordinary Event affecting the Fund or the value of the Units, the Calculation Agent may make any adjustment as provided in the preceding provisions of this Condition 22 or:

- (i) if the Calculation Agent determines that no adjustment that it could make under the preceding provisions of this Condition 22 would produce a commercially reasonable result:
 - (a) the Calculation Agent will use commercially reasonable efforts to identify a new underlying asset with characteristics, investment objectives and policies similar to those in effect for the Affected Units immediately prior to the occurrence of the relevant Extraordinary Event and any substitution of the new underlying asset for the Affected Units shall be effected at such time and in such manner as determined by the Calculation Agent; and
 - (b) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to, adjustments to account for changes in volatility, investment strategy or liquidity relevant to the Units or the Notes,

in each case with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the Extraordinary Event; or

- (ii) if the Calculation Agent determines that the continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case, after having taken into account any possible adjustment pursuant to paragraph (i) above), then the Notes shall be terminated

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as of the date selected by the Calculation Agent in its discretion and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount any accrued interest, as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

In this Condition 22(i) "**Affected Unit(s)**" means each Unit subject to an applicable Extraordinary Event.

(j) ***Adjustments to Indices for Inflation Rate-Linked Notes***

With respect to Inflation Rate-linked Notes, the following provisions shall apply in lieu of Condition 22(f) (*Adjustments to Indices*):

(A) ***Definitions***

In this Condition:

"Base Level" means the level of the Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

"Fallback Bond" means a bond selected by the Calculation Agent and issued by the government or one of the governments (but not any government agency) of the country (or countries) to whose level of inflation the relevant Index relates and which pays a coupon and/or redemption amount which is calculated by reference to the Index, with a maturity date which falls on the same day as the Maturity Date or such other date as the Calculation Agent shall select if there is no such bond maturing on the Maturity Date. If any bond so selected is redeemed, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond is redeemed (including any bond for which the redeemed bond is exchanged);

"Inflation Index Level" means the level of the Index first published or announced for the relevant Reference Month on the Relevant Screen Page, as determined by the Calculation Agent, subject to this Condition 22(j) (*Adjustments to Indices for Inflation Rate-Linked Notes*);

"Inflation Index Sponsor" means, the inflation index sponsor specified as such in the Pricing Supplement (being the entity that publishes or announces (directly or through an agent) the level of the Index) and any successor sponsor of such Index as determined by the Calculation Agent;

"Latest Level" means the latest level of the Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated;

"Reference Level" means the level of the Index (excluding any "flash" estimates) published or announced by the Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above;

"Reference Month" means the calendar month for which the level of the Index was reported, regardless of when this information is published or amended. If the period for which the level of the Index was reported is a period other than a month, the Reference Month is the period for which the level of the Index was reported;

"Related Bond" means, the bond specified as such in the relevant Pricing Supplement or, if specified as applicable in the relevant Pricing Supplement and if no bond is specified as the Related Bond, the Related Bond shall be the Fallback Bond. If the

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bond specified to be the Related Bond redeems or matures during the term of the Inflation Rate-linked Notes, following such redemption or maturity the Related Bond shall be the Fallback Bond;

"**Relevant Screen Page**" means the page, section or other part of a particular information service specified as such in the relevant Pricing Supplement or such other page, section or other part as may replace it on that information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the level of the Index; and

"**Substitute Index Level**" means the level of the Index, determined by the Calculation Agent pursuant to (B) below.

(B) *Delay of Publication*

If the Inflation Index Level for a Reference Month which is relevant to the calculation of an amount payable in respect of Inflation Rate-linked Notes (a "**Relevant Level**") has not been published or announced on the Relevant Screen Page by the day that is five Business Days prior to the relevant Interest Payment Date, Automatic Early Redemption Date, Instalment Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option), other early redemption date or Maturity Date, as the case may be (the "**Affected Payment Date**"), the Calculation Agent shall determine a "**Substitute Index Level**" (in place of such Relevant Level) by using the following methodology:

- (i) If Related Bond is specified as applicable in the relevant Pricing Supplement, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Payment Date as that taken by the calculation agent pursuant to the terms and conditions of the Related Bond;
- (ii) If (A) Related Bond is specified as not applicable in the relevant Pricing Supplement; or (B) the Calculation Agent is unable to determine the Substitute Index Level under (i) above for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level} / \text{Reference Level})$$

If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the relevant Interest Payment Date, Automatic Early Redemption Date, Instalment Date, Optional Redemption Date (Call Option), Optional Redemption Date (Put Option), other early redemption date or Maturity Date, as the case may be, such Relevant Level will not be used in any calculations and instead the Substitute Index Level so determined pursuant to this Condition 22(j) (*Adjustments to Indices for Inflation Rate-Linked Notes*) will be the definitive level for the relevant Reference Month.

(C) *Cessation of Publication*

If a level of the Index has not been published or announced on the Relevant Screen Page for two consecutive months and/or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Index, then the Calculation Agent shall determine a Successor Index (in lieu of any previously applicable Index) for the purposes of the Notes by using the following methodology:

- (i) if at any time (other than after the designation by the Calculation Agent of a date for the early redemption of the Notes pursuant to paragraph (iv) below) a successor index has been designated by the calculation agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a "**Successor Index**" for the purposes of all subsequent

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determinations of interest payable and/or of an Early Redemption Amount or of the Final Redemption Amount, notwithstanding that any other Successor Index may previously have been determined under the other subsections of this Condition 22(j);

- (ii) if: (1) a Successor Index has not been determined under paragraph (i) above; (2) there has been no designation of a date for the early redemption of the Notes by the Calculation Agent pursuant to paragraph (iv) below; (3) a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Index will be superseded by a replacement index specified by the Inflation Index Sponsor; and (4) the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, then such replacement index shall be deemed to be the "**Successor Index**" for the purposes of the Notes from the date that such replacement Index comes into effect;
- (iii) if a Successor Index has not been determined by the Calculation Agent under paragraphs (i) or (ii) above (and there has been no designation by the Calculation Agent of a date for the early redemption of the Notes pursuant to paragraph (iv) below), the Calculation Agent will determine an appropriate alternative index for such relevant Valuation Date with a view to produce a commercially reasonable result which will put the Issuer and the Noteholders in substantially the same economic position as prior to the cessation of publication, and such index will be deemed a "**Successor Index**"; and
- (iv) if the Calculation Agent determines that there is no appropriate alternative index, then the Issuer may redeem or cancel all but not some only of the Notes on the date selected by the Calculation Agent at the Early Redemption Amount.

