



**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**

### **Index-Linked Notes and Warrants**

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

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

This document has been approved by the Central Bank of Ireland (the "Central Bank"), which is the Republic of Ireland competent authority for the purposes of Directive 2003/71/EC (as amended or superseded, the "Prospectus Directive") and relevant implementing measures in the Republic of Ireland, as a base prospectus (as supplemented from time to time, the "Base Prospectus"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under the Irish and EU law pursuant to the Prospectus Directive. In relation to any Notes or Warrants, this Base Prospectus must be read as a whole and together also with the relevant final terms (the "Final Terms"). Any Notes or Warrants issued on or after the date of this Base Prospectus and which are the subject of Final Terms which refer to this Base Prospectus are issued subject to the provisions described herein. This does not affect any Notes or Warrants already in issue or any Notes or Warrants issued under any other base prospectus published in connection with the Programme. This Base Prospectus will be valid until 12 months from the date hereof.

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

Applications have been made to admit Notes or Warrants (as applicable) to listing on the Official List of the Irish Stock Exchange plc (trading as Euronext Dublin) ("Euronext Dublin") and to trading on the regulated market of Euronext Dublin, which is a regulated market for the purposes of Directive 2014/65/EU, as amended ("MiFID II"). Application may be made for a listing of Notes or Warrants on Borsa Italiana S.p.A. and admission to trading on the Electronic Bond Market, being the regulated market of the Borsa Italiana S.p.A. ("MOT").

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

**IMPORTANT – EEA RETAIL INVESTORS** - If the Final Terms in respect of any Notes or Warrants includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes or Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the state securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("Regulation S") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In addition, unless the relevant Final Terms specifies otherwise, Warrants may not be offered or sold to, or for the account or benefit of U.S. Persons (as defined in the Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed. Reg. 45292, 26 July 2013, as amended or supplemented by the U.S. Commodity Futures Trading Commission) at any time.

The Issuer has been assigned the following long term credit ratings: AA- by S&P Global Ratings Europe Limited ("Standard & Poor's"); Aa3 by Moody's Investors Service Limited ("Moody's"); and AA- by Fitch Ratings Limited ("Fitch"). Each of Standard & Poor's, Moody's and Fitch are established in the European Economic Area ("EEA") and are registered as credit rating agencies under Regulation (EC) No. 1060/2009, as amended (the "CRA Regulation"). As such, each of Standard & Poor's, Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Interest and/or other amounts payable under the Notes and Warrants may be calculated by reference to certain reference rates, indices or other variables, which may constitute a benchmark under Regulation (EU) 2016/1011 (the "Benchmarks Regulation"). If any such reference rate, index or variable does constitute such a benchmark, the relevant Final Terms will indicate whether or not the administrator thereof is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the Benchmarks Regulation. Not every reference rate, index or variable will fall within the scope of the Benchmarks Regulation. Furthermore, transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update any Final Terms to reflect any change in the registration status of any administrator.

The Notes are not deposit liabilities of the Issuer and are not covered by the United Kingdom Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency of the United Kingdom, the United States or any other jurisdiction.

Programme Arranger, Dealer and Manager  
**HSBC Bank plc**

## HOW TO USE THIS BASE PROSPECTUS

### INTRODUCTION – WHO IS THE ISSUER?

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

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

### TYPES OF NOTES AND WARRANTS

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

#### *Types of Notes*

The following types of Notes are issued under the Programme:

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

The Notes are unsecured obligations of the Issuer.

#### *Types of Warrants*

The following types of Warrants are issued under the Programme:

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

The Warrants are unsecured obligations of the Issuer.

## WHAT OTHER DOCUMENTS DO I NEED TO READ?

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

## WHAT INFORMATION IS INCLUDED IN THE FINAL TERMS?

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

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

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

## ROADMAP FOR THE BASE PROSPECTUS

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

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

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

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

<b>Section</b>	<b>Page</b>
Section I.1: " <b>Summary</b> " provides an overview of information included in this Base Prospectus.	1
Section I.2: " <b>Risk Factors</b> " provides details of the principal risks associated with the Issuer, the Notes and the Warrants.	36
Section I.3: " <b>Incorporation by Reference</b> " provides details of the documents incorporated by reference which form part of this Base Prospectus and which are publicly available.	57
Section I.4: " <b>Use of Proceeds</b> " provides details of what the Issuer intends to do with the subscription monies it receives for the Notes or Warrants it issues.	59

<b>Section</b>	<b>Page</b>	
Section I.5:	" <b>Taxation</b> " provides a summary of the withholding tax position in relation to the Notes and Warrants in the United Kingdom, the Republic of Ireland, France and Italy and also provides information in relation to the proposed financial transactions tax.	60
Section I.6:	" <b>General Information</b> " provides additional, general disclosure in relation to the Programme and the Issuer not included in other sections of the Base Prospectus.	74

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

<b>Section</b>	<b>Page</b>	
Section II.1:	" <b>Description of the Notes</b> " provides details of how an investment in the Notes works and how payments under the Notes are calculated, including a number of worked examples.	76
Section II.2:	" <b>Form of Notes and Summary of Provisions Relating to the Notes While in Global Form</b> " provides information regarding Notes issued in global form and issued into certain clearing systems.	105
Section II.3:	" <b>Subscription and Sale of Notes</b> " sets out details of the arrangements between the Issuer and the Dealers as to the offer and sale of Notes and summarises selling restrictions that apply to the offer and sale of Notes in various jurisdictions.	109
Section II.4:	" <b>Terms and Conditions of the Notes</b> " sets out the terms and conditions which govern the Notes.	119
Section II.5:	" <b>Form of Final Terms for Notes</b> " sets out the template of the "Final Terms", a document which will be filled out for each issue of Notes and which will complete the terms and conditions in respect of each such issue of Notes.	168

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

<b>Section</b>	<b>Page</b>	
Section III.1:	" <b>Description of the Warrants</b> " provides details of how an investment in the Warrants works and how payments under the Warrants are calculated, including a number of worked examples.	183
Section III.2:	" <b>Form of Warrants and Summary of Provisions Relating to the Warrants While in Global Form</b> " provides information regarding Warrants issued in global form and issued into certain clearing systems.	200
Section III.3:	" <b>Purchase and Sale of Warrants</b> " sets out details of the arrangements between the Issuer and the Managers as to the offer and sale of Warrants and summarises selling restrictions that apply to the offer and sale of Warrants in various jurisdictions.	202

Section III.4: <b>"Terms and Conditions of the Warrants"</b> sets out the terms and conditions which govern the Warrants.	211
Section III.5: <b>"Form of Final Terms for Warrants"</b> sets out the template of the "Final Terms", a document which will be filled out for each issue of Warrants and which will complete the terms and conditions in respect of each such issue of Warrants.	243

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

<b>Section</b>	<b>Page</b>
Section IV.1: <b>"Index Disclaimers"</b> sets out disclaimers which may be applicable in respect of an issue of Notes or Warrants which are linked to the performance of an index.	255

<b>"Index of Defined Terms"</b> indicates where terms used in this Base Prospectus have been defined and indicates the page of the Base Prospectus on which the definition for each relevant defined term can be found.	264
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**FUNGIBLE ISSUANCES**

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

## IMPORTANT NOTICES

### Important information relating to financial intermediaries

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

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

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

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

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

### Responsibility for information in the Base Prospectus

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

The Notes may be issued in any denominations, provided that Notes will be issued in denominations of not less than EUR 1,000 (or the equivalent in an alternate currency). The Warrants may be issued for consideration, of more or less than, or equal to, EUR 100,000 (or its equivalent in another currency) per Warrant.

The Issuer does not intend to provide post-issuance information.

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

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

Neither this Base Prospectus nor any Final Terms nor any further information supplied in connection with the Programme or any Notes or Warrants should be considered as a recommendation or as constituting an invitation or offer by the Issuer or any Dealer to any recipient of this Base Prospectus to subscribe for or purchase any Notes or Warrants. Each investor contemplating purchasing any Notes or any Warrants should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme

or any Notes or Warrants constitutes an offer by or on behalf of the Issuer, the Programme Arranger or any Dealer to subscribe for or purchase any Notes or Warrants.

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

Tranches of Notes with a denomination of less than EUR 100,000 (or its equivalent in any other currency) or Warrants issued for consideration of less than EUR 100,000 (or its equivalent in any other currency) per Warrant may, subject as provided below, be offered in any Member State of the European Economic Area which has implemented the Prospectus Directive in connection with a public offer of Notes or Warrants. Any such offer is referred to in this Prospectus as a "**Public Offer**".

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

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

The Public Offer Jurisdiction referred to above in which a Public Offer of Notes may be made are the United Kingdom, the Republic of Ireland, France and Italy only.

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

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

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

in each case, subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended) and any other applicable laws.

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

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

None of the Issuer, the Programme Arranger nor any Dealer has authorised the making of any Public Offer of any Notes by any person in any circumstances other than those described above. Any such unauthorised offers are not made by nor on behalf of the Issuer, the Programme Arranger, any Dealer nor any Authorised Offeror and none of the Issuer, the Programme Arranger, any Dealer or any Authorised Offeror accepts any responsibility or liability for the actions of any person making such unauthorised offers.

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

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

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

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

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

The Issuer disclaims any responsibility to advise investors of any matters arising under the law of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments on the Notes or Warrants.

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

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

**For details of certain restrictions on the distribution of this Base Prospectus and the offer or sale of Notes and Warrants in Belgium, the Dubai International Financial Centre, the European Economic Area, France, Guernsey, Hong Kong, Isle of Man, Italy, Japan, Jersey, the Kingdom of Bahrain, The Netherlands, Norway, the People's Republic of China, Russia, Singapore, Spain, Switzerland, Taiwan, the United Arab Emirates (excluding the Dubai International Financial Centre), the United Kingdom and the United States of America, see the "*Subscription and Sale of Notes*" and the "*Purchase and Sale of Warrants*" sections of this Base Prospectus, respectively.**

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### **United States**

The Notes and Warrants have not been and will not be registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") or the state securities laws of any state of the United States, and Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, Notes and



Warrants may not be offered, sold or, in the case of Notes in bearer form, delivered within the United States or to U.S. persons.

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### **United Kingdom**

All applicable provisions of the United Kingdom Financial Services and Markets Act 2000 (as amended) ("**FSMA**") must be complied with in respect of anything done in relation to any Notes or Warrants in, from or otherwise involving the United Kingdom. Any document received in connection with an issue of Notes or Warrants may only be distributed in circumstances in which the restriction in Section 21(1) of the FSMA does not apply.

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### **Hong Kong**

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

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The treatment for taxation purposes of the acquisition, holding or disposal of, or other dealings with, Notes or Warrants may differ according to the jurisdiction in which the person acquiring, holding, disposing or dealing is subject to taxation. Any person intending to acquire, hold, dispose of or otherwise deal with a Note or Warrant should inform himself as to the treatment for taxation purposes applicable to him.

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

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

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**PART I – INFORMATION RELATING TO THE NOTES AND WARRANTS GENERALLY**

**SECTION I.1 – SUMMARY**

*Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".*

<b>Section A – Introduction and Warnings</b>		
<b>A.1</b>	<b>Introduction and Warnings:</b>	<p>This summary must be read as an introduction to the prospectus and any decision to invest in the Notes or Warrants should be based on a consideration of the prospectus as a whole by the investor, including any information incorporated by reference and read together with the relevant final terms.</p> <p>Where a claim relating to the information contained in the prospectus is brought before a court in a Member State of the European Economic Area, the claimant may, under the national legislation of the Member States, be required to bear the costs of translating the prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such Notes or Warrants.</p>
<b>A.2</b>	<b>Consent by the Issuer to the use of the prospectus in subsequent resale or final placement of the Warrants, indication of offer period and conditions to consent for subsequent resale or final placement and warning:</b>	<p>The Issuer may or may not provide its consent to the use of the prospectus in connection with public offers of the Notes and Warrants. If provided, such consent may be subject to conditions which are relevant for the use of the prospectus.</p> <p>[The Issuer expressly consents to the use of the prospectus in connection with a public offer of [Notes] [Warrants] (a "<b>Public Offer</b>") by the [Dealer[s]] [Manager[s]] [and [ ] ] ([each, an] "<b>Authorised Offeror</b>") during the period from and including [ ] to but excluding [ ] (the "<b>Offer Period</b>") and in [the United Kingdom][the Republic of Ireland] [France] [Italy] only (the "<b>Public Offer Jurisdiction</b>") [<b>provided that:</b> the relevant Authorised Offeror is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended) and any other applicable laws [and the relevant Authorised Offeror must satisfy the following conditions: [ ]]. The Issuer also accepts responsibility for the content of the prospectus with respect to the subsequent resale or final placement of the [Notes] [Warrants] by the Authorised Offeror.]</p>

<b>Section A – Introduction and Warnings</b>		
		<p>[The Issuer reserves its right to consent to the use of the prospectus after the date of filing of the relevant final terms (the "<b>Final Terms</b>") in connection with a public offer of the [Notes] [Warrants] (a "<b>Public Offer</b>") during the period from and including [ ] to but excluding [ ] (the "<b>Offer Period</b>") and in [the United Kingdom] [France] [Italy] only (the "<b>Public Offer Jurisdiction</b>") by identifying financial intermediaries who will be acting as authorised offerors ([each, an] "<b>Authorised Offeror</b>") in respect of the [Notes] [Warrants] on its website <a href="http://www.hsbc.com">www.hsbc.com</a> (following links to 'Investors', 'Fixed income investors', 'Issuance programmes), [subject to the condition that [ ] and] on the condition that the relevant Authorised Offeror is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended) and any other applicable laws.]</p> <p><b>[The Authorised Offeror will provide information to investors on the terms and conditions of the Public Offer of the relevant Notes at the time such Public Offer is made by the Authorised Offeror to the investors.]</b></p> <p>[Not Applicable. The Issuer does not consent to the use of the prospectus in connection with a public offer of the [Notes] [Warrants] (a "<b>Public Offer</b>") as the [Notes] [Warrants] will not be publicly offered.]</p>
<b>Section B – Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer:</b>	The legal name of the issuer is HSBC Bank plc (the " <b>Issuer</b> ") and, for the purposes of advertising, the Issuer uses an abbreviated version of its name, HSBC.
<b>B.2</b>	<b>Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:</b>	<p>The Issuer is a public limited company registered in England and Wales under registration number 14259. The liability of its members is limited. The Issuer was constituted by Deed of Settlement on 15 August 1836 and in 1873, registered under the Companies Act 1862 as an unlimited company. It was re-registered as a company limited by shares under the Companies Acts 1862 to 1879 on 1 July 1880. On 1 February 1982 the Issuer re-registered under the Companies Acts 1948 to 1980 as a public limited company.</p> <p>The Issuer is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, <i>inter alia</i>, the UK Financial Services and Markets Act 2000 as amended, for the purposes of which the Issuer is an authorised person carrying on the business of financial services provision. In addition, as a public limited company, the Issuer is subject to the UK Companies Act 2006.</p>
<b>B.4b</b>	<b>Known trends affecting the Issuer and the industries in which it operates:</b>	UK real GDP rose by 0.2% in the last quarter of 2018, a sharp slowdown from the Q3 growth rate of 0.6% quarter-on-quarter. The year-on-year GDP growth rate was 1.3%, the joint slowest pace since 2012. The unemployment rate was broadly steady over the second half of 2018 - in November it stood at 4.0%, the lowest since February 1975. Employment as a percentage of the population aged 16-64 was 75.8% in November, a series high. The annual rate of wage growth rose over the course of the year, increasing to a new ten-year high of 3.4% for the three months to November. The annual Consumer Price Index (CPI) inflation rate dropped to 1.8% in January, down from 3.0% a year earlier, due to lower energy prices and a waning inflationary impact of the drop in sterling in 2016. The Bank of England increased Bank Rate in August, from 0.50% to 0.75%.

<b>Section B – Issuer</b>		
		<p>Eurozone economic growth slowed through the course of 2018. GDP increased by 0.2% in the fourth quarter of 2018, unchanged versus Q3. The annual growth rate slowed from 1.6% to 1.2%, the weakest since 2013. In terms of quarterly growth in the fourth quarter, Germany's economy stagnated following a 0.2% contraction in Q3. Italy's economy contracted for the second successive quarter (-0.2% quarter-on-quarter following -0.1% in Q3). France saw an expansion of 0.3% for the second quarter in a row, while the Spanish economy continued its robust expansion by growing 0.7%. Relative to strong growth seen in 2017, the 2018 slowdown was largely driven by a softening in net exports and investment. The labour market remained fairly robust, though. The unemployment rate fell to a ten-year low of 7.9% in November, while annual wage growth climbed to a ten-year high of 2.5% in the third quarter of 2018. The Harmonised Index of Consumer Prices (HICP) rate of inflation softened towards the end of year, dropping to 1.4% in January, reflecting the impact of lower oil prices.</p>
B.5	<b>The group and the Issuer's position within the group:</b>	<p>The whole of the issued ordinary and preference share capital of the Issuer is beneficially owned by HSBC UK Holdings Limited. HSBC UK Holdings Limited is a wholly and directly owned subsidiary of HSBC Holdings plc ("<b>HSBC Holdings</b>", together with its subsidiaries, the "<b>HSBC Group</b>"). The Issuer is the HSBC Group's principal operating subsidiary undertaking in Europe.</p> <p>The HSBC Group is one of the largest banking and financial services organisations in the world, with an international network which covers 66 countries and territories in Europe, Asia, the Middle East and Africa, North America and Latin America. As at 31 December 2018 the total assets of the HSBC Group were U.S.\$2,558,124 million.</p>
B.9	<b>Profit forecast or estimate:</b>	Not Applicable. There are no profit forecasts or estimates made in the prospectus.
B.10	<b>Nature of any qualifications in the audit reports on the historical financial information:</b>	Not Applicable. There are no qualifications in the audit reports on the audited, consolidated financial statements of the Issuer for the financial years ended 31 December 2017 or 31 December 2018.
B.12	<b>Selected key financial information, no material adverse change and no significant change statement:</b>	The selected key financial information regarding the Issuer set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 31 December 2017 and 31 December 2018. (References in the accompanying footnotes to numbered pages are to the corresponding numbered pages of the Issuer's 2018 Annual Report and Accounts).

<b>Section B – Issuer</b>			
	<i>Footnotes</i>	<b>2018</b>	<b>2017</b>
<b>For the year (£m)</b>			
Profit before tax (reported basis) .....	1, 2	<b>1,974</b>	2,370
Profit before tax (adjusted basis) .....	3	<b>2,100</b>	3,832
Net operating income before change in expected credit losses and other credit impairment charges .....	4	<b>9,468</b>	13,052
Profit/(loss) attributable to shareholders of the parent company .....		<b>1,506</b>	1,809
<b>At year end (£m)</b>			
Total equity attributable to shareholders of the parent company .....	1, 2	<b>26,878</b>	43,462
Total assets .....		<b>604,958</b>	818,868
Risk-weighted assets .....	5	<b>143,875</b>	233,073
Loans and advances to customers (net of impairment allowances) .....		<b>111,964</b>	280,402
Customer accounts .....		<b>180,836</b>	381,546
<b>Capital ratios (%)</b>			
Common Equity tier 1 .....	1, 6	<b>13.8</b>	11.8
Tier 1 .....		<b>16.0</b>	13.8
<b>Total capital</b>		<b>26.2</b>	16.9
<b>Performance, efficiency and other ratios (annualised %)</b>			
Return on average ordinary shareholders' equity .....	1, 2		
Return on average risk-weighted assets .....	7	<b>4.2</b>	4.4
Adjusted return on average risk-weighted assets .....	5	<b>1.1</b>	1.0
Cost efficiency ratio (reported basis) .....	8	<b>77.6</b>	78.2
Cost efficiency ratio (adjusted basis) .....	8	<b>76.1</b>	67.5
Jaws (adjusted basis) .....	9	<b>(9.1)</b>	(5.8)
Ratio of customer advances to customer accounts .....		<b>61.9</b>	73.5
<p><sup>1</sup> The group adopted IFRS 9, as well as the European Union's regulatory transitional arrangements for IFRS 9, on 1 January 2018. Comparative information has not been restated. For further details, refer to 'Changes to accounting from 1 January 2018' on page 10, 'Standards adopted during the year ended 31 December 2018' on page 97 and Note 34 'Effects of reclassifications upon adoption of IFRS 9' on page 158.</p> <p><sup>2</sup> HSBC completed the ring-fencing of its UK retail banking activities on 1 July 2018, six months in advance of the legal requirement coming into force, transferring circa 14.5 million qualifying RBWM, CMB and GPB customers from the group to HSBC UK, HSBC's ring-fenced bank. This included the transfer of relevant retail banking subsidiaries. We have retained the non-qualifying components, primarily the UK GB&amp;M business and the overseas branches and subsidiaries. For further details, refer to 'Ring-fenced bank' on page 18 and Note 35 'Discontinued operations' on page 161.</p> <p><sup>3</sup> Adjusted performance is computed by adjusting reported results for the effect of significant items as detailed on pages 12 to 15.</p> <p><sup>4</sup> Net operating income before change in expected credit losses and other credit impairment charges is also referred to as revenue.</p> <p><sup>5</sup> The group has adopted the European Union's regulatory transitional arrangements for IFRS 9, on 1 January 2018. These apply to reported and adjusted RWAs for 2018 (and related ratios) throughout the Annual Report and Accounts 2018 unless otherwise stated.</p> <p><sup>6</sup> Capital ratios are detailed in the Capital section on pages 69 to 71.</p> <p><sup>7</sup> The return on average ordinary shareholders' equity is defined as profit attributable to shareholders of the parent company divided by the average total shareholders' equity. The return on average ordinary shareholders' equity at 31 December 2017 has been restated by 20 basis points to incorporate the tax effect for dividends paid on Additional Tier 1 ('AT1') capital. Dividends paid on AT1 should be net of tax in the calculation.</p> <p><sup>8</sup> Reported cost efficiency ratio is defined as total operating expenses (reported) divided by net operating income before change in expected credit losses and other credit impairment charges (reported), while adjusted cost efficiency ratio is defined as total operating expenses (adjusted) divided by net operating income before change in expected credit losses and other credit impairment charges (adjusted).</p> <p><sup>9</sup> Adjusted jaws measures the difference between adjusted revenue and adjusted cost growth rates.</p>			
		<p>There has been no material adverse change in the prospects of the Issuer since 31 December 2018.</p> <p>There has been no significant change in the financial position of the Issuer and its subsidiaries since 31 December 2018.</p>	
B.13	<b>Recent events particular to the Issuer which are</b>	<p>Not Applicable. There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency.</p>	

<b>Section B – Issuer</b>		
	<b>to a material extent relevant to the evaluation of the Issuer's solvency:</b>	
B.14	<b>Dependence upon other entities within the group:</b>	The Issuer is an indirectly wholly owned subsidiary of HSBC Holdings.  The Issuer and its subsidiaries form a UK head-quartered group (the " <b>Group</b> ") with subsidiaries in continental Europe and the UK. The Issuer conducts part of its business through its subsidiaries and is accordingly dependent upon those members of the Group as well as certain members of the wider HSBC Group, including HSBC Global Services (UK) Limited, which provides support services to the Issuer and to HSBC UK Bank plc.
B.15	<b>The Issuer's principal activities:</b>	The Group provides a comprehensive range of banking and related financial services. The Group divides its activities into four business segments: Retail Banking and Wealth Management; Commercial Banking; Global Banking and Markets; and Global Private Banking.
B.16	<b>Controlling persons:</b>	The whole of the issued ordinary and preference share capital of the Issuer is beneficially owned by HSBC UK Holdings Limited. HSBC UK Holdings Limited is a wholly and directly owned subsidiary of HSBC Holdings.
B.17	<b>Credit ratings:</b>	The Issuer has been assigned the following long term credit ratings: AA- by S&P Global Ratings Europe Limited (" <b>Standard &amp; Poor's</b> "); Aa3 by Moody's Investors Service Limited (" <b>Moody's</b> "); and AA- by Fitch Ratings Limited (" <b>Fitch</b> ").
		The Notes to be issued [have [not] been] [are expected on issue to be] rated[./:]
		[Standard & Poor's: [ ]]
		[Moody's: [ ]]
		[Fitch: [ ]]
		[Not Applicable. The Notes are derivative securities.]

<b>Section C – Securities</b>		
C.1	<b>Description of type and class of securities:</b>	<p>Notes and Warrants are derivative securities linked to the performance of a specified index or a basket of indices.</p> <p>Notes may or may not bear interest and Warrants do not bear interest. If Notes are interest-bearing, they will either bear interest at either a fixed or floating rate, or depending on the performance of a specified index.</p> <p>If Notes and Warrants are not redeemed or exercised early they will be redeemed or exercised on the scheduled maturity or exercise date and the amount payable will be an amount linked to the performance of a specified index or the performances of specified indices. Notes and Warrants may also be redeemed or exercised early in certain circumstances.</p> <p><b>Issuance in series:</b> [Notes] [Warrants] will be issued in series ("<b>Series</b>") which may comprise one or more tranches ("<b>Tranches</b>").</p> <p>Each Tranche issued under a Series will have identical terms, except that different Tranches may comprise:</p>

<b>Section C – Securities</b>	
	<p>[Notes in bearer form ("<b>Bearer Notes</b>"), registered form ("<b>Registered Notes</b>") or uncertificated registered form ("<b>Uncertificated Registered Notes</b>").]</p>
	<p>Warrants which are in registered form ("<b>Registered Warrants</b>") and uncertificated registered form ("<b>Uncertificated Registered Warrants</b>").]</p> <p>The issue dates, issue prices and amount of first interest payments under different Tranches may also vary.</p>
	<p>[The [Bearer] [Registered] [Uncertificated Registered] Notes being issued are Tranche [ ] Notes linked to [ ] (the "<b>Notes</b>") [The [Registered] [Uncertificated Registered] Warrants being issued are Tranche [ ] Warrants linked to [ ](the "<b>Warrants</b>") [and are to be consolidated and form a single series with [ ] issued on [ ] with ISIN: [ ] and Common Code: [ ] [and Valoren Number: [ ]] [and SEDOL: [ ]] (the "<b>Original Issue Security Identification Number[s]</b>").]</p> <p><b>[Form of Notes:</b> <i>Bearer Notes in definitive form:</i> Bearer Notes will be issued in definitive form and each definitive Bearer Note will carry a unique serial number. Bearer Notes are negotiable instruments and legal title to each will pass by physical delivery.]</p> <p><i>Bearer Notes in global form:</i> [Bearer Notes will initially be issued as temporary global Notes exchangeable for permanent global Notes which are exchangeable for definitive Bearer Notes, or registered Notes in definitive form in certain limited circumstances.]</p> <p>[Bearer Notes will be issued in global form and deposited with a common depository for Euroclear Bank SA/NV ("<b>Euroclear</b>") and/or Clearstream Banking, S.A. ("<b>Clearstream, Luxembourg</b>"). Changes in beneficial interests in such Bearer Notes will be recorded as book-entries in the accounts of Euroclear and/or Clearstream, Luxembourg.]</p> <p><i>Registered Notes in definitive form:</i> [Registered Notes will be issued in registered form as certificates and each certificate will carry a unique serial number. Registered Notes are not negotiable instruments and legal title to each will pass by registration of the unique serial number against a Noteholder's name in a register maintained by HSBC Bank plc in its capacity as registrar (the "<b>Registrar</b>").]</p> <p><i>Registered Notes in global form:</i> Registered Notes will be issued in global form and deposited with and registered in the name of a common depository (or its nominee) for Euroclear Bank SA/NV ("<b>Euroclear</b>") and/or Clearstream Banking, S.A. ("<b>Clearstream, Luxembourg</b>"). Changes in beneficial interests in such Registered Notes will be recorded as book-entries in the accounts of Euroclear and/or Clearstream, Luxembourg.]</p> <p><i>Uncertificated Registered Notes:</i> Uncertificated Registered Notes will be issued in uncertificated registered form and deposited with Euroclear UK and Ireland Limited ("<b>CREST</b>"). Legal title to Uncertificated Registered Notes is recorded by CREST on the Operator register of corporate securities (the "<b>Operator Register</b>") and will pass by registration of a transfer of ownership in the Operator Register. CREST will maintain in a record of uncertified corporate securities which reflects the Operator Register.]]</p>
	<p><b>[Form of Warrants:</b> <i>Registered Warrants:</i> Registered Warrants will be issued in registered form as certificates and each certificate will carry a</p>



<b>Section C – Securities</b>		
		unique serial number. Legal title to Registered Warrants will pass by registration of the unique serial number against a Warrantholder's name in a register maintained by, and subject to the regulations of HSBC Bank plc in its capacity as registrar (the " <b>Warrant Registrar</b> ").]
		<p>[<i>Uncertificated Registered Warrants</i>: Uncertificated Registered Warrants will be issued in uncertificated registered form and deposited Euroclear UK and Ireland Limited ("<b>CREST</b>"). Legal title to Uncertificated Registered Warrants is recorded by CREST on the Operator register of corporate securities (the "<b>Operator Register</b>") and will pass by registration of a transfer of ownership in the Operator Register. CREST will maintain in a record of uncertificated corporate securities which reflects the Operator Register.]]</p> <p><b>Security Identification Number[s]</b>: The [[Bearer] [Registered] [Uncertificated Registered] Notes] [[Registered] [Uncertificated Registered] Warrants] have been accepted for clearance through [Euroclear and/or Clearstream, Luxembourg] [CREST] and will be allocated the following Security Identification Number[s] [to be consolidated with the Original Issue Security Identification Number[s]]:</p> <p>ISIN Code: [ ]</p> <p>Common Code: [ ]</p> <p>Other identifier / code: [ ]</p> <p>[Valoren Number: [ ]]</p> <p>[SEDOL: [ ]]</p>
<b>C.2</b>	<b>Currency of the securities issue:</b>	<p>Subject to compliance with all applicable laws and regulations, Notes and Warrants may be issued in any currency.</p> <p>The settlement currency of the [Notes] [Warrants] is [ ] (the "<b>Settlement Currency</b>").</p>
<b>C.5</b>	<b>Description of any restrictions on the free transferability of the securities:</b>	<p>Subject to restrictions on the offer and sale of Notes and Warrants in any relevant jurisdiction, the Notes and Warrants will be freely transferable.</p> <p>The [Notes] [Warrants] are freely transferable. However, there are restrictions on the offer and sale of the [Notes] [Warrants] and the Issuer and [ ] [(the "<b>Dealer[s]</b>")][(the "<b>Manager[s]</b>")]] have agreed restrictions on the offer, sale and delivery of the [Notes] [Warrants] and on distribution of offering materials in Belgium, the Dubai International Financial Centre, the European Economic Area, France, Guernsey, Hong Kong, Isle of Man, Italy, Japan, Jersey, the Kingdom of Bahrain, The Netherlands, Norway, the People's Republic of China, Russia, Singapore, Spain, Switzerland, Taiwan, the United Arab Emirates (excluding the Dubai International Financial Centre), the United Kingdom and the United States of America.</p>
<b>C.8</b>	<b>The rights attaching to the securities, including ranking and limitations to those rights:</b>	<p>Notes and Warrants are derivative securities linked to the performance of a specified index or the performances of specified indices.</p> <p>Notes may or may not bear interest and Warrants do not bear interest. If Notes are interest-bearing, they will either bear interest at either a fixed or floating rate, or depending on the performance of a specified index.</p> <p>If Notes and Warrants are not redeemed or exercised early they will be redeemed or exercised on the scheduled maturity or exercise date and the</p>

<b>Section C – Securities</b>		
		<p>amount payable will be an amount linked to the performance of a specified index or the performances of specified indices. Notes and Warrants may also be redeemed or exercised early in certain circumstances.</p>
		<p>[An investor will be entitled to the following cash amounts in respect of each Note, namely:</p> <ul style="list-style-type: none"> <li>• if the Notes are redeemed on their stated maturity date, a "<b>Final Redemption Amount</b>"; and]</li> <li>• [as the "Early Redemption for Autocallable Notes" provisions apply in respect of the Notes, if the Notes are redeemed prior to their stated maturity in the circumstances described below, an "<b>Early Redemption Amount</b>"; and]</li> <li>• [as the "Coupon Trigger Event" provisions apply in respect of the Notes, the "Coupon Trigger Amount", may be payable in respect of the Notes as described below]; and]</li> <li>• [as the "Fixed Rate Note provisions" apply in respect of the Notes, a fixed rate of interest will be paid as described below, an "<b>Interest Amount</b>"]</li> <li>• [as the "Floating Rate Note provisions" apply in respect of the Notes, a floating rate of interest will be paid as described below, an "<b>Interest Amount</b>"]</li> </ul> <p>[An investor will be entitled to the following cash amounts in respect of each Warrant, namely:</p> <ul style="list-style-type: none"> <li>• an amount on exercise of the Warrant as described below, a "<b>Cash Settlement Amount</b>".]</li> </ul> <p><b>[Final Redemption Amount for Notes:</b> Unless a Note has been redeemed (i.e. repaid) early, each Note will be redeemed on [ ] ("<b>Maturity Date</b>").</p> <p>The Final Redemption Amount will depend on the performance of the [basket of indices comprising the] [ ] ["<b>Index</b>"] ["<b>Indices</b>" or "<b>Index Basket</b>"].</p> <p>The basis for calculating the Final Redemption Amount is:</p> <p>["Booster Redemption". Accordingly,</p> <ul style="list-style-type: none"> <li>• If the Relevant Final Performance is equal to or greater than the Barrier Level of [ ], the Final Redemption Amount is the specified calculation amount of the Note (the "<b>Calculation Amount</b>") multiplied by:</li> </ul> $100\% + \text{MIN} [\text{Cap of [ ]}; \text{Participation of [ ]}] \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]$ <ul style="list-style-type: none"> <li>• If the Relevant Final Performance is less than the Barrier Level of [ ], the Final Redemption Amount is the Calculation Amount multiplied by the Relevant Final Performance.]</li> </ul> <p>["Airbag Redemption". Accordingly,</p> <ul style="list-style-type: none"> <li>• If the Relevant Final Performance is equal to or greater than the Barrier Level of [ ], the Final Redemption Amount is the</li> </ul>

<b>Section C – Securities</b>		
		<p>specified calculation amount of the Note (the "<b>Calculation Amount</b>") multiplied by:</p>
		<p style="text-align: center;">100% + Participation of [ ] × MAX [0; Relevant Final Performance – 100%]</p> <ul style="list-style-type: none"> <li>• If the Relevant Final Performance is less than the Barrier Level of [ ], the Final Redemption Amount is the Calculation Amount multiplied by the Relevant Final Performance.]</li> </ul> <p>["Autocallable Redemption". Accordingly,</p> <ul style="list-style-type: none"> <li>• If the Relevant Final Performance [of the worst performing Index in the Index Basket] is equal to or greater than the Final Trigger Level of [ ], the Final Redemption Amount is the specified calculation amount of the Note (the "<b>Calculation Amount</b>") multiplied by the Redemption Rate of [ ].</li> <li>• If the Relevant Final Performance [of the worst performing Index in the Index Basket] is less than the Final Trigger Level of [ ], but the Relevant Final Performance [of the worst performing Index in the Index Basket] equal to or greater than the Barrier Level of [ ], the Final Redemption Amount is the Calculation Amount.</li> <li>• If the Relevant Final Performance [of the worst performing Index in the Index Basket] is less than the Final Trigger Level of [ ], and the Relevant Final Performance [of the worst performing Index in the Index Basket] is less than the Barrier Level of [ ], the Final Redemption Amount is the Calculation Amount multiplied by the Relevant Final Performance [of the worst performing Index of the Indices comprised in the Index Basket].]</li> </ul> <p>["Reverse Convertible Redemption". Accordingly,</p> <ul style="list-style-type: none"> <li>• If the Relevant Final Performance [of each Index in the Index Basket] is equal to or greater than the Barrier Level of [ ], the Final Redemption Amount is to the specified calculation amount of the Note (the "<b>Calculation Amount</b>").</li> <li>• If the Relevant Final Performance [of the worst performing Index in the Index Basket] is less than the Barrier Level of [ ], the Final Redemption Amount is the Calculation Amount multiplied by the Relevant Final Performance [of the worst performing Index of the Indices comprised in the Index Basket].]</li> </ul> <p>["100% Protected Growth Redemption". Accordingly,</p>
		<p>The Final Redemption Amount is the specified calculation amount of the Note (the "<b>Calculation Amount</b>") multiplied by:</p> <p style="text-align: center;">100% + Participation of [ ] × MAX [0; Relevant Final Performance – 100%]]</p> <p>["100% Protected Capped Growth Redemption". Accordingly,</p> <p>The Final Redemption Amount is the specified calculation amount of the Note (the "<b>Calculation Amount</b>") multiplied by:</p>