The Issuer shall notify the Noteholders of any Successor Index determined pursuant to this Condition 22(j)(C) (*Adjustments to Indices for Inflation Rate-Linked Notes - Cessation of Publication*).

(D) *Rebasing of the Index*

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of an Index from the date of such rebasing; **provided, however, that** the Calculation Agent shall make such adjustments as are made by the calculation agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes.

(E) *Material Modification*

If, on or prior to the day that is five Business Days before the next date which is an Interest Payment Date, the relevant Automatic Early Redemption Date, an Instalment Date, the relevant Optional Redemption Date (Call Option), the relevant Optional Redemption Date (Put Option), any other early redemption date or the Maturity Date (as the case may be), an Inflation Index Sponsor announces that it will make a material change to an Index, then the Calculation Agent shall make any such adjustments to the Index and/or the terms of the Notes consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Index to continue as the Index.

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(F) *Manifest Error in Publication*

If, within thirty days of publication, but no later than the fifth Business Day prior to the relevant Interest Payment Date, relevant Automatic Early Redemption Date, an Instalment Date, the relevant Optional Redemption Date (Call Option), the relevant Optional Redemption Date (Put Option), any other early redemption date or the Maturity Date, as the case may be, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will take such action as it may deem necessary and practicable to give effect to such correction.

(k) *Events relating to DR-Linked Notes*

In relation to DR-Linked Notes only, if a Delisting of the Securities occurs or the Depository announces that the Deposit Agreement is (or will be) (or is at any time, whether or not announced by the Depository) terminated, then the Issuer will determine whether or not the Notes shall continue. If the Issuer determines that:

- (i) the Notes shall continue, it shall elect whether the Security shall thereafter be (x) the Replacement DRs or the Underlying Security and the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the terms of the Notes (including, without limitation, any change to the notional number of Securities or/or the formula for the Final Redemption Amount) to reflect such election, and which change or adjustment(s) shall be effective on such date selected by the Calculation Agent; or
- (ii) the continuation of the Notes is impossible or would result in a significant alteration to the economic balance of the Notes compared to that which existed at the Issue Date (in each case after having taken into account any possible adjustment pursuant to paragraph (i) above), then the Notes shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Final Redemption Amount (or any other payment to be made by the Issuer) as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Early Redemption Amount of the Notes.

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[When completing any pricing supplement, or adding any other additional terms or information, consideration should be given as to whether such terms or information constitute "significant new matters" or "significant changes" and consequently whether supplemental listing particulars would be required in respect of such terms or information.]

PRICING SUPPLEMENT

Pricing Supplement dated [•]

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

[Further] Issue of

[Aggregate Principal Amount of Tranche]

[Title of Notes]

[(to be consolidated and form a single series with the existing *[Insert details of existing Tranche(s)]*) issued pursuant to HSBC Bank plc's Programme for the Issuance of Notes and Warrants]

PART A - CONTRACTUAL TERMS

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**")] and must be read in conjunction with the offering memorandum dated 6 June 2018 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market]. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes, including the Terms and Conditions of the Equity-Linked Notes, and Index-Linked Notes (the "**Conditions**") set forth in the Offering Memorandum. The Alternative Note General Conditions apply to the Notes.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow the links to 'Investor relations', 'Fixed income investors' 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

The Offering Memorandum does not comprise (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Directive 2003/71/EC as amended (the "Prospectus Directive"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU, as amended and not to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive).

[PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or

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selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

(For Notes offered and sold in the United States of America include:

[IMPORTANT NOTICES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("**REGULATION S**")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) AND (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATIONS) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF NOTES PURSUANT TO CLAUSE (A) ABOVE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

AVAILABLE INFORMATION

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

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

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

1. Issuer: HSBC Bank plc

2. Tranche number: []

[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]

3. Currency:
 - (i) Settlement Currency: [] [subject to Condition 9(h) (*Payments – Conversion*)]
 - (ii) Denomination Currency: [*specify*/Settlement Currency]

4. Aggregate Principal Amount:
 - [(i) Series:] []

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- | | | |
|-----|--|---|
| | [(ii) Tranche:] | [] |
| 5. | Principal Protected Amount | [Not applicable] [[] per cent. of the Aggregate Principal Amount] [Accreted Principal Amount] ¹⁷ |
| 6. | Issue Price: | [[] per cent. of the Aggregate Principal Amount] [plus accrued interest from [insert date] (in the case of fungible interest-bearing issues only, if applicable)] [An amount as determined by the Calculation Agent equal to [] per cent. of the Aggregate Principal Amount converted into the Settlement Currency at a rate of exchange of [].] |
| 7. | (i) Denomination(s) (Condition 2): | [] ¹⁸ |
| | (ii) Calculation Amount ¹⁹ : | [] |
| | (iii) Aggregate Outstanding Nominal Amount Rounding: | [Applicable] [Not applicable] |
| 8. | (i) Issue Date: | [] |
| | (ii) Interest Commencement Date: | [specify] [Issue Date] [Not applicable] |
| | (iii) Trade Date: | [] |
| 9. | Maturity Date:
(Condition 7(a)) | [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year. In case of undated Notes, specify undated.] [adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of " Business Day "] |
| 10. | Change of interest or redemption basis: | [Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|---|--|
| 11. | Fixed Rate Note provisions: (Condition 4) | [Applicable] [Not applicable] |
| | | (If not applicable, delete the remaining sub-paragraphs of this paragraph) |

¹⁷ The Accreted Principal Amount should be included for any Zero-Coupon Notes that are principal protected Notes.

¹⁸ If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer's right to exchange (i) the Permanent Global Note for definitive Notes in paragraph (c) of the Permanent Global Note - see item 22(iii) below or (ii) the Global Registered Note for Definitive Notes in paragraph (d) of the Global Registered Note – see item 24(ii) below (as applicable) - should not apply.

¹⁹ The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.