<b>Section C – Securities</b>				
		$100\% + \text{MIN} [\text{Cap of } [ \ ] ; \text{Participation of } [ \ ] \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]]$		
		<p>["Partially Protected Growth Redemption". Accordingly,</p> <ul style="list-style-type: none"> <li>If the Relevant Final Performance is equal to or greater than 100%, the Final Redemption Amount is the specified calculation amount of the Note (the "<b>Calculation Amount</b>") multiplied by: <math display="block">100\% + \text{Participation of } [ \ ] \times [\text{Relevant Final Performance} - 100\%]</math> </li> <li>If the Relevant Final Performance is less than 100%, the Final Redemption Amount is the Calculation Amount multiplied by: <math display="block">\text{MAX} [\text{Protection Level of } [ \ ] ; \text{Relevant Final Performance}]</math> </li> </ul> <p>["Partially Protected Capped Growth Redemption". Accordingly,</p> <ul style="list-style-type: none"> <li>If the Relevant Final Performance is equal to or greater than 100%, the Final Redemption Amount is the specified calculation amount of the Note (the "<b>Calculation Amount</b>") multiplied by: <math display="block">100\% + \text{MIN} [\text{Cap of } [ \ ] ; \text{Participation of } [ \ ] \times [\text{Relevant Final Performance} - 100\%]]]</math> </li> <li>If the Relevant Final Performance is less than 100%, the Final Redemption Amount is the Calculation Amount multiplied by: <math display="block">\text{MAX} [\text{Protection Level of } [ \ ] ; \text{Relevant Final Performance}]</math> </li> </ul> <p>["Digital Redemption". Accordingly,</p> <ul style="list-style-type: none"> <li>If the Relevant Final Performance is equal to or greater than 100%, the Final Redemption Amount is the specified nominal amount of the Note (the "<b>Calculation Amount</b>") multiplied by: <math display="block">100\% + \text{Digital Amount of } [ \ ]</math> </li> <li>If the Relevant Final Performance is less than 100%, the Final Redemption Amount is the Calculation Amount multiplied by: <math display="block">\text{MAX} [\text{Protection Level of } [ \ ] ; \text{Relevant Final Performance}]</math> </li> </ul>		
		<p>For the purposes of making the above calculations:</p> <p>[The Indices [have equal weighting] [have the following weightings: [ ]].]</p> <p>The "<b>Initial Index Level[s]</b>" of the [Index is the level of such Index as determined by the "<b>Calculation Agent</b>" as of the specified "<b>Valuation Time</b>" on the relevant exchange (the "<b>Exchange</b>") on [ ] (the "<b>Strike Date</b>") as rounded up to four decimal places (with 0.00005 being rounded up)] [Index is the official closing level of such Index on [ ] (the "<b>Strike Date</b>") as calculated and published by the "<b>Index Sponsor</b>" as rounded up to four decimal places (with 0.00005 being rounded up)] [Index is [ ]] [Indices are as follows].</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">[Index]</td> <td style="width: 50%; text-align: center;">[Initial Index Level]</td> </tr> </table>	[Index]	[Initial Index Level]
[Index]	[Initial Index Level]			

<b>Section C – Securities</b>								
		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">[ ]</td> <td style="width: 50%; text-align: center;">[ ]</td> </tr> </table>	[ ]	[ ]				
[ ]	[ ]							
		<p>The "<b>Relevant Level</b>" of [the] [each] [Index] [in the Index Basket] is used to determine the performance of [such] [the] [worst performing] [Index] [in the Index Basket] and is calculated using the [Final Index Level] [Average Index Level] [of [each] such Index]. Accordingly, the Calculation Agent will [determine the closing level of the Index on the specified "<b>Valuation Date</b>"] [determine the arithmetic average of the closing levels of the Index on the specified "<b>Averaging Dates</b>"] [determine the closing level of each of the Indices in the Index Basket on the specified "<b>Valuation Date</b>"] [determine the arithmetic average of the closing levels of each of the Indices in the Index Basket on each of the specified "<b>Averaging Dates</b>"].</p> <p>The "<b>Relevant Final Performance</b>" is used to determine the amount payable on maturity and is equal to [the Relevant Level [of an Index comprised in the Index Basket] divided by the Initial Index Level of [such Index]] [the weighted arithmetic average of the performances of the Indices in the Index Basket which in respect of each Index is determined by the Relevant Level for such Index divided by the Initial Index Level of such Index] and expressed as a percentage.</p> <p><b>[Automatic Early Redemption Amount for Notes:</b> [In addition, the "Early Redemption for Autocallable Notes" provisions apply to the Notes. Accordingly:</p> <ul style="list-style-type: none"> <li>if on a specified Automatic Early Redemption Valuation Date, the Observation Index Level Performance [of the worst performing Index in the Index Basket] is equal or greater than the relevant Automatic Early Redemption Percentage corresponding to such Automatic Early Redemption Valuation Date and specified in the table below, the Note will be redeemed for the Calculation Amount of the Note multiplied by the relevant Automatic Early Redemption Rate corresponding to such Automatic Early Redemption Valuation Date and specified in the table below.</li> </ul>						
		<ul style="list-style-type: none"> <li>if on a specified Automatic Early Redemption Valuation Date, the Observation Index Level Performance [of the worst performing Index in the Index Basket] is less than the Automatic Early Redemption Percentage corresponding to such Automatic Early Redemption Valuation Date and specified in the table below, the Note will not be redeemed at that time but will continue until the next Automatic Early Redemption Valuation Date (if any).</li> </ul> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">Automatic Early Redemption Valuation Date</th> <th style="text-align: center;">Automatic Early Redemption Percentage</th> <th style="text-align: center;">Automatic Early Redemption Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">[ ]</td> <td style="text-align: center;">[ ]</td> <td style="text-align: center;">[ ]</td> </tr> </tbody> </table> <p>For the purposes of making the above calculations, the Observation Index Level Performance [of an Index in the Index Basket] is the Relevant Level [of such Index] on a specified Automatic Early Redemption Valuation Date divided by the Initial Index Level [of such Index] and expressed as</p>	Automatic Early Redemption Valuation Date	Automatic Early Redemption Percentage	Automatic Early Redemption Rate	[ ]	[ ]	[ ]
Automatic Early Redemption Valuation Date	Automatic Early Redemption Percentage	Automatic Early Redemption Rate						
[ ]	[ ]	[ ]						

<b>Section C – Securities</b>		
		<p>a percentage.]]</p> <p><b><i>Interest Payments for Notes:</i></b> [The "Fixed Rate Note provisions" apply to the Notes.</p>
		<p>Accordingly, the "<b>Rate of Interest</b>" on the Notes is [[ ] per [annum] [ ] [ ] for each fixed period of [ ]].</p> <p>The interest on the Notes will be paid on specified "<b>Interest Payment Dates</b>". The "<b>Interest Amount</b>" payable on each Interest Payment Date will be in respect of a period from the last Interest Payment Date (or the Interest Commencement Date on [ ]) until the Interest Payment Date in question (each, an "<b>Interest Period</b>").</p> <p>The Interest Amount for an Interest Period is the Rate of Interest of [ ] multiplied by a specified calculation amount of the Notes (the "<b>Calculation Amount</b>"), and the product is multiplied by the specified "<b>Day Count Fraction</b>". The Day Count Fraction reflects the number of days in the period for which interest is being calculated.</p> <p>[[In addition, t][T]he Notes specify that a "<b>Fixed Coupon Amount</b>" of [ ] is payable in respect of [each Interest Period] [the first Interest Period] [the last Interest Period] [ ]. The Fixed Coupon Amount will be paid on [each] [the] [Interest Payment Date] relating to [ ] [that] [those] [Interest Period] [Interest Periods].]]</p> <p>[The "Floating Rate Note provisions" apply to the Notes.</p> <p>Accordingly, the "<b>Rate of Interest</b>" on the Notes is a variable percentage rate [per [annum] [ ] ] [for each fixed period of [ ]].</p> <p>The interest on the Notes will be paid on the specified "<b>Interest Payment Dates</b>". The "<b>Interest Amount</b>" payable on each Interest Payment Date will be in respect of a period from the last Interest Payment Date (or the Interest Commencement Date on [ ]) until the Interest Payment Date in question (each, an "<b>Interest Period</b>").</p>
		<p>The Rate of Interest for Floating Rate Notes for a given Interest Period is [determined on the basis of quotations provided electronically by banks in [ ], being the "<b>Relevant Financial Centre</b>"] [a notional interest rate on a swap transaction in the Settlement Currency of [ ] ] [with the addition of an additional percentage rate per [annum] [ ] ] (known as the "<b>Margin</b>").</p> <p>The Interest Amount for an Interest Period is the Rate of Interest multiplied by a specified calculation amount of the Notes (the "<b>Calculation Amount</b>"), and the product is multiplied by the specified "<b>Day Count Fraction</b>". The Day Count Fraction reflects the number of days in the period for which interest is being calculated.</p> <p>[The Rate of Interest will not fall below the "<b>Minimum Interest Rate</b>" of [ ].]</p> <p>[The Rate of Interest will not exceed the "<b>Maximum Interest Rate</b>" of [ ].]]</p> <p><b><i>Coupon Trigger Amounts for Notes:</i></b> In addition, the "Coupon Trigger Event" provisions apply to the Notes.</p>

<b>Section C – Securities</b>								
		<p>Accordingly:</p> <ul style="list-style-type: none"> <li>if on a specified Coupon Trigger Valuation Date, the Observation Index Level Performance [of the worst performing Index in the Index Basket] is equal or greater than the relevant Coupon Trigger Level corresponding to such Coupon Trigger Valuation Date and specified in the table below, the Note will provide for a Coupon Trigger Amount equal to the Calculation Amount of the Note multiplied by the relevant Coupon Trigger Rate corresponding to such Coupon Trigger Valuation Date and specified in the table below.</li> </ul>						
		<ul style="list-style-type: none"> <li>if on a specified Coupon Trigger Valuation Date, the Observation Index Level Performance [of the worst performing Index in the Index Basket] is less than the relevant Coupon Trigger Level corresponding to such Coupon Trigger Valuation Date and specified in the table below, no Coupon Trigger Amount will be payable in respect of such Coupon Trigger Valuation Date.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Coupon Trigger Valuation Date</th> <th style="text-align: center;">Coupon Trigger Level</th> <th style="text-align: center;">Coupon Trigger Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">[ ]</td> <td style="text-align: center;">[ ]</td> <td style="text-align: center;">[ ]</td> </tr> </tbody> </table> <p>For the purposes of making the above calculations, the [Observation Index Level Performance] [of an Index in the Index Basket] is the Relevant Level [of such Index] on a specified Coupon Trigger Valuation Date divided by the Initial Index Level [of such Index] and expressed as a percentage.]]</p> <p><b>[Cash Settlement Amounts for Warrants:</b> Unless a Warrant has been terminated earlier, a Warrant must be exercised by [ ] ("Expiry Date").</p>	Coupon Trigger Valuation Date	Coupon Trigger Level	Coupon Trigger Rate	[ ]	[ ]	[ ]
Coupon Trigger Valuation Date	Coupon Trigger Level	Coupon Trigger Rate						
[ ]	[ ]	[ ]						
		<p>The amount receivable by an investor on exercise (the "<b>Cash Settlement Amount</b>") will depend on the performance of the [basket of indices comprising the] [ ] ["Index"] ["Indices" or "<b>Index Basket</b>"].</p> <p>The basis for calculating the Cash Settlement Amount is:</p> <p>["Protection Cash Settlement Put Warrant". Accordingly:</p> <p>The Cash Settlement Amount is the face value of the Warrant ("<b>Face Value</b>") multiplied by:</p> $1/90\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]]$ <p>["Growth Cash Settlement Call Warrant". Accordingly:</p> <p>The Cash Settlement Amount is the face value of the Warrant ("<b>Face Value</b>") multiplied by:</p> $1/90\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\% + \text{Participation of} [ ] \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]]$ <p>["Capped Growth Cash Settlement Call Warrant". Accordingly:</p>						

<b>Section C – Securities</b>		
		<p>The Cash Settlement Amount is the face value of the Warrant ("<b>Face Value</b>") multiplied by:</p>
		$\frac{1}{90}\%$ $\times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]$ $+ \text{MIN} [\text{Cap of [ ]}; \text{Participation of [ ]} \times \text{MAX} [0; \text{Relevant Final Perf} - 100\%]]]$ <p>["Partially Protected Cash Settlement Put Warrant". Accordingly:</p> <p>The Cash Settlement Amount is the face value of the Warrant ("<b>Face Value</b>") multiplied by:</p> $1/90\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] - \text{MIN} [100\% - \text{Protection Level of [ ]}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]]$ <p>["Conditional Growth Cash Settlement Call Warrant". Accordingly:</p> <ul style="list-style-type: none"> <li>If the Relevant Final Performance is equal to or greater than 100%, the Cash Settlement Amount is the face value of the Warrant ("<b>Face Value</b>") multiplied by:</li> </ul>
		$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$ $+ \text{Participation of [ ]} \times [\text{Relevant Final Performance} - 100\%]$ <ul style="list-style-type: none"> <li>If the Relevant Final Performance is less than 100%, the Cash Settlement Amount is the Face Value multiplied by:</li> </ul> $1/90\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]]$ <p>["Conditional Capped Growth Cash Settlement Call Warrant". Accordingly:</p> <ul style="list-style-type: none"> <li>If the Relevant Final Performance is equal to or greater than 100%, the Cash Settlement Amount is the face value of the Warrant ("<b>Face Value</b>") multiplied by:</li> </ul> $\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$ $+ \text{MIN} [\text{Cap of [ ]}; \text{Participation of [ ]} \times [\text{Relevant Final Performance} - 100\%]]]$ <ul style="list-style-type: none"> <li>If the Relevant Final Performance is less than 100%, the Cash Settlement Amount is the Face Value multiplied by:</li> </ul> $\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]]$ <p>["Digital Cash Settlement Put Warrant". Accordingly:</p>



<b>Section C – Securities</b>	
	<p>The Cash Settlement Amount is the face value of the Warrant ("<b>Face Value</b>") multiplied by:</p> $1/90\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$ $- \text{MIN} [100\% - \text{Protection Level of [ ]}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]]$ <p>["Digital Cash Settlement Call Warrant". Accordingly:</p> <ul style="list-style-type: none"> <li>If the Relevant Final Performance is equal to or greater than 100%, the Cash Settlement Amount is the face value of the Warrant ("<b>Face Value</b>") multiplied by:</li> </ul> $\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] + \text{Digital Amount of [ ]}$ <ul style="list-style-type: none"> <li>If the Relevant Final Performance is less than 100%, the Cash Settlement Amount is the Face Value multiplied by:</li> </ul> $1/90\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]]$
	<p>[This Warrant is a Put Warrant which provides full or partial protection against a downwards movement of the Index or Indices (as applicable) during the term of the Warrant. [It is issued as part of a pair with a Call Warrant. The Call Warrant provides exposure to positive movement of the Index or Indices (as applicable) during the term of the Warrants. If held as a pair this Warrant is exercisable independently of the Call Warrant in the pair.]</p> <p>[Together, this Warrant and the Call Warrant provide full or partial protection against depreciation of the [Index] [Indices] and exposure to the appreciation of the [Index] [Indices] [subject to a Cap of [ ]] [and] [multiplied by a Participation of [ ]]. In all pair combinations, if both Warrants in a pair are exercised at the same time, the sum of the Cash Settlement Amounts for both Warrants will be a minimum of [100%] [the Protection Level of [ ]] of the Face Value of a Warrant.]</p> <p>[This Warrant is a Call Warrant which provides exposure to positive movement of the Index or Indices (as applicable) during the term of the Warrant. [It is issued as part of a pair with a Put Warrant. The Put Warrant provides full or partial protection against a downwards movement of the Index or Indices (as applicable) during the term of the Warrant. This Warrant is exercisable independently of the Put Warrant in the pair.]</p> <p>[Together, this Warrant and the Put Warrant provide full or partial protection against depreciation of the [Index] [Indices] and exposure to the appreciation of the [Index] [Indices] [subject to a Cap of [ ]] [and] [multiplied by a Participation of [ ]]. In all pair combinations, if both Warrants in a pair are exercised at the same time, the sum of the Cash Settlement Amounts for both Warrants will be a minimum of [100%] [the Protection Level of [ ]] of the Face Value of a Warrant.]</p> <p>For the purposes of making the above calculations:</p> <p>[The Indices [have equal weighting] [have the following weightings: [ ]].]</p>

<b>Section C – Securities</b>					
	<p>The "<b>Initial Index Level[s]</b>" of the [Index is the level of such Index as determined by the "<b>Calculation Agent</b>" as of the specified "<b>Valuation Time</b>" on the relevant exchange (the "<b>Exchange</b>") on [ ] (the "<b>Strike Date</b>") as rounded up to four decimal places (with 0.00005 being rounded up)] [Index is the official closing level of such Index on [ ] (the "<b>Strike Date</b>") as calculated and published by the "<b>Index Sponsor</b>" as rounded up to four decimal places (with 0.00005 being rounded up)] [Index is [ ]] [Indices are as follows].</p>				
	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">[Index]</td> <td style="width: 50%;">[Initial Index Level]</td> </tr> <tr> <td>[ ]</td> <td>[ ]</td> </tr> </table>	[Index]	[Initial Index Level]	[ ]	[ ]
[Index]	[Initial Index Level]				
[ ]	[ ]				
	<p>The "<b>Relevant Level</b>" of [the] [each] [Index] [in the Index Basket] is used to determine the performance of [such] [the] [Index] and is calculated using the [Final Index Level] [Average Index Level] [of such Index]. Accordingly, the Calculation Agent will [determine the closing level of the Index on the specified "<b>Valuation Date</b>"] [determine the arithmetic average of the closing levels of the Index on the specified "<b>Averaging Dates</b>"] [determine the closing level of each of the Indices in the Index Basket on the specified "<b>Valuation Date</b>"] [determine the arithmetic average of the closing levels of each of the Indices in the Index Basket on each of the specified "<b>Averaging Dates</b>"].</p> <p>The "<b>Relevant Final Performance</b>" is used to determine the amount payable on expiry and is equal to [the Relevant Level [of an Index comprised in the Index Basket] divided by the Initial Index Level [of such Index]] [the weighted arithmetic average of the performances of the Indices in the Index Basket which in respect of each Index is determined by the Relevant Level for such Index divided by the Initial Index Level of such Index] and expressed as a percentage.</p>				
	<p><b>Status of the Notes and Warrants:</b> The Notes and Warrants issued will be direct, unsecured and unsubordinated obligations of the Issuer and will rank equally and without preference among themselves and, at their date of issue, with all other unsecured and unsubordinated obligations of the Issuer (unless preferred by law).</p> <p><b>Early redemption for illegality:</b> If the Calculation Agent determines that the performance of the Issuer's obligations has become unlawful or, unless otherwise specified in the Final Terms, impracticable, in whole or in part for any reason, the Issuer will be entitled to [redeem the Notes] [terminate the Warrants] early and pay the relevant investor an amount per [Note] [Warrant] equal to [the fair market value of such] [[ ] per] [Note] [Warrant].</p> <p><b>Early redemption for taxation reasons:</b> If the Issuer were required under the terms and conditions of the Notes or Warrants (the "<b>Conditions</b>") to pay additional amounts in respect of tax, the Issuer may subject to prior notice to the Noteholders or Warrantholders, redeem or terminate (as applicable) all, but not some only, of such Notes or Warrants and pay the relevant investor an amount per Note or Warrant equal to [the fair market value of such] [[ ] per] [Note] [Warrant].</p> <p><b>Modification and substitution:</b> Modifications to the Conditions may be made without the consent of any Noteholders or Warrantholders <b>provided that:</b> (i) the modification is not materially prejudicial to the interest of Noteholders and Warrantholders; (ii) the modification is of a formal,</p>				