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- (i) Rate(s) of Interest: [] per cent. [per annum] [] [payable [annually/semi-annually/quarterly/ monthly] in arrear] []
- (ii) Interest Payment Date(s): [dd/mm, dd/mm, dd/mm and dd/mm] [in each year]
[adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "Business Day"] / [not adjusted]
- (iii) Fixed Coupon Amount(s): [[] per Calculation Amount] [Not applicable]
- (iv) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / Not applicable / other (specify)]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not applicable / other (give details)]
- (vi) Business Centre(s): [Not applicable/give details]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not applicable/give details] (Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)
12. Floating Rate Note provisions: [Applicable] [Not applicable]
(Condition 5)
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) [Interest Period(s)] / [Specified Period]²⁰: [specify]
- (ii) Interest Payment Dates: [Not applicable – Floating Rate Convention applies] [specify dates]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (iv) Business Centre(s): [Not applicable/give details]
- (v) Screen Rate Determination: [Applicable] [Not applicable]
- (1) Reference Rate: [[•] month] [specify LIBOR or other]
- (2) Interest Determination Date(s): []
- (3) Relevant Screen Page: []
- (4) Alternative Pre-nominated Index: [] [specify Alternative Pre-nominated Index details] [Not applicable]

²⁰ Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

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- (5) Relevant Financial Centre: []
- (6) Relevant Time: []
- (7) Relevant Currency: []
- (vi) Alternative Reference Rate: [Applicable] [Not applicable]
- (vii) ISDA Determination: [Applicable] [Not applicable]
- (1) Floating Rate Option: []
- (2) Designated Maturity: []
- (3) Reset Date: []
- (4) Alternative Pre-nominated Index: [] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (viii) Linear Interpolation: [Not applicable] [Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [] shall be calculated using Linear Interpolation]
- (ix) Margin(s): [[+/-][] per cent. [per annum]] [Not applicable]
- (x) Day Count Fraction: []
- (xi) Minimum Interest Rate: [[] per cent. [] [per annum]] [Not applicable]
- (xii) Maximum Interest Rate: [[] per cent. [] [per annum]] [Not applicable]
- (xiii) Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
13. Zero Coupon Note provisions: [Applicable] [Not applicable]
(Condition 6)
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [[] per cent [per annum]]
- (ii) Zero Coupon Note Reference Price: []
- (iii) Day Count Fraction in relation to Early Redemption Amounts and last payments: []
14. Equity-/Index-Linked Interest Note and other variable-linked interest Note provisions: [Applicable] [Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*

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- (i) Index/formula/other variable: [give or annex details – if appropriate, cross-refer to the definition of Valuation Date in paragraph 31 below]
- (ii) Provisions for determining interest where calculated by reference to Equity/Index and/or formula and/or other variable: []
- (iii) Provisions for determining interest where calculation by reference to Equity/Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: []
[Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Interest or calculation period(s): []
- (v) Interest Payment Dates: []
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (give details)]
- (vii) Business Centre(s): []
- (viii) Minimum Interest Rate: [[] per cent. [per annum]]
- (ix) Maximum Interest Rate: [[] per cent. [per annum]]
- (x) Day Count Fraction: []

PROVISIONS RELATING TO REDEMPTION

- 15. Issuer's optional redemption (Call Option): [Applicable] [Not applicable]
(Condition 7(c))
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Redemption Amount (Call Option): [[] per Calculation Amount (specify – if not par, also specify details of any formula)] [Fair Market Value]
- (ii) Series redeemable in part: [[] per Calculation Amount (specify – otherwise redemption will only be permitted of entire Series)] [Fair Market Value]
- (iii) Optional Redemption Date (Call Option): []
- (iv) Minimum Redemption Amount (Call Option): [[] per Calculation Amount (specify – if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
- (v) Maximum Redemption Amount (Call Option): [[] per Calculation Amount (specify – if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]

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16. Noteholder's optional redemption (Put Option): [Applicable] [Not applicable]
 (Condition 7(d)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Redemption Amount (Put Option): [[] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value]
- (ii) Optional Redemption Date (Put Option): []
- (iii) Minimum Redemption Amount (Put Option): [[] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
- (iv) Maximum Redemption Amount (Put Option): [[] per Calculation Amount / (specify — if not par, also specify details of any formula)] [Fair Market Value] [Not applicable]
17. Final Redemption Amount of each Note: [] per Calculation Amount (specify — if not par, also specify details of any formula)
 (Condition 7(a))
18. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Equity-Linked, Index-Linked or other variable-linked: [Applicable] [Not applicable]
- (i) Index/formula/other variable: [give annex details]
- (ii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or formula and/or other variable; []
- (iii) Provisions for determining Final Redemption Amount where calculation by reference to Equity Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Minimum Final Redemption Amount: []
- (v) Maximum Final Redemption Amount: []
19. Instalment Notes: [Applicable] [Not applicable]
 (Condition 7(a)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- | | | |
|--|-----------------|-------------------|
| Instalment Date(s) and corresponding Instalment: | Instalment Date | Instalment Amount |
| | [] | [] |
20. Early Redemption:

Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked Noted and Index-Linked Notes (Alternative Note General Conditions)

- | | |
|---|--|
| (i) Early Redemption Amount (upon redemption for taxation reasons or illegality):
(Conditions 7(b) or 7(f)) | [[100] per cent. of the Calculation Amount] [Fair Market Value] [Market Value 1] [Market Value 2] [Principal Protected Amount] [Highest Value (Vanilla)] [Highest Value (Structured)] [Accreted Principal Amount] |
| (ii) Early Redemption Amount (upon redemption following an Event of Default):
(Condition 11) | [[100] per cent. of the Calculation Amount] [Fair Market Value] [<i>other (specify details)</i>] |
| (iii) Early Redemption Amount (in case of other events giving rise to the determination of an Early Redemption Amount (other than Force Majeure)) | [[100] per cent. of the Calculation Amount] [Fair Market Value] [Market Value 1] [Market Value 2] [Principal Protected Amount] [Highest Value (Vanilla)] [Highest Value (Structured)] [Accreted Principal Amount] [Not applicable] |
| (iv) Monetisation Option | [Applicable] [Not applicable] |
| (v) Other redemption provisions: | [Specify] [Not applicable] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | |
|--|--|
| 21. Form of Notes:
(Condition 2(a)) | [Bearer Notes/Registered Notes/ Uncertificated Registered Notes] |
| 22. [New Global Note] [<i>delete if Registered Note</i>]/ Issued under the new safekeeping structure [<i>delete if Bearer Note</i>): | [Yes/No] |
| 23. If issued in bearer form: | |
| (i) Initially represented by a Temporary Global Note or Permanent Global Note: | [Temporary] [Permanent] Global Note |
| (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes:
(Condition 2(a)) | [Yes] [No] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note] [<i>specify</i>] |
| (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation: | [Yes] [No] [<i>If no, specify: Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.</i>] |
| (iv) Coupons to be attached to Definitive Notes: ²¹ | [Yes] [No] [Not applicable] |
| | [N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems - see provisions contained in Permanent Global Note] |

²¹ Definitive Notes will typically have coupons attached to them if interest bearing.

Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked Noted and Index-Linked Notes (Alternative Note General Conditions)

- (v) Talons for future Coupons to be attached to Definitive Notes:²² [Yes] [No] [Not applicable]
[N.B. The above comment also applies here]
24. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days after the Issue Date] [(specify)]
25. If issued in registered form (other than Uncertificated Registered Notes): [Applicable] [Not applicable]
- (i) Initially represented by: [Regulation S Global Registered Note][Rule 144A Global Registered Note][Unrestricted Global Registered Note and Restricted Global Registered Note][Combined Global Registered Note][Definitive Registered Notes]
- [(ii) [Regulation S Global Registered Note][Unrestricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Regulation S Global Registered Note][Unrestricted Global Registered Note] for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the [Regulation S Global Registered Note][Unrestricted Global Registered Note]]
- [(ii) [Rule 144A Global Registered Note][Restricted Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note] does not apply. The Issuer may not elect to exchange a [Rule 144A Global Registered Note][Restricted Global Registered Note] for US Definitive Registered Notes in the circumstances described in paragraph (d) of the [Rule 144A Global Registered Note][Restricted Global Registered Note]]
- [(ii) [Combined Global Registered Note] exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:] [Yes] [No. Paragraph (d) of the Combined Global Registered Note does not apply. The Issuer may not elect to exchange a Combined Global Registered Note for Combined Definitive Registered Notes in the circumstances described in paragraph (d) of the Combined Global Registered Note]
26. Payments:
(Condition 9)
- (i) Relevant Financial Centre Day: [specify all places]
- (ii) Payment of Alternative Payment Currency Equivalent: [Applicable] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
 - Cross Currency: [] (delete if Cross Currency Exchange Rate is not applicable)
 - Cross Currency Jurisdiction: [] (delete if Cross Currency Exchange Rate is not applicable)

²² Talons will be needed if there are 27 or more coupons.

Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked Noted and Index-Linked Notes (Alternative Note General Conditions)

- Settlement Currency []
Jurisdiction:
 - Alternative Payment Currency: []
 - Alternative Payment Currency []
Jurisdiction:
 - Alternative Payment Currency []
Fixing Page:
 - Alternative Payment Currency []
Fixing Time:
 - Alternative Payment Currency [] [Condition 1 applies] [The relevant
Fixing Date: [jurisdictions/places] for the purposes of the
Alternative Payment Currency Fixing Date are []]
 - Alternative Payment Currency [] [Not applicable]
Exchange Rate Fall-Back
provisions:
 - Additional Alternative Payment []
Currency Event:
 - Offshore RMB Centre: [Hong Kong] [Taiwan] [Singapore] [] [Not
applicable]
 - Alternative Pre-nominated [] [specify Alternative Pre-nominated Index details]
Index: [Not applicable]
- (iii) Conversion provisions: [Applicable in respect of [[interest payments under the
Notes][Final Redemption Amount] [Early Redemption
Amount] [Redemption Amount (Call Option)]
[Redemption Amount (Put Option)] [Instalment
Amount][other]] [the Conversion Rate is []][specify
further Conversion provisions] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
 - Cross Currency: []
 - Cross Currency Jurisdiction:
 - Conversion Rate Business Days: [in respect of [[interest payments under the Notes]
][Final Redemption Amount] [Early Redemption
Amount] [Redemption Amount (Call Option)]
[Redemption Amount (Put Option)] [Instalment
Amount] [other] [] [Condition 1 applies]]
 - Conversion Rate Fixing Date: [in respect of [[interest payments under the Notes]
][Final Redemption Amount] [Early Redemption
Amount] [Redemption Amount (Call Option)]
[Redemption Amount (Put Option)] [Instalment
Amount] [other] []]
 - Conversion Rate Fixing Page: [in respect of [[interest payments under the Notes]
][Final Redemption Amount] [Early Redemption
Amount] [Redemption Amount (Call Option)]

Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked Noted and Index-Linked Notes (Alternative Note General Conditions)

- [Redemption Amount (Put Option)] [Instalment Amount] [other] [] [Condition 1 applies]]
- Conversion Rate Fixing Time: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] []]
 - Denomination Currency: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] []]
 - Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] []]
 - Settlement Currency: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] []]
 - Jurisdiction: [in respect of [[interest payments under the Notes] [Final Redemption Amount] [Early Redemption Amount] [Redemption Amount (Call Option)] [Redemption Amount (Put Option)] [Instalment Amount] [other] []]
 - Conversion Rate Fall-Back provisions: [] [Condition 1 applies]
 - Alternative Pre-nominated Index: [] [*specify Alternative Pre-nominated Index details*] [Not applicable]
- (iv) Underlying Currency Pair provisions: [Applicable in respect of [[interest payments under the Notes] [Final Redemption Amount]] [The Initial Underlying Currency Pair Exchange Rate is []] [Not applicable]
- Cross Currency Exchange Rate: [Applicable] [Not applicable]
 - Cross Currency: []
 - Cross Currency Jurisdiction []
 - Reference Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]
 - Reference Currency: [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]
 - Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]
 - Specified Currenc(y)(ies): [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]
 - Specified Currency: [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]
 - Jurisdiction(s): [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]
 - Underlying Currency Pair Business Days: [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [Condition 1 applies]
 - Underlying Currency Pair Fixing Date: [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [and []]
 - Underlying Currency Pair Fixing Page: [in respect of [interest payments under the Notes] [Final Redemption Amount] [] [Condition 1 applies]

**Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked
Noted and Index-Linked Notes (Alternative Note General Conditions)**

- Underlying Currency Pair [in respect of [interest payments under the Notes] [Final Fixing Time: Redemption Amount] [] [and []]
 - Underlying Currency Pair [] [Condition 1 applies] Exchange Rate Fall-Back provisions:
 - Alternative Pre-nominated [] [*specify Alternative Pre-nominated Index details*] Index: [Not applicable]
- (v) Price Source Disruption: [Applicable] [Not applicable]
- FX Cut-off Date: [] [Condition 1 applies]
 - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 9(h): [3] []
 - Dealer Poll: [Applicable] [Not applicable]
 - Unscheduled Holiday and Deferral Period: [The number of the Relevant Currency Business Days for the purposes of the definition of Unscheduled Holiday in Condition 1 is [] [and the number of calendar days for the purposes of the Deferral Period [] [as per Condition 1]
 - Interest Adjustment: [Applicable][Not applicable]
- (vi) LBMA Physical Settlement Not applicable provisions:
27. Redenomination: [Applicable] [Not applicable] (Condition 10)
28. Other terms: [Not applicable] [*specify*] [See Annex]

(When adding any other terms consideration should be given as to whether supplementary listing particulars would be required.)