<b>Section C – Securities</b>		
		<p>minor or technical nature or is made to correct a manifest error or is to comply with mandatory provisions of the law of the Issuer's jurisdiction of incorporation; or (iii) the modification corrects an inconsistency between the Final Terms and the relevant termsheet relating to the Notes or Warrants. The Notes or Warrants permit the substitution of the Issuer with an affiliate without the consent of any Noteholders or Warrantholders where the Issuer provides an irrevocable guarantee of the affiliate's obligations.</p>
		<p><b>[Events of default:</b> The following events constitute events of default (each, an "Event of Default") under the Notes and would entitle the Noteholder to accelerate the Notes: (i) a continuing default in the repayment of any principal or interest due on the Notes for more than 14 days, <b>provided that</b> the reason for non-payment is not compliance with any fiscal or other law or regulation or court order, or that there is doubt as to the validity of such law, regulation or order in accordance with independent legal advice from advisers acceptable to HSBC Bank plc, acting in its capacity as principal paying agent (the "<b>Principal Paying Agent</b>"); or (ii) the passing of a winding-up order in relation to the Issuer. On an Event of Default the Notes will be redeemed against payment of an amount per Note equal to [the fair market value of such][[ ] per]].</p> <p><b>[Meetings of Noteholders:</b> The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.]</p> <p><b>No guarantee or security:</b> The Notes and Warrants are the obligations of the Issuer only and are unsecured.</p> <p><b>Taxation:</b> All payments by the Issuer in respect of the Notes and Warrants will be made without deduction of any taxes, duties and other similar charges, including United Kingdom taxes unless the Issuer is required by law to withhold or deduct any such taxes. Noteholders and Warrantholders (as applicable) may be liable for and/or subject to any taxes, including withholding tax, stamp duty, stamp duty reserve tax and/or similar transfer taxes, duties and other similar charges, payable in respect of the Notes and Warrants (as applicable).</p> <p><b>Governing Law:</b> English law.</p>
<b>C.9</b>	<b>The rights attaching to the securities, the nominal interest rate, the date from which interest becomes payable and due dates for interest, where the rate is not fixed a description of the underlying on which it is based, maturity date and arrangements for amortisation of</b>	<p>Notes and Warrants are derivative securities linked to the performance of a specified index or the performances of specified indices.</p> <p>Notes may or may not bear interest and Warrants do not bear interest. If Notes are interest-bearing, they will either bear interest at either a fixed or floating rate, or depending on the performance of a specified index.</p> <p>If Notes and Warrants are not redeemed or exercised early they will be redeemed or exercised on the scheduled maturity or exercise date and the amount payable will be an amount linked to the performance of a specified index or the performances of specified indices. Notes and Warrants may also be redeemed or exercised early in certain circumstances.</p> <p>[Not Applicable. The [Notes] [Warrants] are derivative securities.]</p> <p>The [Notes] [Warrants] will be issued on [ ] (the "<b>Issue Date</b>") [at [ ] per cent. of their aggregate principal amount] [at [ ] per [Call] [Put]</p>

<b>Section C – Securities</b>	
<p><b>the loan including repayment procedures, an indication of yield and the name of the representative of debt security holders:</b></p>	<p>Warrant] (the "Issue Price").</p> <p><b><i>Interest Payments for Notes:</i></b> [The "Fixed Rate Note provisions" apply to the Notes.</p> <p>Accordingly, the Rate of Interest on the Notes is [[ ] per [annum] [ ]] [[ ] for each fixed period of [ ]].</p> <p>The interest on the Notes will be paid on specified Interest Payment Dates. The Interest Amount payable on each Interest Payment Date will be in respect of an Interest Period from the last Interest Payment Date (or the Interest Commencement Date on [ ]) until the Interest Payment Date in question.</p> <p>The Interest Amount for an Interest Period is the Rate of Interest of [ ] multiplied by the Calculation Amount, and the product is multiplied by the specified Day Count Fraction. The Day Count Fraction reflects the number of days in the period for which interest is being calculated.</p>
	<p>[[In addition, t] [T]he Notes specify that a Fixed Coupon Amount of [ ] is payable in respect of [each Interest Period] [the first Interest Period] [the last Interest Period] [ ]. The Fixed Coupon Amount will be paid on [each] [the] [Interest Payment Date] relating to [ ] [that] [those] [Interest Period] [Interest Periods].]]</p> <p>[The "Floating Rate Note provisions" apply to the Notes. Accordingly, the Rate of Interest on the Notes is a variable percentage rate [per [annum] [ ]] [for each fixed period of [ ]].</p> <p>The interest on the Notes will be paid on the specified Interest Payment Dates. The Interest Amount payable on each Interest Payment Date will be in respect of an Interest Period from the last Interest Payment Date (or the Interest Commencement Date on [ ]) until the Interest Payment Date in question.</p> <p>The Rate of Interest for Floating Rate Notes for a given Interest Period is [determined on the basis of quotations provided electronically by banks in [ ], being the Relevant Financial Centre] [a notional interest rate on a swap transaction in the Settlement Currency of [ ]] [with the addition of an additional percentage rate per [annum] [ ] (known as the Margin)].</p> <p>The Interest Amount for the Interest Period is the Rate of Interest multiplied by the Calculation Amount, which is a specified nominal amount of the Notes, and the product is multiplied by a specified Day Count Fraction. The Day Count Fraction reflects the number of days in the period for which the interest is being calculated.</p> <p>[The Rate of Interest will not fall below the Minimum Interest Rate of [ ].]</p> <p>[The Rate of Interest will not exceed the Maximum Interest Rate of [ ].]]</p> <p><b><i>Coupon Trigger Amounts for Notes:</i></b> In addition, the "Coupon Trigger Event" provisions apply to the Notes.</p> <p>Accordingly:</p> <ul style="list-style-type: none"> <li>• if on a specified Coupon Trigger Valuation Date, the Observation Index Level Performance [of the worst performing Index in the Index Basket] is equal or greater than the relevant Coupon Trigger Level corresponding to such Coupon Trigger Valuation</li> </ul>

<b>Section C – Securities</b>								
		Date and specified in the table below, the Note will provide for a Coupon Trigger Amount equal to the Calculation Amount of the Note multiplied by the relevant Coupon Trigger Rate corresponding to such Coupon Trigger Valuation Date and specified in the table below.						
		<ul style="list-style-type: none"> <li>if on a specified Coupon Trigger Valuation Date, the Observation Index Level Performance [of the worst performing Index in the Index Basket] is less than the relevant Coupon Trigger Level corresponding to such Coupon Trigger Valuation Date and specified in the table below, no Coupon Trigger Amount will be payable in respect of such Coupon Trigger Valuation Date.</li> </ul>						
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Coupon Trigger Valuation Date	Coupon Trigger Level	Coupon Trigger Rate						
[ ]	[ ]	[ ]						
<b>C.10</b>	<b>Derivative components in interest payment:</b>	<p>Notes may or may not have a derivative component in the interest payment. Notes which have a derivative component in the interest payment will accrue interest according to the performance of a specified index or performances of specified indices. Warrants do not bear interest.</p> <p>[The interest payable on the Notes has a derivative component as follows:</p> <p>The "Coupon Trigger Event" provisions apply to the Notes. Accordingly:</p> <ul style="list-style-type: none"> <li>if on a specified Coupon Trigger Valuation Date, the Observation Index Level Performance [of the worst performing Index in the Index Basket] is equal or greater than the relevant Coupon Trigger Level corresponding to such Coupon Trigger Valuation Date and specified in the table below, the Note will provide for a Coupon Trigger Amount equal to the Calculation Amount of the Note multiplied by the relevant Coupon Trigger Rate corresponding to such Coupon Trigger Valuation Date and specified in the table below</li> <li>if on a specified Coupon Trigger Valuation Date, the Observation Index Level Performance [of the worst performing Index in the Index Basket] is less than the relevant Coupon Trigger Level corresponding to such Coupon Trigger Valuation Date and specified in the table below, no Coupon Trigger Amount will be payable in respect of such Coupon Trigger Valuation Date.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Coupon Trigger Valuation Date</th> <th style="width: 33%;">Coupon Trigger Level</th> <th style="width: 33%;">Coupon Trigger Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">[ ]</td> <td style="text-align: center;">[ ]</td> <td style="text-align: center;">[ ]</td> </tr> </tbody> </table>	Coupon Trigger Valuation Date	Coupon Trigger Level	Coupon Trigger Rate	[ ]	[ ]	[ ]
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[ ]	[ ]	[ ]						

<b>Section C – Securities</b>		
		For the purposes of making the above calculations, the Observation Index Level Performance [of an Index in the Index Basket] is the Relevant Level [of such Index] on a specified Coupon Trigger Valuation Date divided by the Initial Index Level [of such Index] and expressed as a percentage.]]
		[Not Applicable. [The Notes have a denomination of more than EUR 100,000 (or its equivalent in any other currency) per Note] [Warrants are not interest-bearing].]  [Not Applicable. There is no derivative component in relation to the interest payable on the Notes.]
<b>C.11</b>	<b>Listing and trading:</b>	Notes and Warrants may or may not be listed on the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin and the official list of Borsa Italiana S.p.A. and to trading on the Electronic Bond Market, being the regulated market of the Borsa Italiana S.p.A.  [Application [has been] [will be] made to admit the [Notes][Warrants] to [the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin.] [and] [the official list of Borsa Italiana S.p.A. and to trading on the Electronic Bond Market, being the regulated market of the Borsa Italiana S.p.A. ("MOT")]] [Not Applicable. The [Notes] [Warrants] will not be admitted to trading on any regulated market.]
<b>C.15</b>	<b>Description of how the value of the investment is affected by the value of the underlying instrument:</b>	The return on, and value of, the Notes and Warrants will be linked to the performance of a specified index or the performances of specified indices. In addition, any interest payments will be calculated by reference to a fixed rate, floating rate or the performance of a specified index.  [Fluctuations in the level of the Index or the securities underlying an Index may affect the value of the [Notes] [Warrants], but equally an investor in the [Notes] [Warrants] is subject to the risk that expectations of fluctuation in level of the Index or securities underlying an Index during the remaining period to the [maturity of the Notes] [expiry of the Warrants] or any earlier [redemption] [exercise] date would adversely affect amounts payable in respect of the [Notes] [Warrants]. The level of the Index or the securities underlying an Index may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro-economic factors and speculation.]  [Not Applicable. [The Notes have a denomination of more than EUR 100,000 (or its equivalent in any other currency) per Note.] [The Warrants can only be acquired for a consideration of at least EUR 100,000 per Warrant.]]
<b>C.16</b>	<b>Expiration or maturity date of securities:</b>	The Notes and Warrants respectively are scheduled to be redeemed or expire on a scheduled date.  [The maturity date of the Notes is [ ] (the " <b>Maturity Date</b> ").] [The expiry date in respect of the Warrants is [ ] (the " <b>Expiry Date</b> ").] The Warrants are " <b>European Style Warrants</b> " and are therefore exercisable on the Expiry Date.]

<b>Section C – Securities</b>		
<b>C.17</b>	<b>Settlement procedure:</b>	<p>The Notes or Warrants will be cash-settled and all payments will be made through the relevant clearing system.</p> <p>The [Notes] [Warrants] will be cash-settled.</p> <p>All payments to [Noteholders] [Warrantholders] will be paid through [Euroclear] [and/or] [Clearstream, Luxembourg] [CREST].</p>
<b>C.18</b>	<b>Return on securities:</b>	<p>The return on, and value of, the Notes and Warrants will be linked to the performance of a specified index or the performances of specified indices. In addition, any interest payments will be calculated by reference to a fixed rate, floating rate or the performance of a specified index.</p> <p>The [Notes] [Warrants] entitle holders to cash payments and do not entitle an investor to physical delivery of securities.</p> <p>[Unless redeemed early, the Notes will be automatically redeemed on the Maturity Date, at which time the investor will be entitled to receive the Final Redemption Amount (if any).]</p> <p>[The Warrants are automatically exercisable and will be deemed to be exercised on the Expiry Date at which time the investor will be entitled to receive the Cash Settlement Amount (if any).]</p> <p>[Warrants are exercised by the due completion and delivery of an exercise notice to [Euroclear and/or Clearstream, Luxembourg] [CREST] and the Principal Warrant Agent on the Expiry Date, otherwise such Warrants will become void. Following a due exercise, the investor will be entitled to receive the Cash Settlement Amount.]</p>
<b>C.19</b>	<b>Exercise price or final reference price of the underlying:</b>	<p>Calculations which are required to be made in order to determine payments in respect of the Notes and Warrants and determinations of the levels of the specified index or specified indices will be made by the Calculation Agent.</p> <p>The calculations which are required to be made to calculate the [Final Redemption Amount [or Automatic Early Redemption Amount]] [Cash Settlement Amount], will be based on the level of [the] [each] Index (the "<b>Relevant Level</b>") determined by the Calculation Agent being [HSBC Bank plc] [HSBC France]. The Calculation Agent will determine the Relevant Level by reference to the level of [the] [each] Index quoted on a particular exchange or quotation system at a valuation time.</p>
<b>C.20</b>	<b>Type of the underlying:</b>	<p>The return on, and value of, Notes and Warrants will be linked to the performance of a specified index or the performances of specified indices. In addition, any interest payments will be calculated by reference to a fixed rate, floating rate or the performance of a specified index.</p> <p>The underlying for the [Notes] [Warrants] is [one index, namely] [a basket of indices, comprised of] [ ].</p> <p>[Information on the [Index] [Indices] can be found [ ].]</p>

<b>Section D – Risks</b>		
<b>D.2</b>	<b>Key risks specific to the Issuer:</b>	<p><i>A description of the key risk factors relating to the Issuer that may affect the ability of the Issuer to fulfil its obligations to investors in relation to any of its debt or derivative securities is set out below. The occurrence of any of these events or circumstances could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.</i></p>
		<p><b><i>The UK's withdrawal from the EU may adversely affect the Issuer's operating model and financial results:</i></b></p> <p>The circumstances of the United Kingdom's ("UK") withdrawal from the European Union ("EU") will likely have a significant impact on general economic conditions in the UK and the EU. The UK's future relationship with the EU and its trading relationships with the rest of the world will likely take a number of years to resolve. This may result in a prolonged period of uncertainty, unstable economic conditions and market volatility, including currency fluctuations.</p> <p>The Issuer also expects the UK's withdrawal to have implications for the Issuer's London-based cross-border operations, to the extent they rely on unrestricted access to the European financial services market. The extent of these implications will depend on the outcome of negotiations. To ensure continuity of service, independent of the outcome of negotiations, the Issuer assumes a scenario whereby the UK withdraws from the EU without the existing passporting or regulatory equivalence framework that supports cross-border business. This scenario would impact (i) the Group's legal entities in the UK and the EU, (ii) the Issuer's product offering, (iii) the Issuer's clients and (iv) the Issuer's employees.</p> <p>The Issuer is taking steps to prepare for the UK leaving the EU in 2019. This process involves execution risks, many of them linked to the uncertain outcome of negotiations and potentially tight timelines to implement significant changes to the Issuer's UK and European operating models. If these risks materialise, the Issuer's clients and employees are likely to be affected. The exact impact on the Issuer's clients will depend on their individual circumstances and, in a worst-case scenario, could include disruption to the provision of products and services.</p>
		<p><b><i>The Issuer is likely to be affected by global geopolitical trends, including the risk of government intervention:</i></b></p> <p>While economic globalisation appears to remain deeply embedded in the international system, it is increasingly challenged by nationalism and protectionism, and international institutions may be less capable of arresting this trend. In Europe, for example, there remains an uncertain economic and political outlook, particularly in light of the UK's anticipated withdrawal from the EU. A gradual shift in global power from the United States of America ("U.S.") and Europe towards China and emerging markets also appears to be occurring and may continue. Furthermore, sanctions targeting the Russian government, institutions and individuals have had (and are continuing to have) an adverse effect on the Russian economy, and further sanctions may be possible. A rise in nationalism and protectionism, including trade barriers, may be driven by populist sentiment and structural challenges facing developed economies. Similarly, if capital flows are disrupted, some emerging markets may impose protectionist measures that could affect financial institutions and their clients, and other emerging, as well as developed, markets, may be</p>



<b>Section D – Risks</b>	
	<p>tempted to follow suit. This rise could contribute to weaker global trade, potentially affecting the Issuer's traditional lines of business.</p> <p>The Issuer's geographic coverage will make it and its customers susceptible to protectionist measures taken by national governments and authorities, including imposition of trade tariffs, restrictions on market access, restrictions on the ability to transact on a cross-border basis, expropriation, restrictions on international ownership, interest rate caps, limits on dividend flows and increases in taxation. There may be uncertainty as to the conflicting nature of such measures, their duration, the potential for escalation, and their potential impact on global economies. Whether these emerging trends are cyclical or permanent is hard to determine, and their causes are likely to be difficult to address.</p>
	<p><b><i>The Issuer remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology:</i></b></p> <p>The threat from cyber-attacks remains a concern for the Issuer's organisation, and failure to protect the Issuer's operations from internet crime or cyber-attacks may result in financial loss, business disruption and/or loss of customer services and data or other sensitive information that could undermine its reputation and its ability to attract and keep customers.</p> <p>Destructive malware (including ransomware), distributed denial of service attacks and organised cyber criminals targeting payments are increasingly dominant threats across the industry. Although cyber-attacks in 2018 had a negligible effect on the Issuer's customers, services or firm, due to the increasing sophistication of cyber-attacks there is the potential for future attacks to have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.</p> <p><b><i>The Issuer could incur losses or be required to hold additional capital as a result of model limitations or failure:</i></b></p> <p>The Issuer uses models for a range of purposes in managing its business, including regulatory capital calculations, stress testing, credit approvals, calculation of ECLs on an IFRS 9 basis, financial crime and fraud risk management and financial reporting.</p> <p>Regulatory scrutiny and supervisory concerns over banks' use of models is considerable, particularly the internal models and assumptions used by banks in the calculation of regulatory capital. If regulatory approval for key capital models is not achieved in a timely manner, the Issuer could be required to hold additional capital.</p> <p>Evolving regulatory requirements have resulted in changes to the Issuer's approach to model risk management, which poses execution challenges. The adoption of more sophisticated modelling approaches and technology by both the Issuer and the financial services industry could also lead to increased model risk.</p> <p><b><i>The Issuer's operations are highly dependent on HSBC Group's information technology systems:</i></b></p> <p>The reliability and security of the HSBC Group's information and technology infrastructure and customer databases are crucial to maintaining the service availability of banking applications and processes and to protecting the HSBC brand. The proper functioning of the HSBC</p>