PROVISIONS APPLICABLE TO INDEX-LINKED NOTES, EQUITY-LINKED NOTES

29. Physical Delivery: [Not applicable] [Condition 22(b) [applies/does not apply]
- (i) Securities Transfer Amount: []
 - (ii) Residual Amount: [] [Condition 22(a) applies]
 - (iii) Residual Cash Amount: [] [Condition 22(a) applies]
 - (iv) Settlement Date: []
 - (v) Settlement Disruption Event: Condition 22(b)(iii) [applies/does not apply]
 - (vi) Disruption Period: [Condition 22(b)(iii) applies] []

**Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked
Noted and Index-Linked Notes (Alternative Note General Conditions)**

- (vii) Delivery Disruption Event: Condition 22(b)(iii) [applies/does not apply]
30. Provisions for Equity-Linked Notes: [Applicable] [Not applicable]
- (i) Security(ies): [The Securities are [] (ISIN:[]) [Depository Receipts] [Units in a Fund, where "**Fund**" means [], "**Unit**" means a share or notional unit of the Fund (as defined in the Fund Documents), the price of which is denominated in []. [The Units represent undivided ownership interests in the portfolio of investments held by the Fund][*delete if not applicable*], "**Underlying Index**" means []. Condition 22 shall apply to the Notes as if references therein to "**Underlying Company**" were references to the "**Fund**" and as if references therein to "**Security**" were references to "**Unit**".]
- (ii) Underlying Company(ies): [] [and with respect to the Underlying Securities [] [The Fund]
- (iii) Exchange(s): []
- (iv) Related Exchange(s): [] [All Exchanges]
- (v) Initial Price: [] [The definition in Condition 22(a) applies]
- (vi) Strike Date: [] [The definition in Condition 22(a) applies]
- (vii) Final Price: [] [The definition in Condition 22(a) applies]
- (viii) Reference Price: [] [The definition in Condition 22(a) applies]
- (ix) Potential Adjustment Event: Condition 22(g)(i) [applies/does not apply]
- Extraordinary Dividend (if other than as specified in the definition in Condition 22(a)) []
 - additional Potential Adjustment Event (for purposes of paragraph (viii) of the definition thereof) []
- (x) Extraordinary Event: Condition 22(g)(ii) [applies/does not apply]
- (xi) Conversion: Condition 22(g)(iii) [applies/does not apply]
(for Notes relating to Government Bonds and debt securities only)
- (xii) Correction of prices: Condition 22(g)(iv) [applies/does not apply]
- (xiii) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law, Insolvency Filing, Failure to Deliver] [*other - give details*]] [Not applicable]
31. Additional provisions for Equity-Linked Notes: [] [Not applicable]

**Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked
Noted and Index-Linked Notes (Alternative Note General Conditions)**

32. Provisions for Index-Linked Notes: [Applicable] [Not applicable]
- (i) Index(ices): [The Index. Each of (*specify relevant indices in a basket*) is a Multiple Exchange Index]
- (ii) Index Sponsor: [The definition in Condition 22(a) applies]
- (iii) Index Rules: [Not applicable]
- (iv) Exchange(s): []
- (v) Related Exchange(s): [All Exchanges]
- (vi) Initial Index Level: [The definition in Condition 22(a) applies]
- (vii) Final Index Level: []
- (viii) Strike Date: []
- (ix) Reference Level: [The definition in Condition 22(a) applies]
- (x) Adjustments to Indices: [Condition 22(f)] / [Condition 22(j)] [applies/does not apply]
- (xi) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law] [*Other - give details*] [Not applicable]
- (xii) Index Substitution: [Applicable] [Not applicable]
- (xiii) Alternative Pre-nominated Index: [*specify Alternative Pre-nominated Index details*] [Not applicable]
33. Valuation Date(s): []
- Specified Maximum Number of Disrupted Days: [Not applicable] [The definition in Condition 22(a) applies]
 - Number of local banking days for the purpose of postponing Disrupted Day Related Payment Dates pursuant to Condition 22(e): [3] []
34. Valuation Time: [The definition in Condition 22(a) applies]
35. Averaging Dates: [Not applicable]
- (i) Averaging Date Market Disruption: [Omission] [Postponement] [Modified Postponement] [Not applicable] [*other (specify)*]

**Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked
Noted and Index-Linked Notes (Alternative Note General Conditions)**

3: Other terms or special conditions relating to Index-Linked Notes or Equity-Linked Notes: *[specify]* [Not applicable]

(i) Knock-in Event: [Applicable] [*Specify event or occurrence*] [If the [Final Price] [Reference Price] [Final Index Level] [Reference Level] [] as observed by the Calculation Agent [as of the Valuation Time] [continuously] [] [on a Knock-In Determination Day] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant Knock-in [Price] [Level]] [Not applicable]

• Knock-in Determination Day: [] [Condition 22(a) applies]

• Knock-in Determination Period: [Applicable] [Not applicable]

• Knock-in Period Beginning Date: [] [Not applicable]

• Knock-in Period Ending Date: [] [Not applicable]

• Knock-in Price/ Knock-in Level: []

• Knock-in Amount: []

• Knock-in Amount Payment Date: [] [Maturity Date]

(ii) Knock-out Event: [Applicable] [*specify event or occurrence*] [If the [Final Price] [Reference Price] [Final Index Level] [Reference Level] as observed by the Calculation Agent [as of the Valuation Time] [continuously] [] [on a Knock-out Determination Day] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant knock-out [Price] [Level]] [Not applicable]

• Knock-out Determination Day: [] [Condition 22(a) applies]

• Knock-out Determination Period: [Applicable] [Not applicable]

• Knock-out Period Beginning Date: [] [Not applicable]

• Knock-out Period Ending Date: [] [Not applicable]

• Knock-out Price/ Knock-out Level: []

• Knock-out Amount: []

• Knock-out Amount Payment Date: [] [Maturity Date]

Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked Noted and Index-Linked Notes (Alternative Note General Conditions)

(iii) Automatic Early Redemption Event: [Applicable] [If the [*specify relevant security price or index level*] is [greater than] [greater than or equal to] [less than] [less than or equal to] the relevant Automatic Early Redemption [Price] [Level]] [Not applicable]

Automatic Early Redemption Valuation Date	Automatic Early Redemption Date	Automatic Early Redemption Rate	Automatic Early Redemption Date [Level] [Price]
[]	[]	[]	[]

- Automatic Early Redemption Amount: [] [as per Condition 22(a)]