<b>Section D – Risks</b>	
	<p>Group's payment systems, financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between the Issuer's branches and main data processing centres, are critical to the Issuer's operations.</p> <p>Critical system failure, any prolonged loss of service availability or any material breach of data security, particularly involving confidential customer data, could cause serious damage to the Issuer's ability to service its clients, could breach regulations under which it operates and could cause long-term damage to its business and brand that could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.</p>
	<p><b><i>Third parties may use the Issuer as a conduit for illegal activities without the Issuer's knowledge:</i></b></p> <p>The Issuer is required to comply with applicable anti-money laundering ("AML") laws and regulations and has adopted various policies and procedures, including internal control and 'know-your-customer' procedures, aimed at preventing use of its products and services for the purposes of committing or concealing financial crime.</p>
	<p>A number of remedial actions have been taken as a result of the matters related to HSBC Holdings' expired U.S. deferred prosecution agreement with the U.S. Department of Justice, which are intended to ensure that the HSBC Group's businesses are better protected in respect of these risks. However, there can be no assurance that these will be completely effective. Moreover, in relevant situations and where permitted by regulation, the Issuer may rely upon certain counterparties to maintain and properly apply their own appropriate AML procedures. While permitted by regulation, such reliance may not be effective in preventing third parties from using the Issuer (and the Issuer's relevant counterparties) as a conduit for money laundering, including illegal cash operations, without the Issuer's knowledge (and that of the Issuer's relevant counterparties). Becoming a party to money laundering, association with, or even accusations of being associated with, money laundering will damage the Issuer's reputation and could make it subject to fines, sanctions and/or legal enforcement.</p> <p><b><i>The Issuer may suffer losses due to employee misconduct:</i></b></p> <p>The Issuer's businesses are exposed to risk from potential non-compliance with HSBC Group policies, including the "HSBC Values" (the HSBC Values describe how the Issuer's employees should interact with each other and with customers, regulators and the wider community) and related behaviours, and employee misconduct, such as fraud or negligence, all of which could result in regulatory sanctions and/or reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue traders' or other employees. It is not always possible to deter employee misconduct and the precautions the Issuer takes to prevent and detect this activity may not always be effective.</p> <p><b><i>The Issuer's data management policies and processes may not be sufficiently robust:</i></b></p> <p>Critical business processes across the Group rely on large volumes of data from a number of different systems and sources. If data governance</p>

<b>Section D – Risks</b>	
	<p>(including data retention and deletion, data quality and data architecture policies and procedures) is not sufficiently robust, manual intervention, adjustments and reconciliations may be required to reduce the risk of error in the Group's external reports or in reporting to senior management or regulators. Inadequate policies and processes may also affect the Issuer's ability to use data within the Group to service customers more effectively and/or improve the Issuer's product offering. Moreover, financial institutions that fail to comply with in-country (local) and global regulatory and compliance requirements may face supervisory measures. In addition, failure to comply with emerging and recently implemented laws and regulations concerning data privacy and localisation in a number of jurisdictions across the globe may result in regulatory sanctions which could be significant.</p>
	<p><b><i>The Issuer relies on recruiting, retaining and developing appropriate senior management and skilled personnel:</i></b></p> <p>The demands being placed on the human capital of the Issuer are unprecedented. The cumulative workload arising from a regulatory reform programme that is often extra-territorial and regularly evolving consumes significant human resources, placing increasingly complex and conflicting demands on a workforce that operates in an employment market where expertise in key markets is often in short supply and mobile.</p> <p>The Issuer's continued success depends in part on the retention of key members of its management team and wider employee base. The ability to continue to attract, train, motivate and retain highly qualified professionals is a key element of the Issuer's strategy. The successful implementation of the Issuer's growth strategy depends on the availability of skilled management in each of its business units, which may depend on factors beyond the Issuer's control, including economic, market and regulatory conditions.</p> <p><b><i>Liquidity, or ready access to funds, is essential to the Issuer's businesses:</i></b></p> <p>The Issuer's ability to borrow on a secured or unsecured basis, and the cost of doing so, can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity or the market perceptions of risk relating to the Issuer or the banking sector, including the Issuer's perceived or actual creditworthiness.</p> <p>If the Issuer is unable to raise funds through deposits and/or in the capital markets, the Issuer's liquidity position could be adversely affected, and the Issuer might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature, to meet the Issuer's obligations under committed financing facilities and insurance contracts or to fund new loans, investments and businesses. The Issuer may need to liquidate unencumbered assets to meet the Issuer's liabilities. In a time of reduced liquidity, the Issuer may be unable to sell some of the Issuer's assets, or the Issuer may need to sell assets at reduced prices, which in either case could materially adversely affect the Issuer's business, financial condition, results of operations and prospects.</p>
	<p><b><i>The Issuer may not manage risks associated with the replacement of benchmark indices effectively:</i></b></p> <p>The expected discontinuation of certain key inter-bank rates such as the London Interbank Offered Rate ("<b>Libor</b>"), and the adoption of alternative</p>

<b>Section D – Risks</b>	
	<p>risk-free benchmark rates ("<b>RFRs</b>") by the market, introduces a number of risks for the Issuer, its clients, and the financial services industry more widely. These include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Legal risks, as changes to documentation for new and existing transactions may be required;</li> <li>• Financial risks, arising from any changes in the valuation of financial instruments linked to RFRs;</li> <li>• Pricing risks, as changes to RFRs could impact pricing mechanisms on some instruments;</li> <li>• Operational risks, due to the potential need to adapt IT systems, trade reporting infrastructure, operational processes and controls to accommodate one or more RFRs; and</li> <li>• Conduct risks, through potentially material adverse impact on customers or financial markets.</li> </ul> <p>The benchmark specifications, together with the timetable and mechanisms for discontinuation of existing inter-bank rates and implementation of RFRs, have not yet been agreed across the industry and regulatory authorities. Accordingly, it is not currently possible to determine whether, or to what extent, any such changes would affect the Issuer.</p>
	<p><b><i>The delivery of the Issuer's strategic actions is subject to execution risk:</i></b></p> <p>Effective management of transformation projects is required to effectively deliver the Issuer's strategic priorities, involving delivering both on externally driven programmes (e.g. regulatory), as well as key business initiatives to deliver revenue growth, product enhancement and operational efficiency outcomes. Additionally, the cumulative impact of the collective change initiatives underway within the HSBC Group is significant and has direct implications on resourcing. The magnitude, complexity and, at times, concurrent demands of the projects required to meet these can result in heightened execution risk, which the Issuer endeavours to manage through appropriate governance. The failure to successfully deliver these key strategic initiatives may have material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.</p> <p><b><i>The Issuer is subject to unfavourable legislative or regulatory developments and changes in the policy of regulators or governments and the Issuer may fail to comply with all applicable regulations, particularly any changes thereto:</i></b></p> <p>The Issuer's businesses are subject to on-going regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, guidance, voluntary codes of practice and their interpretations in the UK, the EU and the other markets in which the Issuer operates. This is particularly so in the current environment, where the Issuer expects government and regulatory intervention in the banking sector to remain high for the foreseeable future.</p>

<b>Section D – Risks</b>	
	<p>In recent years, regulators and governments have focused on reforming both the prudential regulation of the financial services industry and the ways in which the business of financial services is conducted. Measures include enhanced capital, liquidity and funding requirements, the separation or prohibition of certain activities by banks, changes in the operation of capital markets activities, the introduction of tax levies and transaction taxes, changes in compensation practices and more detailed requirements on how business is conducted. The governments and regulators in the UK, the EU or elsewhere may intervene further in relation to areas of industry risk already identified, or in new areas, which could adversely affect the Issuer.</p>
	<p><b><i>Any reduction in the credit rating assigned to the Issuer, any subsidiaries of the Issuer or any of their respective debt securities could increase the cost or decrease the availability of the Issuer's funding and materially adversely affect the Issuer's liquidity position and net interest margin:</i></b></p> <p>Credit ratings affect the cost and other terms upon which the Issuer is able to obtain market funding. Rating agencies regularly evaluate the Issuer, as well as its debt securities. There can be no assurance that the rating agencies will maintain the Issuer's current ratings or outlook. Any reductions in these ratings and outlook could increase the cost of the Issuer's funding, limit access to capital markets and require additional collateral to be placed and, consequently, materially adversely affect the Issuer's interest margins and/or its liquidity position.</p> <p><b><i>The Issuer is subject to the risk of current and future legal, regulatory or administrative actions and investigations, the outcomes of which are inherently difficult to predict:</i></b></p> <p>The Issuer faces significant legal, regulatory and administrative risks in its business. The volume and amount of damages claimed in litigation, regulatory proceedings, investigations, administrative actions and other adversarial proceedings against financial institutions are increasing for many reasons, including a substantial increase in the number of regulatory changes taking place globally, increased media attention and higher expectations from regulators and the public. In addition, criminal prosecutions of financial institutions for, among other things, alleged conduct breaches, breaches of anti-money laundering ("AML"), anti-bribery/corruption, sanctions and counter-terrorist financing regulations, antitrust violations, market manipulation, aiding and abetting tax evasion, and providing unlicensed cross-border banking services, have become more commonplace and may increase in frequency due to increased media attention and higher expectations from prosecutors and the public. Additionally, the Issuer's financial statements reflect provisioning for legal proceedings and regulatory matters. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgement than other types of provisions, and the actual costs of any disciplinary action discussed above may exceed existing provisioning.</p> <p>In addition, the Issuer and its affiliates continue to be subject to a number of material legal proceedings, regulatory actions and investigations. An unfavourable result in one or more of these proceedings could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.</p>

<b>Section D – Risks</b>		
<b>D.3</b>	<b>Key risks specific to the securities:</b>	<p><b><i>Credit risk:</i></b> The Notes and Warrants are direct, unsecured and unsubordinated obligations of the Issuer and not of any other person. If the Issuer's financial position were to deteriorate, there could be a risk that the Issuer would not be able to meet its obligations under the Notes and Warrants (the Issuer's credit risk). If the Issuer becomes insolvent or defaults on its obligations under the Notes and Warrants, in the worst case scenario, investors in the Notes and Warrants could lose all of their invested amounts. Unlike a savings account or similar investment, an investment in the Notes or Warrants is not covered by the UK Financial Services Compensation Scheme.</p> <p><b><i>The Notes and Warrants are unsecured obligations:</i></b> The Notes and Warrants are not secured. If the Issuer becomes unable to pay amounts owed to investors under the Notes and Warrants, such investors will not have recourse to securities underlying the Index or any other security or collateral, and may not receive any payments under the Notes and Warrants.</p> <p><b><i>The Notes and Warrants are not ordinary debt securities and investors are exposed to the risks relating to the [Index][Indices]:</i></b> The Notes may not pay interest, the Warrants do not pay interest and, upon redemption or expiry (as applicable), either the Notes or Warrants may return less than the amount invested or nothing.</p> <p><b><i>No ownership rights:</i></b> The Notes and Warrants do not confer any legal or beneficial interest or any voting or dividend rights in securities underlying the Index.</p> <p><b><i>There may be no active trading market or secondary market for liquidity for Notes and Warrants:</i></b> Any series of Notes and Warrants may not be widely distributed and there may not be an active trading market, nor is there assurance as to the development of an active trading market. If there is no liquid market, investors may not be able to realise their investment in the Notes and Warrants until maturity or expiry of such Notes and Warrants or may not realise a return that equals or exceeds the purchase price of their Notes and Warrants.</p> <p><b><i>Illegality or changes in tax law may cause the Issuer's obligations under the Notes to be redeemed early and illegality may cause the Issuer's obligations under the Warrants to be terminated early:</i></b> If the Calculation Agent determines the performance of the Issuer's obligations under any Notes and Warrants (or the Issuer's designated affiliates' obligations under any hedging or funding arrangement established in connection therewith) shall after the trade date have become unlawful or, unless otherwise specified in the Final Terms, impracticable, or if the Issuer determines that it has become liable for, or payments under the Notes have become subject to, certain taxes the Issuer may redeem the Notes or terminate its obligations under the Warrants and pay a sum representing [the fair value of the Notes or Warrants (as applicable)] [par value for the Notes]. As a result, Noteholders and Warrantholders will forgo any future performance in the relevant Index [and any further interest payments,] [and may suffer a loss of some or all of their investments].</p> <p><b><i>Considerations regarding hedging:</i></b> The value of the Notes and Warrants may not exactly correlate with the value of the [Index][Indices] to which the Notes and Warrants relate.</p>

**Section D – Risks**

	<p><b>Applicable Bank Resolution Powers:</b> The Issuer is subject to the Banking Act 2009 which implements the BRRD in the UK and gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the Prudential Regulation Authority and the United Kingdom Financial Conduct Authority (each, a "<b>relevant UKRA</b>") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. These powers include a "bail-in" power, which gives the relevant UKRA the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes and/or Warrants) of a failing financial institution, to convert certain debt claims (which could be amounts payable under the Notes and/or Warrants) into another security (including common shares), or alter the terms of such liabilities, including their maturity or expiry or the date on which interest becomes payable, including by suspending payments for a temporary period. The exercise by the relevant UKRA of any of its powers under the Banking Act 2009 (including especially the bail-in power) could lead to the holders of the Notes or Warrants losing some or all of their investment or may adversely affect the rights of holders of the Notes or Warrants, the market value thereof or the Issuer's ability to satisfy its obligations thereunder.</p> <p><b>Taxation:</b> All payments under the Notes and Warrants will be made without deduction of United Kingdom taxes unless otherwise required. Investors should therefore be aware that they may be subject to taxes in respect of transactions involving Notes or Warrants depending, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes.</p> <p><b>Capital risks relating to Notes and Warrants:</b> Unless the relevant Series of Notes or Put and Call Warrants (when held as a pair) is fully principal protected, the repayment of any amount invested in Notes or Put and Call Warrants and any return on investment is not guaranteed. As a result the investors' capital can fall below the amount initially invested.</p> <p><b>Certain factors affecting the value and trading price of Notes and Warrants:</b> The value of the Notes and Warrants may be affected by a number of factors including, without limitation: the financial condition and funding costs of the Issuer, fluctuation in value of the [Index][Indices] or securities underlying an Index, any change(s) in interest rates, dividend yields and inflation rates, volatility and liquidity of the securities underlying the Index, time remaining to redemption or exercise (as applicable) and economic and market conditions.</p> <p><b>Conflicts of Interest may arise between the Issuer or its affiliates and the Noteholders or Warrantholders:</b> The Issuer and/or its affiliates may enter into hedging or other transactions (i) relating to an Index or to securities underlying an Index or (ii) with issuers of securities underlying an Index. The Issuer or its affiliates may also publish research or other reports relating to Indices or securities underlying an Index. Any such activities may have a negative effect on the value of Notes and Warrants relating to such Indices. In undertaking any such activities, neither the Issuer nor any affiliate of the Issuer is under any obligation to consider the interests of the Noteholders or Warrantholders. In addition, the Issuer may assume roles as hedging counterparty or calculation agent under the Notes and Warrants. In respect of any of these roles the Issuer may have interests that conflict with the interests of Noteholders or Warrantholders.</p>
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**Section D – Risks**

	<p><b>Calculation Agent's discretion and valuations:</b> Calculation of amounts payable in respect of redemption or exercise of the Notes or Warrants and any interest payments, if applicable, may be made by reference to specified screen rates or levels published on exchanges or other quotation systems and, in the absence of such display, at an amount determined by the Calculation Agent acting in good faith and a commercially reasonable manner. The Calculation Agent may be permitted to use its proprietary models to set the terms of adjustments which may be made under the Notes and Warrants which may be difficult to verify without expertise in valuation models.</p> <p><b>[Fees, commission and cost of hedging:</b> The 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 costs of hedging the Issuer's obligations under the Notes and Warrants (if any). Accordingly, there is a risk that, upon issue, the price, if any, of the Notes or Warrants in any secondary market would be lower than the original Issue Price.]</p> <p><b>Exchange control risks:</b> Government and monetary authorities may impose or modify exchange controls that could adversely affect an applicable exchange rate or transfer of funds in and out of the country. As a result of such restrictions the Issuer may make payments under the Notes or Warrants in U.S. dollars or another currency than the Settlement Currency. As a result, investors will forgo any future performance of the Settlement Currency.</p> <p><b>Exchange rate risks:</b> The Issuer will pay amounts in respect of the Notes and Warrants in the Settlement Currency. Where the Settlement Currency is not the same as the investor's preferred currency, the realisable value of the investment in the investor's preferred currency may be at risk from fluctuations in the exchange rate.</p> <p><b>Benchmarks Reform:</b> LIBOR, EURIBOR and other indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and reform. Some of these reforms (including the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "<b>Benchmarks Regulation</b>")) are already effective whilst others are yet to apply. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes or Warrants linked to a "benchmark".</p>
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**Section D – Risks**

	<p>The Benchmarks Regulation and/or any other international, national or other reforms and/or the general increased regulatory scrutiny of "benchmarks" could have a material impact on any Notes or Warrants linked to a "benchmark" index, including in any of the following circumstances: (A) (i) certain "benchmarks" may be discontinued, or (ii) the administrator(s) of a rate or index which is a "benchmark" may not obtain authorisation/registration or not be able to rely on one of the regimes available to non-EU benchmarks. Depending on the particular "benchmark" and the applicable terms of the Notes or Warrants, the occurrence of such a circumstance may lead to such benchmark being deemed replaced with an alternative benchmark selected by the Issuer (or any Alternative Pre-nominated Index specified in the Final Terms as applicable), adjustment to the terms and conditions of the Notes or Warrants, early redemption of the Notes or early termination of the Warrants, discretionary valuation by the Issuer, delisting or other consequences in relation to the Notes or Warrants linked to such "benchmark"; or (B) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmarks Regulation or other reforms, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level and, depending on the particular "benchmark" and the applicable terms of the Notes or Warrants, could lead to adjustments to the terms of the Notes or Warrants. Any of the above consequences could have a material adverse effect on the value of and return on any such Notes or Warrants.</p> <p>Furthermore, LIBOR is the subject of ongoing regulatory reforms. Following the implementation of any of these reforms, the manner of administration of LIBOR may change, with the result that it may perform differently than in the past or be eliminated entirely, or there could be other consequences that cannot be predicted. For example, on 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "<b>FCA Announcement</b>"). Further, on 12 July 2018 the FCA announced that LIBOR may cease to be a regulated benchmark under the Benchmark Regulations. The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. At this time, it is not possible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market for LIBOR-linked securities. The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or other reforms may require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.</p> <p><b>[[FX Disruption:</b> If (i) it becomes impossible for the Issuer to convert any amounts due in respect of the Notes or Warrants in the foreign exchange market in <i>[insert Settlement Currency Jurisdiction]</i> (the "<b>Settlement Currency Jurisdiction</b>"), or (ii) it becomes impossible for the Issuer to transfer Settlement Currency between accounts inside the Settlement Currency Jurisdiction or from or to an account inside the Settlement Currency Jurisdiction, or (iii) the Issuer determines in good faith and in a</p>
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<b>Section D – Risks</b>		
		<p>commercially reasonable manner that the foreign exchange market in the Settlement Currency Jurisdiction has become illiquid 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 or Warrants, or (iv) any other event affecting the Settlement Currency in respect of the Notes or Warrants which would make it unlawful or impractical for the Issuer to pay or receive amounts in such currency under or in respect of any hedging arrangement relating to or connected with such currency (each, an "<b>FX Disruption Event</b>") then the Issuer may (i) unless Redemption following FX Disruption or Termination following FX Disruption (as applicable) is specified as being not applicable in the relevant Final Terms, elect to redeem the Notes or terminate the Warrants against payment of an amount equal to the early redemption amount of the Notes or the early termination amount of the Warrants (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 (ii) 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. If, by reason of an FX Disruption Event, the Issuer is unable to settle payments in respect of the Notes or Warrants when due 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 Final Terms) on the due date.]</p>
		<p><b>[Emerging markets currency risks:</b> Notes and Warrants issued may settle in an emerging markets currency. Investors in such Notes and Warrants should be aware that these markets are subject to greater risks than well developed markets. Currencies of emerging markets countries may be volatile and subject to exchange controls. If the Settlement Currency is an emerging markets currency, the Notes and Warrants may provide that the Issuer is entitled to make payments in an alternative payment currency if it is not possible or it is impracticable for the Issuer to make payments in the Settlement Currency due to such emerging markets currency risks.]</p> <p><b>Market Disruption Events and Additional Disruption Events:</b> In the case of early closure of the relevant exchange, disruption of such exchange or suspension of trading on such exchange ("<b>Market Disruption Events</b>") or a hedging disruption, a change in applicable laws, an increased cost of hedging ("<b>Additional Disruption Events</b>") or in case of an index cancellation or modification or disruption in the publication of the index (each, an "<b>Index Adjustment Event</b>"), postponement or adjustment of valuations in case of a Market Disruption Event or adjustment of terms or termination of the Notes and Warrants in case of an Additional Disruption Event or Index Adjustment Event in respect of such Notes and Warrants may have an adverse effect on the value of such Notes and Warrants.</p>

<b>Section D – Risks</b>		
		<p><b>[RMB risks:</b> There are restrictions on the conversion of RMB into other currencies. The amount of Offshore RMB deliverable outside PRC may be limited, which may affect the liquidity of Notes or Warrants settling in Offshore RMB. The market for Offshore RMB is a different market to that of RMB deliverable in PRC. The Offshore RMB exchange rate may be influenced by the onshore RMB exchange rate. The Offshore RMB market may become illiquid or Offshore RMB may become inconvertible or non-transferable. In such circumstances the Issuer may settle payments under the Notes or Warrants in [U.S. dollars] [ ]. In addition, interest rates are government-controlled in PRC and changes therein may affect the Offshore RMB interest rate which may cause the value of the Notes or Warrants to fluctuate.]</p> <p><b>[Specific risks relating to Floating Rate Notes:</b> The rate of interest is not fixed and is tied to the performance of an underlying benchmark [subject to a [Maximum Interest Rate] [and] [Minimum Interest Rate]]. The rate of interest can periodically go down and therefore return on the Notes is not guaranteed and may in a worst case scenario become zero. [Investors should be aware that in respect of Floating Rate Notes which are subject to a Maximum Interest Rate return on the Notes is limited to such Maximum Interest Rate and therefore investors will not benefit from any further increases of the underlying benchmark above such Maximum Interest Rate.]]</p> <p><b>[Specific risk relating to Fixed Rate Notes:</b> The rate of interest is fixed during the term of the Notes.</p> <p>Therefore, investors in Fixed Rate Notes will not benefit from any increases in market interest rates.]</p> <p><b>Investors may lose the value of their entire investment or part of it, as the case may be.</b></p>
<b>D.6</b>	<b>Risk warning:</b>	<p>[See <b>D.3</b> (<i>Risks specific to the securities</i>) above.</p> <p>[There is no guarantee that the return on the Notes or Warrants will be greater than or equal to the amount invested in the Notes or Warrants initially or that an investor's initial investment will be returned. As a result of the performance of the relevant Index or Indices (as applicable), an investor may lose all of their initial investment.]</p>
<b>Section E – Offer</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks:</b>	<p>The net proceeds from each issue will be applied by the Issuer for profit making or risk hedging unless otherwise specified below.</p> <p>[The net proceeds from the issue of the [Notes] [Warrants] will be used by the Issuer for [profit making or risk hedging] [ ] purposes.]</p> <p>[Not Applicable. The Notes have a denomination of more than EUR 100,000 (or its equivalent in any other currency) per Note.]</p>
<b>E.3</b>	<b>Description of the terms and conditions of the offer:</b>	<p>[An investor intending to acquire or acquiring [Notes] [Warrants] from an offeror authorised by the Issuer, will do so, and the offer and sale of [Notes] [Warrants] to an investor by such Authorised Offeror will be made, in accordance with arrangements agreed between such Authorised Offeror and such investor including as to price, allocations and settlement arrangements.</p>

<b>Section E – Offer</b>		
	<b>Offer Price:</b>	<b>[Issue Price] [ ]</b>
	Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:	[ ] [Not Applicable]
	The time period, including any possible amendments, during which the offer will be open:	[ ] [Not Applicable]
	Conditions to which the offer is subject:	[ ] [Not Applicable]
	Description of the application process:	[ ] [Not Applicable]
	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[ ] [Not Applicable]
	Details of the minimum and/or maximum amount of application:	[ ] [Not Applicable]
	Details of the method and time limits for paying up the securities and delivering of the securities:	[ ] [Not Applicable]
	Manner in and date on which results of the offer are to be made public:	[ ] [Not Applicable]
	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[ ] [Not Applicable]
	Whether tranche(s) have been reserved for certain countries:	[ ] [Not Applicable]
	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[ ] [Not Applicable]
	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[ ] [Not Applicable]
	Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the	[ ] [Not Applicable]

<b>Section E – Offer</b>		
		<p>offer takes place:</p> <p>Name and address of any <input type="checkbox"/> [Not Applicable] paying agents and depositary agents in each country:</p> <p>Name and address if the <input type="checkbox"/> [Not Applicable] entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:</p> <p>[Not Applicable. The [Notes] [Warrants] will not be publicly offered.]</p> <p>[Not Applicable. The Notes have a denomination of more than EUR 100,000 (or its equivalent in any other currency) per Note.]</p>
<b>E.4</b>	<b>Description of any interests material to the issue/offer, including conflicting interests:</b>	<p>The Issuer or its affiliates may engage in hedging or other transactions involving the relevant Index or securities underlying the Index (as applicable) which may have a positive or negative effect on the value of such Index and therefore on the value of any Notes or Warrants to which they relate. Certain affiliates of the Issuer may also be the counterparty to the hedge of the Issuer's obligations under an issue of the Notes or Warrants and the Calculation Agent is responsible for making determinations and calculations in connection with the Notes or Warrants acting in good faith and a commercially reasonable manner. The Issuer or its affiliates may from time to time advise the issuer or obligors of, or publish research reports relating to, the Index or the securities underlying an Index (as applicable). The views or advice may have a positive or negative effect on the value of the Index and may be inconsistent with purchasing or holding the Notes or Warrants relating to such Index.</p> <p>[The above statements relating to conflicts of interests [are][are not] applicable to the [Notes][Warrants].]</p> <p>[Fees [are] [may be] payable by the Issuer to the [Dealer[s]] [Manager[s]] acting as underwriter(s) of issues of the [Notes] [Warrants].] [The [Notes][Warrants] may be on-sold by the [Dealer(s)][Manager(s)] to the Initial Authorised Offerors at a discount to the Issue Price of [up to] [•%]. Such discount will be retained by the Initial Authorised Offerors.]</p> <p>[[Save as disclosed above, no] [No] person involved in the [issue/offer] of the [Notes] [Warrants] has, so far as the Issuer is aware, an interest material to the [issue/offer].] [The following additional interest(s) are material to issues of the [Notes] [Warrants]: [ ]].]</p>

<b>Section E – Offer</b>		
<b>E.7</b>	<b>Estimated expenses charged to the investor by the Issuer or the offeror:</b>	<p>Expenses to investors in connection with any issue of Notes and Warrants may or may not be charged.</p> <p>[The expenses charged to the investor by the [Issuer] [Authorised Offeror] will consist of [ ] per cent. commission in respect of the [issue/offer] of the [Notes] [Warrants], which will be [included in the Issue Price of the [Notes] [Warrants]] [payable by the investor].]</p> <p>[Not Applicable. [Expenses in respect of [Notes] [Warrants] are not charged directly by the [Issuer] [Authorised Offeror] to the investor.]</p> <p>[No commission in respect of the [issue/offer] of the [Notes] [Warrants] will be payable by the investor.]</p>

## SECTION I.2 – RISK FACTORS

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

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

*Any investment in the Notes and Warrants is subject to a number of risks. Prior to investing in the Notes and Warrants, investors should carefully consider risk factors associated with any investment in the Notes and Warrants, the business of the Issuer and the industry in which it operates, together with all other information contained in this Base Prospectus, including, in particular the risk factors described below and the risk factors set out in the Registration Document (as defined in the section headed "Incorporation by Reference" below), incorporated by reference. The Issuer considers such risk factors to be the principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes and Warrants and/or risk factors that are material for the purposes of assessing the market risk associated with the Notes and Warrants. Words and expressions defined in the Conditions or elsewhere in this Base Prospectus have the same meanings in this section.*

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

Name of sub-section	Page	Applicable to	Explanation
(1) Risks relating to the Bank	37	All Notes and Warrants.	This sub-section will be relevant for all issues of Notes and Warrants, as it details the risk factors which the Issuer deems to be material in respect of itself as issuer of Notes and Warrants, and its ability to perform the obligations owed to holders of any Notes and Warrants.
(2) Risks relating to all issues of Notes and Warrants	37	All Notes and Warrants.	This sub-section will be relevant for all issues of Notes and Warrants, as it details the risk factors which the Issuer deems to be material in respect of all Notes and Warrants.
(3) Risks relating to taxation of the Notes and Warrants	49	All Notes and Warrants.	This sub-section sets out certain withholding tax risks which may apply to issues of Notes or Warrants.
(4) Risks relating to the Notes	52	Notes only.	In some respects, the Notes and Warrants entail different risks from one another on account of the difference in the nature of Notes and Warrants and in their terms.
(5) Risks relating to the Warrants	53	Warrants only.	
(6) Risks relating to Notes and Warrants settled in emerging markets currencies	53	All Notes and Warrants which are settled in emerging market currencies.	This sub-section will be relevant for Notes and Warrants in respect of which payments will be made in an emerging markets currency, and also sets out risks associated with settlement in Offshore RMB outside the PRC.

*Investors should note that the risks relating to the Issuer, the industry in which it operates and the Notes and Warrants summarised in the section of this Base Prospectus headed "Summary" are the risks that the Issuer believes to be those key to an assessment by an investor of whether to consider an investment in the Notes and Warrants. However, as the risks which the Notes and Warrants are subject to and which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, investors should consider not only the information on the key risks summarised in the section of this Base Prospectus*

headed "Summary" (and set out in more detail below) but also, among other things, the other risks and uncertainties described below.

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

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

A description of the risk factors relating to the Issuer that may affect the ability of the Issuer to fulfil its obligations under the Notes and/or Warrants are set out in the section entitled "Risk Factors" on pages 1 to 18 of the Registration Document (as defined in the section headed "Incorporation by Reference" below).

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

Set out below is a description of the principal risks that should be taken into consideration by investors in the Notes and Warrants.

***Credit risk***

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

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

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

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

***The Notes and Warrants are not ordinary debt securities and investors are exposed to the risks relating to the Index or Indices***

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

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



Notes and Warrants are linked to the level of an underlying Index or a number of underlying Indices (as applicable) and payment at maturity or expiry (and/or payment on early redemption or termination in certain circumstances) and/or payment of interest amounts depend on the performance of the Index or Indices (as applicable). Investors should therefore be prepared to be exposed to the risks related to the Index or Indices (as applicable). The level of an Index can alter sharply because it reflects the performance of the securities underlying such Index. Therefore, there is a risk that, if the level of the Index or Indices (as applicable) does not move in the anticipated direction, the Notes or Warrants may return less than the amount invested and, in a worst case scenario, investors could lose their entire invested amount.

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

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

Unless the relevant Series of Notes or Put and Call Warrants (when held as a pair) is fully principal protected, the repayment of any amount invested in Notes or Put and Call Warrants and any return on investment is not guaranteed. As a result the investors' capital can fall below the amount initially invested in such Notes or Warrants and, in the worst case, the investors may lose their entire invested amount.

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

***No ownership rights***

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

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

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

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

### ***Illegality***

Investors in the Notes and Warrants 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 such Notes or Warrants (or the Issuer's designated affiliates' obligations under any hedging or funding arrangement established in connection therewith) shall after the Trade Date have become unlawful or impracticable in whole or in part, unless the relevant Final Terms in respect of a Series of Notes specifies "Early Redemption for Impracticability" as not applicable, in which case the Issuer will not be entitled to terminate its obligations under such Notes for the reasons of impracticability only. Following such a determination of illegality, the Issuer may redeem the Notes or terminate its obligations under Warrants against payment of an amount determined by the Calculation Agent which may be, if so specified in the relevant Final Terms, the Fair Market Value of such Note or Warrant immediately prior to such redemption or termination (as applicable). Noteholders and Warrantholders may suffer a loss of some or all of their investment. As a result of early redemption or termination (as applicable), investors in the Notes or Warrants (as applicable), will forgo any future performance in the securities underlying the relevant Index or Indices (as applicable) and, in the case of Notes only, future interest payments applicable to the Notes (if any).

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

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

(a) *Fluctuations in the level of the Index or Indices*

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

(b) *Interest rates*

Rising interest rates may lower the value of an Index, and thus, the value of the Notes and Warrants. Changes in interest rates may also affect the economy of a country in which securities underlying an Index are traded, and which may adversely affect the value of the Notes and Warrants.

(c) *Volatility of the Index or Indices*

If the size and frequency of market fluctuations in value of an Index or securities underlying an Index increase or decrease, the trading value of the Notes and Warrants may be adversely affected.

(d) *Time remaining to maturity or expiry*

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

redemption or exercise (as applicable) of the Notes and Warrants decreases, this time premium would likely decrease, which would adversely affect the value of the Notes and Warrants.

(e) *Dividend rates*

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

***Potential conflicts of interest***

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

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

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

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

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

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

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

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

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

### ***Calculation Agent's discretion and valuations***

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

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

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

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

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

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

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

An appreciation in the value of the Investor's Currency relative to the Settlement Currency at any time would decrease (i) the value of any redemption or exercise amount (as applicable) payable to the investor and (ii) the market value of the Notes and Warrants, in each case where converted into the Investor's

Currency at that time. As a result, the amount that the investors receive in respect of the Notes and/or Warrants, as converted, may be less than expected or zero.

*Material risks involved in currency conversion*

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

*Exchange control risks*

Investors in Notes and Warrants should also be aware that there is the risk that authorities with jurisdiction over the Investor's Currency or Settlement Currency such as government and monetary authorities may impose or modify (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or transfer of funds in and out of the country. It is impossible to predict whether the value of one such currency relative to another will rise or fall during the term of the Notes or Warrants.

As a result of exchange controls and restrictions the Issuer may not be able to make payments under the Notes or Warrants in the Settlement Currency and will therefore pay the equivalent of the amounts due under the Notes in U.S. dollars or another currency. Investors in the Notes or Warrants will therefore forgo to any future performance of the Settlement Currency.

*Price Source Disruption*

If Price Source Disruption is specified in the relevant Final Terms as being applicable to any Notes or Warrants, then if for any reason a relevant rate of exchange is not available the Calculation Agent may (i) use alternative sources to determine an exchange rate (such source as may be determined by the Calculation Agent), (ii) postpone the determination of the rate of exchange (subject to a postponement cut-off of 30 calendar days (or such other number of calendar days as may be specified in the Final Terms) after which the Calculation Agent, acting in a commercially reasonable manner, shall determine its good faith estimate of the rate) and use exchange rates prevailing at later times or (iii) determine the rate of exchange as the arithmetic mean of exchange rates provided by leading dealers in the relevant foreign exchange market. The exchange rate so determined may differ from the rate which would have prevailed but for the occurrence of the disruption and this may lead to a decrease in the amount payable to the investors. In addition, if the Calculation Agent postpones the determination of the rate of exchange the due dates for any payments in respect of the Notes or Warrants (including, without limitation, the maturity date or cash settlement payment date) may also be postponed.

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

*Payment of Alternative Payment Currency Equivalent*

Notes and Warrants may provide that, if by reason of an FX Disruption Event (as defined in the Conditions) or the relevant clearing system ceasing to accept payments in the Settlement Currency, the Issuer is not able to satisfy its obligations to pay any amounts due under the Notes or Warrants (as applicable) in the Settlement Currency, then the Issuer is entitled to make the payments in the currency specified as the Alternative Payment Currency in the relevant Final Terms (the "**Alternative Payment Currency**").

*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 (i) unless Redemption following FX Disruption or Termination following FX Disruption (as applicable) is specified as being not applicable in the relevant final terms, elect to redeem the Notes or terminate the Warrants (as applicable) against payment of an amount determined by the Calculation Agent to be the Early Redemption Amount of the Notes or Warrants, which may be an amount determined by the Calculation Agent to be the fair market value of the Notes or Warrants less the cost to the Issuer of unwinding any underlying and/or related hedging and/or funding

arrangements (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 (ii) 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.

If, by reason of an FX Disruption Event, the Issuer is unable to settle payments in respect of 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 Final Terms).

### ***Market Disruption Events***

Investors in the Notes and Warrants are subject to the risk that a Market Disruption Event will occur in relation to an Index. A Market Disruption Event may occur in respect of Notes and Warrants if, as determined by the Calculation Agent: a related stock exchange closes early without notice; limitations are imposed on trading; trading is suspended; or market participants are prevented from obtaining valuations or effecting transactions.

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

### ***Disrupted Day***

Investors in the Notes and Warrants are subject to the risk that a Disrupted Day may occur in relation to an Index or securities underlying an Index. A Disrupted Day may occur in respect of Notes and Warrants if, as determined by the Calculation Agent: a stock exchange or related stock exchange fails to open for trading during its regular trading session; or a Market Disruption Event has occurred; or if an index sponsor fails to publish the level of an index.

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

### ***Additional Disruption Events***

Investors intending to purchase Notes or Warrants should note that Additional Disruption Events may occur in relation to the relevant Notes and Warrants in certain circumstances described in the Conditions. If any Additional Disruption Event occurs in relation to the relevant Notes and Warrants, the Issuer may, at its sole and absolute discretion, declare a valuation date and designate an early redemption date in respect of the Notes or a termination date in respect of the Warrants (as applicable) and the Noteholders or Warrantholders will receive an early redemption amount or early termination amount (as applicable) based on the determinations made by the Calculation Agent.

The following Additional Disruption Events may be specified to be applicable in the relevant Final Terms:

- "**Change in Law**" may occur where the Issuer determines it will or has become illegal for it to hedge its obligations under the Notes and Warrants or where the Issuer or its designated affiliates would incur materially increased costs in performing its obligations under the Notes and Warrants, each due to a change in law;
- "**Hedging Disruption**" may occur if the Issuer or its affiliates become unable to hedge or would suffer material delay in conducting any hedging transactions relating to the Notes and Warrants; and

- **"Increased Cost of Hedging"** may occur where the Issuer would incur a materially increased cost, other than as a consequence of deterioration in its own creditworthiness, in hedging its obligations under the Notes and Warrants.