- Accrued interest payable on Automatic Early Redemption Date: [Yes] [No, interest does not accrue] [*specify*]

(iv) Interest Adjustment: [Applicable] [Not applicable]

[PROVISIONS APPLICABLE TO INFLATION RATE-LINKED NOTES ONLY]

36. (i) Related Bond: [Applicable [- Related Bond is []] [Not applicable] (*if applicable and nothing further is specified, then it will be the Fallback Bond*)

(ii) Inflation Index Sponsor: []

(iii) Relevant Screen Page: []

DISTRIBUTION

37. (i) If syndicated, names of Relevant Dealer(s): [Not applicable] [HSBC Bank plc] [*other - give name*]

(ii) If syndicated, names [, addresses and underwriting commitments] of other Dealers (if any): [Not applicable] [*other - give name*]
 [(*Give addresses and underwriting commitments*)]

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)

38. Prohibition of Sales to EEA Retail Investors: [Applicable] [Not applicable]

39. Selling restrictions: [For Bearer Notes: TEFRA C Rules/ TEFRA D Rules/TEFRA Not applicable]

Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked Noted and Index-Linked Notes (Alternative Note General Conditions)

- United States of America: [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a U.S. person (as defined in Regulation S)]
- [Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a U.S. person (as defined in Regulation S) only in compliance with the provisions set forth under "*Transfer Restrictions*"]
- 40-day Distribution Compliance Period: [Applicable]
[Not applicable]
40. Exemption(s) from requirements under Directive 2003/71/EC (as amended) (the "**Prospectus Directive**"): [Not applicable. This offer is made exclusively to investors outside the European Economic Area]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the Prospectus Directive)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive)]/[The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer]
41. Additional U.S. federal income tax considerations: [Not applicable/*give details*] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m).] [The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "*Taxation – United States Taxation – Withholding on Dividend Equivalent Payments*" in the Offering Memorandum. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: []]. Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.] *[The Notes will not be Section 871(m) Notes if they do not reference any U.S. equity or any index that contains any U.S. equity. Notes that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.]*
42. Additional selling restrictions: [*specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement*]

[In offers of Notes pursuant to Rule 144A insert:

TRANSFER RESTRICTIONS²³

Because of the following restrictions, purchasers of Notes offered in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of the Pricing Supplement and the Offering Memorandum, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that this Pricing Supplement and the Offering Memorandum is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Pricing Supplement and the Offering Memorandum, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of this Pricing Supplement and the Offering Memorandum or any documents referred to herein.

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**"), and (where applicable) each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Notes for its own account or for the account of such a qualified institutional buyer, and (C) such person is aware that the sale of the Notes to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.
- (3) The purchaser, and each person causing such purchaser to purchase or hold any interest in the Notes (such as an investment manager), understands that the Rule 144A Global Registered Notes, the Restricted Global Registered Notes, Combined Global Registered Notes and any US Definitive Registered Notes or Combined Definitive Registered Notes (as defined in "*Summary of Provisions relating to the Notes while in Global Form*" in the Offering Memorandum) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "**QUALIFIED INSTITUTIONAL BUYERS**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")), (B) TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY

²³ *Transfer Restrictions are only included for Notes offered in the United States in reliance on Rule 144A.*

Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked Noted and Index-Linked Notes (Alternative Note General Conditions)

RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

EITHER²⁴

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND NOTE (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"). "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

OR²⁵

[EACH BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST HEREIN, AND ANY PARTY CAUSING THE BENEFICIAL OWNER TO PURCHASE OR HOLD ANY INTEREST IN THIS NOTE (SUCH AS AN INVESTMENT MANAGER), WILL BE DEEMED TO REPRESENT AND WARRANT (THE LATTER, IN ITS FIDUCIARY AND INDIVIDUAL CAPACITY) ON EACH DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) ACQUIRES THIS NOTE THROUGH AND INCLUDING THE DATE ON WHICH THE BENEFICIAL OWNER (OR ANY PARTY ON WHOSE BEHALF IT IS ACTING) DISPOSES OF ITS INTEREST IN THIS NOTE THAT EITHER (A) SUCH BENEFICIAL OWNER IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1986, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SIMILAR LAW PLAN, THE INCLUSION OF WHICH FOR PURPOSES OF ERISA OR ANY SIMILAR LAW, AS THE CASE MAY BE, WOULD RESULT IN SUCH ENTITY BEING

²⁴ This paragraph is to be included if the Pricing Supplement specifies "ERISA prohibited".

²⁵ This paragraph is to be included if the Pricing Supplement specifies "ERISA terms apply".

Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked Noted and Index-Linked Notes (Alternative Note General Conditions)

DEEMED A BENEFIT PLAN INVESTOR OR SIMILAR LAW PLAN OR (B)(i) SUCH BENEFICIAL OWNER'S ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AS A RESULT OF SATISFYING ALL OF THE APPLICABLE CONDITIONS OF ONE OR MORE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 OR PTCE 96-23 ISSUED BY THE U.S. DEPARTMENT OF LABOR, OR SUCH OTHER PROHIBITED TRANSACTION EXEMPTION FOR WHICH THE PURCHASER OR TRANSFEREE (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) DEMONSTRATES TO THE SATISFACTION OF THE ISSUER THAT ALL APPLICABLE CONDITIONS ARE SATISFIED (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW), AND (ii) NEITHER ISSUER NOR ITS AFFILIATES HAS (A) PROVIDED ANY ADVICE OR RECOMMENDATION WITH RESPECT TO THE MANAGEMENT OF ANY INTEREST IN THE NOTE OR THE ADVISABILITY OF ACQUIRING, HOLDING, DISPOSING OR EXCHANGING ANY INTEREST IN THE NOTE, (B) DIRECTED ANY SUCH ADVICE SPECIFICALLY TO, OR RENDERED ANY SUCH ADVICE BASED ON THE PARTICULAR NEEDS OF, ANY PURCHASER OR TRANSFEREE, OR (C) TAKEN ANY OTHER ACTION WITH RESPECT TO THE ACQUISITION, HOLDING, OR DISPOSITION OF THE NOTE THAT WOULD MAKE THE ISSUER OR AN AFFILIATE A 'FIDUCIARY' WITHIN THE MEANING OF SECTION 3(21) OF ERISA AND SECTION 4975(E)(3) OF THE CODE. "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA."]