Upon the occurrence of such an early redemption prior to the originally scheduled Maturity Date of the relevant Notes or early termination prior to the originally scheduled Exercise Dates or Expiry Date of the relevant Warrants, Noteholders or, as the case may be, Warrantheolders may suffer loss of some or of all of their investment and will forgo any future performance in the relevant Index that may occur following such redemption or termination (as applicable).

#### *Certain considerations regarding hedging*

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

#### *Value of Indices and Baskets*

The value of an index or a basket of indices to which any Notes or Warrants relate may be affected by the number and type of Indices or securities underlying the Index or Indices included in such basket. Investors in the Notes and Warrants are subject to the risk that other risks relating to the Indices which adversely affect the value of the Notes or Warrants will be exacerbated due to the number of and/or type of securities underlying an Index or the Indices in a basket.

If a particular Index or a basket of Indices relate to companies which are all in or connected with a particular industry, the value of such Index or basket will be affected to a greater extent by the economic, financial and other factors affecting that industry than if the securities underlying an Index or Indices included in the basket relate to various industries that are affected by different economic, financial or other factors or are affected by such factors in different ways.

#### *Clearing systems*

Notes and Warrants may be held by or on behalf of Euroclear and Clearstream, Luxembourg. While the Notes and Warrants are represented by a global Note or Warrant held by or on behalf of Clearstream, Luxembourg, investors will be able to trade their interests only through Euroclear and/or Clearstream, Luxembourg. In addition, Notes and Warrants may be issued as Uncertificated Registered Notes or Uncertificated Registered Warrants, in which case CREST will maintain records of the interests in such Notes or Warrants and investors will be able to trade their interests only through CREST. Investors in the Notes or Warrants will have to rely on procedures of such clearing systems for transfer, payment and communication with the Issuer to receive payments under the Notes or Warrants. Investors are therefore subject to the risk of those settlement procedures failing such that payments due under the Notes may be delayed and that book entries or entries in the register are entered incorrectly which may lead to difficulties with an investor asserting ownership of its Notes or Warrants.

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

#### *Change of law*

The Conditions are based on English law and United Kingdom tax law in effect as at the date of this Base Prospectus. There is a risk that the interpretation and/or effect of the Conditions may be subject to change in such a manner as to adversely affect the contractual rights of Noteholders and Warrantheolders.

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

In certain circumstances, certain adjustments may be made to an Index, which may result in a loss to the Noteholders or Warrantheolders. The Issuer considers the following to be material risks of adjustment:

- (i) the replacement of the relevant Index by a successor index if the relevant Index is not calculated or announced by the relevant Index Sponsor or is replaced by a successor index;
- (ii) the modification of the relevant Index by the relevant Index Sponsor which may have a material effect on the Notes and Warrants; and
- (iii) the cancellation of the relevant Index by the relevant Index Sponsor which may result in either (A) the redemption of the relevant Notes or the termination of the relevant Warrants upon payment of such amount as may be determined by the Calculation Agent to be the Fair Market Value of the Notes or Warrants immediately prior to such redemption or termination or (B) the continuation of the Notes and Warrants, in which case relevant level of the Index will be determined by the Calculation Agent.

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

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

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

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

There is a commercial risk that the obligations of the Warrantheolder or the Noteholder will be owed by a principal debtor other than the Issuer. The Notes and the Warrants permit the substitution of an affiliate of the Issuer as principal debtor in respect of the Notes and the Warrants, **provided that** the Issuer provides a guarantee.

### ***Applicable Bank Resolution Powers***

The Directive 2019/879/EU amending Directive 2014/59/EU (the "**BRRD**") provides an EU-wide framework for the recovery and resolution of credit institutions and their parent companies and other group companies. The BRRD is designed to provide relevant authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. In the United Kingdom the Banking Act 2009 (the "**Banking Act**") implements the provisions of the BRRD.

### ***Statutory Intervention Powers***

The Issuer is subject to the Banking Act which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the Prudential Regulation Authority and the United Kingdom Financial Conduct Authority (each a "**relevant UKRA**") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties.

These powers include powers to: (a) transfer all or some of the securities issued by a UK bank or its parent, or all or some of the property, rights and liabilities of a UK bank or its parent (which would include the Notes and Warrants issued by the Issuer under the Programme), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities,



to an entity owned by the Bank of England); (b) override any default provisions, contracts or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a UK bank; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a UK bank or its parent and its group undertakings (including undertakings which have ceased to be members of the group), in order to enable any transferee or successor bank of the UK bank to operate effectively.

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

***Power to reduce Noteholders' and Warrantheolders' claims***

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

The bail-in power gives the relevant UKRA the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes and/or Warrants) of a failing financial institution or its holding company, to convert certain debt claims (which could be amounts payable under the Notes and/or Warrants) into another security, including ordinary shares of the surviving entity, if any and/or to amend or alter the terms of such claims, including the maturity of the Notes or the expiry of the Warrants or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period. The Banking Act requires the relevant UKRA to apply the bail-in power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant UKRA must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) eligible senior claims. The claims of some creditors whose claims would rank equally with those of the Noteholders and/or Warrantheolders may be excluded from bail-in. The impact of bail-in on the Noteholders and/or Warrantheolders will be greater the more of such creditors there are.

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

***Powers to direct restructuring of the Issuer and its subsidiaries***

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

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

Moreover, trading behaviour in relation to the securities of the Issuer (including the Notes and Warrants), including market prices and volatility, may be affected by the use of, or any suggestion of the use of, these powers and accordingly, in such circumstances, the Notes and Warrants are not necessarily expected to

follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant UKRA or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of the Notes or Warrants, the market value of the Notes or Warrants and/or the Issuer's ability to satisfy its obligations under the Notes and Warrants.

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

***Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index "benchmarks"***

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and reform. Some of these reforms are already effective whilst others are yet to apply. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes or Warrants linked to a "benchmark".

Key international reforms of "benchmarks" include IOSCO's Principles for Financial Market Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**").

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. The first review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The first review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

In February 2016, IOSCO published its second review of the implementation of the IOSCO Benchmark Principles by administrators of EURIBOR, LIBOR and the Tokyo Inter-Bank Offer Rate ("**TIBOR**"). The second review noted that the administrators of LIBOR, EURIBOR and TIBOR had been proactively engaged in addressing the issues raised in the first review. Nevertheless, the second review set out recommendations for each administrator in order to strengthen the implementation of the IOSCO Benchmark Principles and proposed that relevant national authorities monitor the progress made by the three administrators in order to implement those recommendations.

The Benchmarks Regulation entered into force on 30 June 2016 and became applicable on 1 January 2018. The Benchmarks Regulation applies to "administrators" of, "contributors" to, and "users" of "benchmarks" in the EU. Among other things, the Benchmarks Regulation: (i) requires EU benchmark administrators to be authorised or registered by a national regulator (unless an exemption applies); (ii) provides that in order to be used by supervised entities in the EU, a non-EU benchmark must be qualified for use in the EU under the third-country regime (through equivalence, recognition or endorsement) and comply with extensive requirements in relation to the administration of the non-EU benchmark; and (iii) bans the use by "supervised entities" (including the Issuer) of: (a) EU "benchmarks" whose administrators are not authorised or registered; and (b) non-EU "benchmarks" that are not qualified for use in the EU under the third-country regime.

The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmarks" such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments (including securities or OTC derivatives traded on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or via a

"systematic internaliser"), certain financial contracts and investment funds. Different types and categories of "benchmark" are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a "benchmark" is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than EUR50 billion, subject to further conditions.

The Benchmarks Regulation and/or any other international, national or other reforms and/or the general increased regulatory scrutiny of "benchmarks" could have a material impact on any Notes or Warrants linked to a "benchmark" index, including in any of the following circumstances.

- The costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements could increase, discouraging market participants from continuing to administer or participate in certain "benchmarks" and/or leading to the disappearance of certain "benchmarks". The disappearance of a "benchmark" (including, without limitation, the LIBOR benchmark) could result in such benchmark being deemed replaced (for the purposes of the Notes or Warrants) with an alternative benchmark selected by the Issuer (or any Alternative Pre-nominated Index specified in the Final Terms as applicable), adjustment to the terms and conditions pursuant to Condition 13A (*Consequences of a Benchmark Trigger Event*) or 9A (*Consequences of a Benchmark Trigger Event*) (as applicable), early redemption or termination, discretionary valuation by the Issuer and/or the Calculation Agent, delisting or other consequences in relation to Notes or Warrants linked to such "benchmark".
- The administrator of a rate or index which is a "benchmark" may not obtain authorisation/registration or not be able to rely on one of the regimes available to non-EU benchmarks. In such event, depending on the particular "benchmark" and the applicable terms of the Notes or Warrants, such benchmark may be deemed replaced (for the purposes of the Notes or Warrants) with an alternative benchmark selected by the Issuer (or any Alternative Pre-nominated Index specified in the Final Terms as applicable), the terms and conditions of the Notes or Warrants might be adjusted pursuant to Condition 13A (*Consequences of a Benchmark Trigger Event*) (in the case of Notes), or Condition 9A (*Consequences of a Benchmark Trigger Event*) (in the case of Warrants), or de-listed, redeemed or terminated early, or otherwise impacted.
- The methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmarks Regulation or other reforms, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level and, depending on the particular "benchmark" and the applicable terms of the Notes or Warrants, could lead to adjustments to the terms of the Notes or Warrants.

Any of the above consequences could have a material adverse effect on the value of and return on any such Notes and Warrants.

There can be no assurance that the amounts payable to investors in relation to any Notes or Warrants following the application of a Replacement Index pursuant to Condition 13A (*Consequences of a Benchmark Event*) (in the case of Notes), or a Replacement Index pursuant to Condition 9A (*Consequences of a Benchmark Trigger Event*) (in the case of Warrants), and any related adjustments to the terms and conditions of the relevant Notes or Warrants (as applicable), will correspond with the amounts that investors would have received if the original Reference Rate or (as the case may be) original Relevant Benchmark had continued to apply, and investors may accordingly receive less than they would otherwise have received.

Furthermore, LIBOR is the subject of ongoing regulatory reforms. Following the implementation of any of these reforms, the manner of administration of LIBOR may change, with the result that it may perform differently than in the past or be eliminated entirely, or there could be other consequences that cannot be predicted. For example, on 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). Further, on 12 July 2018 the FCA announced that LIBOR may cease to be a regulated benchmark under the Benchmark Regulations. The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. At this time, it is not possible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market

for LIBOR-linked securities. The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or other reforms may require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

### ***Pricing***

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

As part of the valuation mechanism, Notes and Warrants may specify a time and an exchange or other venue in which the level of the Index is, or Indices are, to be observed. Depending on how the level of the Index is calculated, the level of such Index may fluctuate as securities underlying the Index do throughout the trading day, and they may change rapidly. As a result, investors should note that return on any Notes and Warrants may be particularly sensitive to the choice of valuation times and valuation methods. The "price discovery" mechanism used to ascertain the value of the underlying at any given time on exchanges or other venues may not be uniform throughout the trading day. This may affect the valuation of any issuance of Notes and Warrants. For example, exchanges may conduct auctions to set an opening or closing price, and trading characteristics and participants in after-hours trading sessions may differ from those during regular hour sessions.

### ***Capped Return***

The terms and conditions of Notes and/or Warrants may provide that the return payable on the Notes or Warrants is subject to a cap. In these circumstances, the exposure to the performance of the relevant Index or Indices (as applicable) may be limited and accordingly, investors could forgo a return that could have been made had they invested in a product without a similar cap.

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

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

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

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

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

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

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

Under the terms and conditions of the Notes all payments and deliveries will be subject to any fiscal or other laws and regulations in the place of payment and Noteholders may be responsible for paying, or suffer a deduction for, any applicable duties, taxes or other charges imposed by such laws and regulations, subject only to the Issuer's obligation to gross-up in relation to certain United Kingdom taxes under Condition 6B (*Taxation - Gross-up*). This gross-up obligation is applicable provided Condition 6B (*Taxation - Gross-up*) is specified as applying to a Series of Notes and is subject to a number of exceptions and covers only certain

withholdings and deductions on account of United Kingdom taxes; in particular, it does not cover stamp duty, stamp duty reserve tax and/or similar transfer taxes.

If Condition 6B (*Taxation - Gross-up*) is not specified as applying to a Series of Notes in the relevant Final Terms, the Issuer will not be required to gross-up or pay any additional amounts in respect of the Notes in respect of which any withholding or deduction has been required to be made in respect of any tax. Accordingly, investors may receive a lower return than would be received on an investment where no withholding tax is payable or where the relevant issuer has an obligation to gross-up for such withholdings or deductions.

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

Potential investors who are in any doubt about the tax consequences of purchasing any Notes or Warrants should consult and rely on their own tax advisors.

### ***French FTT***

Pursuant to Article 235 *ter* ZD of the French tax code, acquisitions for consideration of equity securities (*titre de capital*) within the meaning of Article L 212-1 A of the French Monetary and Financial Code or similar instruments within the meaning of Article L 211-41 of the French Monetary and Financial Code that provide or could provide access to capital or voting rights, resulting in a transfer of ownership within the meaning of Article L 211-17 of the French Monetary and Financial Code (that is resulting from the registration of the acquired securities in the securities accounts of the purchaser), admitted to trading on a French, European or foreign regulated market within the meaning of Articles L 421-4, L 422-1 or L 423-1 of the French Monetary and Financial Code and issued by a company having its head office in France and whose market capitalisation as of 1 December of the year preceding the year in which the acquisition occurs exceeds EUR 1 billion ("**French Qualifying Securities**"), are subject to the French financial transactions tax ("**French FTT**"), levied at the rate of 0.3 per cent. The French FTT also applies to acquisitions of securities issued by an issuer whose head office is not in France when these securities represent French Qualifying Securities ("**Synthetic French Qualifying Securities**").

The French FTT could also be triggered if the Issuer and/or its affiliates choose to purchase the securities underlying an Index to hedge their exposure under the Notes and/or Warrants if such securities underlying an Index are French Qualifying Securities or Synthetic French Qualifying Securities and assuming none of the French FTT exemptions provided for by Article 235 *ter* ZD of the French tax code applies to the relevant acquisition. Therefore, Noteholders and/or Warrantheolders are subject to the risk that payments under the Notes and/or the Warrants may be adversely affected by the French FTT, where applicable, as this tax may be deducted from the Final Redemption Amount or Cash Settlement Amount amounts payable to the Noteholders and/or Warrantheolders (as applicable).

### ***Italy***

*Italian financial transaction tax may apply to Notes and Warrants linked to Indices in respect of which the underlying securities are securities issued by Italian Issuers*

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

Accordingly, there is a risk that the Italian FTT on Derivatives could be triggered where the issuer of a security comprised in an Index or Indices (as applicable) relating to the Notes and Warrants is an Italian resident or the issuer of a security underlying an Index is an Italian resident. The residence and nationality of the Issuer and any Noteholder or Warrantholder and the place of execution of the Note or Warrant would be irrelevant as the application of the Italian FTT on Derivatives is exclusively dependent on the residence of the issuer of the underlying securities underlying an Index.

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

- Index-linked Notes and Warrants where a security that forms part of the Index is issued by an Italian-resident company: from EUR 0.01875 to EUR 15, depending on the notional value of the contract;
- Equity-Linked Notes and Warrants where the security that forms part of an Index is issued by an Italian-resident company: from EUR 0.125 to EUR 100, depending on the notional value of the contract; and
- Notes and Warrants linked to a basket of securities that forms part of an Index or Indices (as applicable): from EUR 0.25 to EUR 200 depending on the notional value of the contract.

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

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

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

Italian FTT on Shares applies on transactions negotiated and settled as from 1 March 2013. Accordingly, there is a risk that the Italian FTT on Shares could be triggered where the Issuer and/or its Affiliates purchase securities underlying Indices to hedge their exposure under the Notes and/or Warrants if such securities are shares and participating financial instruments issued by Italian resident companies and other instruments representing the latter and are not exempted from the Italian FTT requirement ("**in-scope securities**"). The residence and nationality of the parties to the transaction and the place of execution of the transaction would be irrelevant as the application of the Italian FTT on Shares is exclusively dependent on the residence of the issuer of the in-scope securities.

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

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

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

- (i) regulated markets or multilateral trading facilities pursuant to Article 4, paragraph 1, points 21 and 22 of Directive 2014/65/EU, of an EU Member State and of an EEA Member State which allows an adequate exchange of information with Italy; and

- (ii) markets recognised by the Italian regulator Consob, established in an EU Member State or a state which allows for an adequate exchange of information with Italy.

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

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

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

##### ***General***

##### ***Risks relating to Fixed Rate Notes***

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

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

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

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

##### ***Early Redemption for Taxation Reasons***

Noteholders are subject to the risk that, unless the Final Terms do not specify Condition 6B (*Taxation – Gross-up*) as applicable, the Issuer may terminate its obligations under the Notes if the Issuer determines that it would be required to gross-up payments to the holders following a withholding or deduction required by law of taxes, duties, assessments or governmental charges imposed or levied by or on behalf of the United Kingdom. Following such a determination, the Issuer may terminate its obligations under the Notes against payment of the Early Redemption Amount specified in the relevant Final Terms. The Final Terms may specify the Early Redemption Amount as being the Fair Market Value of such Note immediately prior to such termination. The Fair Market Value of a Note will be adjusted to account fully for any reasonable expenses and costs incurred by the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and/or funding arrangements. Noteholders may suffer a loss of some or all of their investment as a result of such early termination and will forego any future performance in the relevant Index or Indices (as applicable) and future interest payments applicable to such Notes (if any).

##### ***Notes with multiple denominations***

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

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

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

### ***Risks relating to Floating Rate Notes***

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

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

If the Notes have become immediately due and payable following an Event of Default (as defined in the Conditions) with respect to the Notes such Notes may be redeemed early against payment of the Early Redemption Amount. The Final Terms may specify the Early Redemption Amount as being the Fair Market Value of such Note immediately prior to such redemption. The Fair Market Value of a Note will be adjusted to account fully for any reasonable expenses and costs incurred by the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and/or funding arrangements. Noteholders may suffer a loss of some or all of their investment as a result of such early redemption and will forego any future performance in the relevant Index or Indices (as applicable) and future interest, payments applicable to such Notes (if any).

### ***Meetings of Noteholders***

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

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

### ***Limitations on exercise***

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

## **(6) Risks relating to emerging markets currencies**

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

### ***Emerging market risk***

Economies in emerging markets may be heavily dependent upon international trade and, accordingly, may be affected adversely by trade barriers, foreign exchange controls (including taxes), managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with



which they trade. These economies also may be affected adversely by their economic, financial, military and political conditions and the supply and demand for such Settlement Currencies or currencies of denomination in the global markets.

***Inconvertibility, Non-transferability or Illiquidity***

Notes and Warrants which are payable in an emerging market currency may provide that, if the Settlement Currency is not available at or about the time when a payment is due to be made under the Notes or Warrants (as applicable) or it is impracticable for the Issuer to satisfy its obligations to pay any amounts due under the Notes or Warrants (as applicable) because of circumstances beyond the control of the Issuer, then the Issuer is entitled to make the payments in an Alternative Payment Currency. These circumstances could include the imposition of exchange controls or a disruption in the currency market which prevents the Issuer from obtaining the Settlement Currency.