- (4) In addition, each purchaser of, and each person causing such purchaser to purchase or hold any interest in, Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA prohibited", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, that such purchaser or transferee shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in Section 3(42) of ERISA), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or an interest therein would result in a violation of any Similar Law. The capitalised terms in this paragraph are as defined in section headed "*Certain ERISA Considerations*" in the Offering Memorandum.
- (6) If the Pricing Supplement in relation to a Tranche of Notes specifies "ERISA terms apply", then each purchaser or transferee, and each person causing such purchaser or transferee (as applicable) to purchase or hold any interest in the Notes (such as an investment manager), by such purchase or holding of any Note (or any interest therein) will be deemed to represent (the latter in its fiduciary and individual capacity), on each day from the date on which the purchaser or transferee (or any party on whose behalf it is acting) acquires any interest in any offered Note through and including the date on which the purchaser or transferee (or any party on whose behalf it is acting) disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not (and for so long as it holds such Notes or any

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interests therein will not be), and is not (and for so long as it holds such Notes or interests therein will not be) acting on behalf of a Benefit Plan Investor as defined in Section 3(42) of ERISA or a governmental, church or non-U.S. plan which is subject to any Similar Law, including any entity whose underlying assets include the assets of any Benefit Plan Investor or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Benefit Plan Investor or Similar Law Plan or (b) such purchaser or transferee's acquisition, holding and disposition of this Note or an interest therein does not and will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code as a result of satisfying all of the applicable conditions of one or more of the following Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23 issued by the U.S. Department of Labor, or such other prohibited transaction exemption for which the purchaser or transferee (and, if applicable, any person or entity acting on behalf of such purchaser or transferee) demonstrates to the satisfaction of the Issuer that all applicable conditions are satisfied (or, in the case of a governmental, church plan or non-U.S. plan, will not result in a violation of any Similar Law). In addition, each purchaser and transferee of any such offered Note or interest therein that is a Benefit Plan Investor shall be required or deemed to represent and warrant to the Issuer, on each day from the date on which such beneficial owner acquires such Note or interest through and including the date on which it disposes of such Note or interest, and at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, that (a) the fiduciary making the decision to invest in such Note on its behalf (the "**Independent Fiduciary**") is a bank, insurance company, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3-21(c)(1)(i); (b) the Independent Fiduciary is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21(c); (c) the Independent Fiduciary is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) the Independent Fiduciary is responsible for exercising independent judgement in evaluating the acquisition, holding and disposition of such Note; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation to any of the Issuer and its affiliates (the "**Transaction Parties**") for investment advice (as opposed to other services) in connection with its acquisition or holding of such Note. In addition, each such purchaser or transferee will be required or deemed to acknowledge and agree that the Independent Fiduciary (x) understands that none of the Transaction Parties or other persons that provide marketing services, nor any of their affiliates, has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a fiduciary capacity, in connection with the purchaser's or transferee's acquisition or holding of such Notes and (y) has received and understands the disclosure of the existence and nature of the interests of the Transaction Parties disclosed in the Offering Memorandum and any related materials. The capitalised terms in this paragraph are as defined in section headed "*Certain ERISA Considerations*" in the Offering Memorandum.

- (7) Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Summary of Provisions relating to the Notes While in Global Form*" in the Offering Memorandum.]

CONFIRMED

HSBC BANK PLC

By:
Authorised Signatory

Date:

PART B - OTHER INFORMATION

1. **LISTING**

(i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of Euronext Dublin. No assurance can be given as to whether or not, or when, such application will be granted]

[Not applicable]

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

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

(iii) Estimated total expenses of admission to trading: [specify amount] [Not applicable]

2. **RATINGS**

Ratings: [The Notes are not rated.] [The Notes [have been][are expected on issue to be] rated [./:]]

[Standard & Poor's Credit Market

Services Europe Limited: []

[Moody's Investors Service Limited: []

[Fitch Ratings Limited: []

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]²⁶**

[Save for any fees payable to the Dealer(s), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The Dealer(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. **[Fixed Rate Notes only – YIELD]²⁷**

Indication of yield: [[] per cent. per annum] [Calculated as (*include details of method of calculation in summary form*) on the Issue Date]²⁸

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

²⁶ For unlisted Notes delete this paragraph.

²⁷ For unlisted Notes delete this paragraph.

²⁸ Not required for debt securities with a denomination per unit of at least EUR 100,000.

Part D - Product Supplement for Equity/Index-Linked Notes – Pro Forma Pricing Supplement for Equity-Linked Noted and Index-Linked Notes (Alternative Note General Conditions)

5. **[Index-Linked, Equity-Linked or other variable-linked Interest Notes only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]²⁹**

(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained).

OPERATIONAL INFORMATION

6. ISIN Code: [Not applicable]
7. Common Code: [Not applicable]
8. CUSIP: [Not applicable]
9. Valoren Number: [Not applicable]
10. SEDOL: [Not applicable]
11. WKN: [Not applicable]
12. Other identifier / code: [Not applicable]
13. Intended to be held in a manner which would allow Eurosystem eligibility:³⁰ [Yes] [No] [Not applicable]

[[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [include this text if "yes" selected]

[Whilst the designation is specified as "No" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes]. Note that this does not necessarily mean that the

²⁹ For unlisted Notes delete this paragraph.

³⁰ Specify "Not applicable" if the Notes are not in New Global Note ("NGN") form (if bearer form) or issued under the "new safekeeping structure" ("NSS") (if in registered form). If the Notes are NGNs or are issued under the NSS, then please note that under current ECB requirements, in order to be eligible as collateral a security must, amongst other things, be denominated in Euros and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg Euro MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

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Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "no" selected]*

14. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CREST]/[None]/[specify other]
15. Delivery: Delivery [against/free of] payment
16. Settlement procedures: [Eurobond]/[Medium Term Note]/[*other (specify)*]
17. Additional Paying Agent(s) (if any): [None]/[*specify*]
18. Common Depository: [HSBC Bank plc] [Not applicable]
19. Calculation Agent: [HSBC Bank plc] [HSBC France] [*specify*]
20. ERISA Considerations: [ERISA prohibited] [ERISA terms applicable]

ANNEX 3

AMENDMENTS TO RISK FACTORS IN THE OFFERING MEMORANDUM

1. The risk factors in the section **(1) Risks relating to all issues of Notes and Warrants** and entitled "*Illegality*" and "*Commission and cost of hedging*" beginning on page A-4 of the Offering Memorandum shall be deleted in their entirety and replaced with the following:

Illegality

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

Commission and cost of hedging

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

2. The risk factors in the section **(5) Risks relating to Equity/Index-Linked Notes and Warrants** and entitled "*Additional Disruption Events*", "*Successor Index, Index Modification, Index Cancellation*", "*Potential Adjustment Events*" and "*Specific risks relating to Equity-Linked Notes and Warrants where Securities are Units in a fund*" beginning on page A-27 of the Offering Memorandum shall be deleted in their entirety and replaced with the following:

Additional Disruption Events

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

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

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

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

Specific risk factors relating to Index-Linked Notes and Warrants

Successor Index, Index Modification, Index Cancellation

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

- (i) the replacement of the relevant Reference Index by a successor index if the relevant Reference Index is not calculated or announced by the relevant Index Sponsor or is replaced by a successor index;

- (ii) the modification of the relevant Reference Index by the relevant Index Sponsor which may have a material effect on the Notes and Warrants; and
- (iii) the cancellation of the relevant Reference Index by the relevant Index Sponsor, which may result in either (A) the termination of the relevant Notes or Warrants upon payment of the Fair Market Value of the Notes or Warrants immediately prior to such termination (or, in the case of Alternative General Conditions Notes, the Early Redemption Amount, but only if the Issuer determines that the continuation of the Notes is impossible or would result in a significant alteration of the economic balance of the Notes compared to that which existed at Issue Date) or (B) the continuation of the Notes and Warrants, in which case the relevant level of the Reference Index will be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Specific risk factors relating to Equity-Linked Notes and Warrants

Potential Adjustment Events

Investors in Equity-Linked Notes or Warrants are subject to the risk that certain circumstances in respect of Reference Asset(s) occur (such as a subdivision, consolidation or reclassification of securities, a distribution of dividend or extraordinary dividend or any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Asset(s)). If the Calculation Agent determines that such circumstances have occurred, the Calculation Agent may make such corresponding adjustment(s) as it determines to be appropriate, to the number of Reference Asset(s) to which each Equity-Linked Note or Warrant relates and to any other exercise, settlement, payment or other term of the relevant Equity-Linked Notes or Warrants to account for that diluting or concentrative effect, and determine the effective date(s) of such adjustment(s). In the case of Alternative General Conditions Notes only, with a view to produce a commercial reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant Potential Adjustment Event. As a result of such adjustments the value of the relevant Equity-Linked Notes or Warrants may be adversely affected and the holders thereof may suffer a loss of some or all of their investment as a result.

Specific risks relating to Equity-Linked Notes and Warrants where Securities are Units in a fund

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

- (i) the relevant fund is (or is to be) wound-up or similar, or makes a restructuring arrangement with its creditors or certain insolvency proceedings or similar are commenced against the fund;
- (ii) breach by the relevant fund of any applicable leverage restriction or any contractual restriction binding on or affecting the fund or any of its assets;
- (iii) resignation, termination or replacement of the fund adviser;
- (iv) any change or modification of the fund documents that could reasonably be expected to affect the value of the Units or the rights or remedies of any holders thereof from those prevailing on the Issue Date;
- (v) any breach of any strategy or investment guidelines stated in the fund documents that is reasonably likely to affect the value of the Units or the rights or remedies of any holders thereof;
- (vi) in the case of Warrants and Notes other than Alternative General Conditions Notes, it becomes impractical or impossible for the Issuer to hedge its obligations under the Notes or Warrants, as applicable;
- (vii) cancellation, suspension or revocation of the registration or approval of the Units or the fund by any governmental, legal or regulatory entity with authority over the Units or the fund;
- (viii) any change in the legal, tax, accounting or regulatory treatments of the fund or the fund adviser that is reasonably likely to have an adverse impact on the value of the Units or on any investor therein;

- (ix) the relevant fund becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged breach of applicable law for any activities relating to or resulting from the operation of the fund;
- (x) it becomes impractical or impossible for the Calculation Agent to be able to determine the value of the units in the fund and this is likely to continue for the foreseeable future, or if there is an information failure which would make it difficult to monitor the fund;
- (xi) in the case of Warrants and Notes other than Alternative General Conditions Notes, the Calculation Agent has determined that it has become illegal to hold the units in the fund or that the Issuer would incur a materially increased cost in performing its obligations under the Notes or Warrants;
- (xii) in the case of Warrants and Notes other than Alternative General Conditions Notes, the Issuer would incur a materially increased amount of tax on its hedge of the Notes and Warrants except for where this is solely due to a deterioration in the Issuer's creditworthiness;
- (xiii) the index underlying a fund is cancelled, or there is a material change in the formula or method of calculating the underlying index or other material modification of the relevant index, or the index sponsor fails to calculate and announce the underlying index; or
- (xiv) in the case of Alternative General Conditions Notes, the Calculation Agent determines in good faith that the Issuer will incur a materially increased cost in performing its obligations under the Notes due to any change in any applicable law or regulation (including tax law) or due to the change in the interpretation of any applicable law or regulation by any court or tribunal (including a taxing authority).

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

3. The risk factor in the section (9) **Risks relating to Currency-Linked Notes and Warrants** and entitled "*FX Disruption Event*" beginning on page A-40 of the Offering Memorandum shall be deleted in their entirety and replaced with the following:

FX Disruption Event

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

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

ANNEX 4

The following additional risk factors shall be added on page A-61 of the Offering Memorandum.

(14) Risks relating to Alternative General Conditions Notes

The Issuer may redeem the Notes if the economic balance is significantly altered

The Issuer may redeem the Notes upon the occurrence of events that are not attributable to the Issuer, but that have as a consequence that the economic balance between the Issuer and the Noteholders as at the Issue Date is significantly altered. This would include, without limitation, circumstances where such economic balance is altered as a consequence of actions being taken by a regulator, additional or increased solvency or regulatory capital requirements being imposed on the Issuer, nationalisation and similar circumstances. The Early Redemption Amount payable by the Issuer in such circumstances may be less than the amount invested in the Notes or what would have been received under the Notes if the Notes had not been so redeemed and investors will forgo any further interest payments (if any) in respect of the Notes.

Noteholders may receive a Monetisation Amount if they do not elect to receive the applicable Early Redemption Amount

The applicable Pricing Supplement may specify that, in the event of an early redemption of the Notes, the Monetisation Option will apply. In that case, the notice of early redemption will specify the applicable Early Redemption Amount as well as the Monetisation Amount. Noteholders that do not elect to receive the Early Redemption Amount in accordance with the procedure set out in the notice of early redemption will not receive the Early Redemption Amount on the date fixed for redemption, but will receive the Monetisation Amount (on the original Maturity Date of the relevant Notes) and will not receive any interest or other amounts between the date fixed for redemption and the payment of the Monetisation Amount on the original Maturity Date.