***Exchange controls and repatriation of profits***

Certain emerging market countries may operate exchange controls affecting the transfer of money in and out of the country and the convertibility of the local currency. Moreover the value of investments denominated and/or settling in an emerging markets currency can fluctuate significantly due to volatile exchange rates and high inflation. Some countries also impose restrictions on the ability of foreign investors to repatriate profits or the proceeds of sale of their investments without an official permit. In some cases the currency is non-convertible although many currencies are "semi-convertible". All such factors may have an adverse affect on the value of the Notes and Warrants.

***Currency exchange rate fluctuations***

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

***Risks relating to Notes and Warrants settled in Offshore RMB outside the PRC***

Notes and Warrants settled in Offshore RMB outside the PRC may be issued. Set out below is a description of some of the risks that should be taken into consideration by prospective investors in such Notes and Warrants.

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

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

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

Although, Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions were implemented by the People's Bank of China ("**PBoC**") in 2018, there is no assurance that the PRC Government will continue to liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC.

Despite the Renminbi internationalisation programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC, which may negatively impact on the liquidity of the Notes and Warrants and the value of the Notes and Warrants. In addition, if Renminbi outside the PRC is unavailable, this will impact on the ability of the Issuer to source Renminbi to perform its obligations under Notes and Warrants denominated in Renminbi.

(b) ***RMB interest rate risk***

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

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

(c) ***RMB exchange rate risk***

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

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

(d) ***RMB payment risk***

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

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

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

### SECTION I.3 – INCORPORATION BY REFERENCE

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

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

- (a) the 2018 Annual Report and Accounts of the Issuer and its subsidiaries for the year ended 31 December 2018 (the "**2018 Annual Report and Accounts**");
- (b) the 2017 Annual Report and Accounts of the Issuer and its subsidiaries for the year ended 31 December 2017, other than the section entitled "Structural Reform" on pages 16 to 18 of the Annual Report and Accounts (the "**2017 Annual Report and Accounts**");
- (c) the registration document of the Issuer dated 22 May 2019 submitted to and filed with the United Kingdom Financial Conduct Authority ("FCA") pursuant to Article 11 of the Prospectus Directive (the "**Registration Document**");
- (d) the Terms and Conditions of the Notes (the "**2013 Note Conditions**") and Terms and Conditions of the Warrants (the "**2013 Warrant Conditions**") as set out on pages 80 – 121 and 161 to 186, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 8 November 2013 which has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive (the "**2013 Conditions**");
- (e) the Terms and Conditions of the Notes (the "**2014 Note Conditions**") and Terms and Conditions of the Warrants (the "**2014 Warrant Conditions**") as set out on pages 83 to 123 and 160 to 184, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 24 June 2014 which has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive (together, the "**2014 Conditions**");
- (f) the Terms and Conditions of the Notes (the "**2016 Note Conditions**") and Terms and Conditions of the Warrants (the "**2016 Warrant Conditions**") as set out on pages 89 – 131 and 168 to 195, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 22 June 2016 which has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive (together, the "**2016 Conditions**");
- (g) the Terms and Conditions of the Notes (the "**2017 Note Conditions**") and Terms and Conditions of the Warrants (the "**2017 Warrant Conditions**") as set out on pages 107-151 and 193 to 221, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 21 June 2017 which has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive (together, the "**2017 Conditions**");
- (h) the Terms and Conditions of the Notes (the "**2018 Note Conditions**") and Terms and Conditions of the Warrants (the "**2018 Warrant Conditions**") as set out on pages 118 – 166 and 212 to 244, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 5 October 2018 which has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive (together, the "**2018 Conditions**"); and
- (i) the Terms and Conditions of the Notes (the "**2019 Note Conditions**") and Terms and Conditions of the Warrants (the "**2019 Warrant Conditions**") as set out on pages 119 – 167 and 211 to 242, respectively, of the base prospectus relating to Index-Linked Notes and Warrants issued under the Programme dated 19 June 2019 which has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive (together, the "**2019 Conditions**"),

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference and in respect of which a supplement to this Base Prospectus is prepared modifies or supersedes such statement.

Any documents incorporated by reference in the Registration Document or the Financial Information do not form part of this Base Prospectus. In respect of any document that is incorporated by reference in part only, the non-incorporated parts of such document are either not relevant for the investor or are covered elsewhere in this Base Prospectus.

The Issuer will at its registered office and at the offices of the Principal Paying Agent and Principal Warrant Agent make available for inspection during normal business hours, upon reasonable notice, and free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus). Written or oral requests for inspection of such documents should be directed to the specified office of the Principal Paying Agent or the Principal Warrant Agent. Additionally, this Base Prospectus and all the documents incorporated by reference herein will be available for viewing at the following websites:

1. In relation to the 2018 Annual Report and Accounts:

<https://www.hsbc.com/investors/results-and-announcements/all-reporting/subsidiaries?page=1&take=20>

2. In relation to 2017 Annual Report and Accounts:

<https://www.hsbc.com/investors/results-and-announcements/all-reporting/subsidiaries?page=1&take=20>

3. In relation to the Registration Document:

<https://www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20>

4. In relation to the 2013 Conditions:

<https://www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20>

5. In relation to the 2014 Conditions:

<https://www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20>

6. In relation to the 2016 Conditions:

<https://www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20>

7. In relation to the 2017 Conditions:

<https://www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20>

8. In relation to the 2018 Conditions:

<https://www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20>

9. In relation to the 2019 Conditions:

<https://www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20>

For the avoidance of doubt, any websites referred to in this Base Prospectus or any information appearing on such websites and pages do not form part of this Base Prospectus.

**SECTION I.4 – USE OF PROCEEDS**

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

Unless otherwise specified in the relevant Final Terms, the net proceeds from each issue of Notes or Warrants will be used by the Issuer for profit making or risk hedging purposes.

## SECTION I.5 – TAXATION

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

**Transactions involving the Notes and Warrants may have tax consequences for investors which may depend, amongst other things, upon the status of the investor and laws relating to transfer and registration taxes. Investors who are in any doubt about the tax position of any aspect of transactions involving the Notes and Warrants should consult their own tax advisers.**

### IRELAND

The following is a summary of the Irish withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes and Warrants. It is based on current law and the practice of the Revenue Commissioners of Ireland which may be subject to change, sometimes with retrospective effect. The comments do not deal with other Irish tax aspects of acquiring, holding or disposing of Notes and Warrants. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and Warrants. Prospective Noteholders and Warranholders should be aware that the particular terms of issue of any of the Notes and Warrants may affect the tax treatment of that and other series of Notes and Warrants. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders and Warranholders should ensure that they understand their tax position before acquiring any Notes and Warrants. Noteholders and Warranholders who may be liable to taxation in jurisdictions other than Ireland in respect of their acquisition, holding or disposal of the Notes and Warrants are particularly advised to make sure they understand their tax position and whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain Irish taxation aspects of payments in respect of the Notes and Warrants. In particular, Noteholders and Warranholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes and Warrants even if such payments may be made without withholding or deduction for or on account of taxation under the laws of Ireland.

This summary is prepared on the assumption that the relevant Issuer is not and will not be an Irish resident for Irish tax purposes and any transactions in connection with the Notes and Warrants are not and will not be attributed or attributable to an Irish branch, permanent establishment or other fixed place of business of the relevant Issuer in Ireland.

This summary does not extend to cover the tax treatment of any investors who are subject to Irish tax by reason of Irish tax residence or by reason of having an Irish branch or permanent establishment in Ireland.

#### *Irish Withholding Tax - Notes*

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on any Notes so long as such payments do not constitute Irish source income. Interest paid on Notes should not be treated as having an Irish source unless:

- (a) the relevant Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which is used to fund the payments on such Notes; or
- (c) the Issuer is not resident in Ireland for tax purposes but the register for such Notes is maintained in Ireland; or (if the Notes are in bearer form) the Notes are physically held in Ireland.

On the basis that the Issuer is not, and will not become, resident in Ireland for tax purposes, that the assets or income of any branch or permanent establishment of the Issuer in Ireland will not be used to fund the payments on the Notes, and that the Issuer will not maintain a register of any Registered Notes in Ireland and bearer notes will not be physically located in Ireland, payments on the Notes may be made without withholding or deduction for or on account of Irish withholding tax.

If the payments of interest were deemed to have an Irish source, the Issuer will not be obliged to withhold Irish income tax from payments of interest on any Notes where:

- (a) the Notes carry a right to interest, and are, and continue to be, quoted on a recognised stock exchange for the purposes of section 64 of the Irish Taxes Consolidation Act 1997; and
- (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
  - (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
  - (ii) the Noteholder is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form.

Euronext Dublin is a recognised stock exchange for these purposes.

#### *Irish Withholding Tax – Warrants*

No Irish withholding tax will be deducted from payments on the issue, exercise, sale or other disposition of the Warrants.

#### *Stamp Duty – Warrants*

No Irish stamp duty should be payable on the issue or transfer of the Warrants on the basis that the Warrants constitute stocks or marketable securities of a company which is not registered in Ireland for the purposes of section 88 of the Stamp Duties Consolidation Act 1999 ("SDCA").

In addition, section 90 SDCA provides that no Irish stamp duty is payable in respect of certain financial services instruments including financial futures agreements, forward agreements and option agreements. We consider that this exemption is also applicable to Warrants.

#### *Encashment Tax*

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from payments on Notes or potentially the Warrants issued by a company not resident in Ireland, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder who is Irish resident. Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration in the described form to the encashment agent or bank.

## **UNITED KINGDOM**

### **United Kingdom Taxation – Notes**

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest and certain other payments in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("HMRC"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with any other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Noteholders should be aware that the particular terms of issue of any Series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other Series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the*



*Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

**(A) United Kingdom Withholding Tax – Interest**

1. Any payments made with respect to the Notes which are considered to be payments of interest for United Kingdom taxation purposes and where such Notes are issued for a term of less than one year (and which are not issued under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax.
2. Notes issued by the Issuer which carry a right to interest will constitute "**quoted Eurobonds**" provided they are and continue to be listed on a recognised stock exchange within the meaning of Section 1005 of the Income Tax Act 2007 (the "**Act**") or admitted to trading on a "multilateral trading facility" operated by an EEA regulated recognised stock exchange (within the meaning of Section 987 of the Act). Whilst the Notes are and continue to be quoted Eurobonds, payments on such Notes which are considered to be payments of interest for United Kingdom tax purposes may be made without withholding or deduction for or on account of United Kingdom income tax. Notes will be regarded as "listed on a recognised stock exchange" for this purpose if (and only if) they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part VI of the FSMA) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. Euronext Dublin is a recognised stock exchange for these purposes, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be officially listed on Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin. The Borsa Italiana S.p.A. is also a recognised stock exchange for these purposes. The Issuer's understanding of current HMRC practice is that securities which are officially listed on the Borsa Italiana S.p.A. and are admitted to trading on the Electronic Bond Market, being the regulated market of the Borsa Italiana S.p.A. (also known as the "**MOT**") may be regarded as "listed on a recognised stock exchange" for these purposes.
3. In addition to the exemptions set out in paragraphs 1 and 2 above, payments on the Notes which are considered to be interest for United Kingdom taxation purposes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of Section 878 of the Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business.
4. In all other cases, falling outside the exemptions described in paragraphs 1, 2 and 3 above, payments on the Notes which are considered to be interest for United Kingdom tax purposes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty or to any other exemption which may apply.
5. Any payments made by the Issuer under the Deed of Covenant may not qualify for the exemptions from United Kingdom withholding tax described above.

**(B) United Kingdom Withholding Tax – Other Payments**

Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or similar income or royalties for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to any exemption from withholding which may apply and to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double tax treaty.

**(C) Other Rules Relating to United Kingdom Withholding Tax**

1. Where interest or any other payment has been paid under deduction of United Kingdom income tax, Noteholders or Couponholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
2. The references to "**interest**" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Noteholders or Couponholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law.
3. The above summary under the heading of "*United Kingdom Taxation – Notes*" assumes that there will be no substitution of the Issuer pursuant to Condition 14 (*Meetings of Noteholders, Modification and Substitution*) of the Notes and does not consider the tax consequences of any such substitution.

**United Kingdom Taxation – Warrants**

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments in respect of the Warrants and of the treatment of Warrants for the purposes of United Kingdom stamp duty and stamp duty reserve tax. It is based on current law and the practice of HMRC, which may be subject to change, sometimes with retrospective effect.*

*The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Warrants. The comments in relation to United Kingdom withholding tax relate only to the position of persons who are absolute beneficial owners of the Warrants. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a purchaser.*

*Warrantholders who are in any doubt as to their tax position should consult their professional advisers. Warrantholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Warrants are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Warrants. In particular, Warrantholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Warrants even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

**(A) United Kingdom Withholding Tax**

***Warrants that are not derivatives***

Payments under the Warrants which do not amount to interest, rent or annual payments (and are not treated as, or as if they were, interest, rent or annual payments for United Kingdom tax purposes) may be made without any withholding or deduction for or on account of United Kingdom tax.

***Payments where the Warrants constitute derivative contracts***

The Issuer should not be required to withhold or deduct sums for or on account of United Kingdom income tax from payments under Warrants that are treated as derivative contracts for the purposes of Part 7 of the Corporation Taxes Act 2009.

**(B) United Kingdom Stamp Duty and Stamp Duty Reserve Tax**

United Kingdom stamp duty or stamp duty reserve tax may be payable on any issue, transfer or agreement to transfer the Warrants or any interest in the Warrants.

## FRANCE

*This summary is prepared on the assumption that the relevant Issuer is not and will not be a French resident for French tax purposes and any transactions in connection with the Notes and the Warrants are not and will not be attributed or attributable to a French branch, permanent establishment or other fixed place of business of the relevant Issuer in France.*

### **French Taxation - Notes**

*The following is a general description of certain French tax considerations relating to the Notes held by French tax residents to the extent that payments under the Notes would qualify as interest payments. It is not a description of general French tax considerations relating to the Notes. Prospective investors are advised to consult their own professional advisors to obtain information about the tax consequences of the acquisition, ownership, or disposition of the Notes. Only personal advisors are in a position to adequately take into account special tax aspects of the Notes as well as the Noteholder's personal circumstances and any special tax treatment applicable to the Noteholder. This summary is based on French law as in force when drawing up this Base Prospectus. The laws and their interpretation by the tax authorities may change and such changes may have retroactive effect.*

Payments of interest and principal by the Issuer, acting out of its head offices or one of its non-French branches, under the Notes will not be viewed as French-source income and therefore will not be subject to withholding tax in France, in accordance with the applicable French law.

Pursuant to Articles 125 A and 125 D of the French *Code Général des Impôts*, and subject to certain limited exceptions, interest and other similar revenues received by French tax resident individuals are subject to a 12.8 per cent. mandatory (non-final) withholding tax which is creditable against the applicable personal income tax liability in respect of the year in which the payment has been made. Social contributions on such interest and other similar revenues are also withheld at source at an aggregate rate of 17.2 per cent. (CSG, CRDS and other related contributions), subject to certain limited exceptions. Practical steps to be taken for purposes of levying this withholding tax will depend on the place where the paying agent is located.

French tax resident individuals holding the Notes as part of their private assets should consult their own tax advisers to determine declarative and payment obligations applicable to them in France in relation to the mandatory withholding tax and social security contributions referred to above. The Issuer does not assume responsibility for French withholding tax at source and is not obliged to make additional payments in case of French withholding tax deductions.

Prospective purchasers of Notes who are French resident for tax purposes or who would hold such Notes through a permanent establishment or a fixed base in France should be aware that transactions involving the Notes, including any purchase or disposal of, or other dealings in, the Notes, may have French tax consequences. The tax consequences regarding interest, premium on redemption and capital gains in particular may depend, amongst other things, upon the status of the prospective purchaser (i.e. legal entities or individuals). Prospective purchasers of the Notes should consult their own tax advisers about the French tax implications of purchasing, holding, disposing the Notes and more generally, of any transactions involving Notes.

### **French Taxation – Warrants**

*The following is a general description of certain French withholding tax considerations relating to the payments under the Warrants. It is not a description of general French tax considerations relating to the Warrants. Prospective investors are advised to consult their own professional advisors to obtain information about the tax consequences of the acquisition, ownership, exercise or disposition of the Warrants. Only personal advisors are in a position to adequately take into account special tax aspects of the Warrants as well as the Warrants holder's personal circumstances and any special tax treatment applicable to the Warrants holder. This summary is based on French law as in force when drawing up this Base Prospectus. The laws and their interpretation by the tax authorities may change and such changes may have retroactive effect.*

Assuming that the Warrants issued by the Issuer do not constitute debt instruments within the meaning of Article 125 A of the French tax code, payments in respect of such Warrants issued by the Issuer should not be subject to any mandatory withholding tax in France but the potential gain could be taxed in France.

## ITALY

### Italy Taxation - Notes

*The following is a general overview of certain tax consequences of acquiring, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to the decision to purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules. This section is based upon Italian tax laws and/or practice in force as at the date of this Base Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. The Issuer will not update this section to reflect changes in law and, if any such change occurs, the information in this section could be superseded.*

*Prospective purchasers of Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.*

### General

Legislative Decree No. 239 of 1 April 1996, as subsequently amended ("**Decree No. 239**") sets out the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") deriving from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers. The provisions of Decree No. 239 only apply to notes issued by the Issuer to the extent that they qualify as bonds or debentures similar to bonds pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented.

For these purposes, debentures similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation of the issuer to pay at maturity an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Otherwise, Notes that do not qualify as debentures similar to bonds are characterised for Italian tax purposes as "atypical securities" and as such regulated by Law Decree No. 512 of 30 September 1983.

### *Notes qualifying as debenture similar to bonds*

#### *Italian Resident Noteholders*

Pursuant to Decree No. 239, where the Italian resident Noteholder, who is the beneficial owner of the Notes, is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; or
- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a *de facto* partnership not carrying out commercial activities or professional associations; or
- (c) a private or public institution (other than companies), trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (d) an investor exempt from Italian corporate income taxation;

Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent., either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes (unless the Noteholder described in (a), (b) and (c) above has entrusted the management of

their financial assets, including the Notes, to an authorised intermediary and they have opted for the application of the "*risparmio gestito*" regime pursuant to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended ("**Decree No. 461**").

All the above categories are qualified as "net recipients".

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1, (100-114) of Law No. 232 of 11 December 2016 ("**Law No. 232**") and in Article 1 (211 – 215) of Law No. 145 of 30 December 2018 ("**Law No. 145**").

Where the resident holders of the Notes described in (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Pursuant to Decree No. 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called "**SIMs**"), fiduciary companies, *società di gestione del risparmio* (so called "**SGRs**"), stockbrokers and other qualified entities resident in Italy ("**Intermediaries**", and each, an "**Intermediary**") or by permanent establishments in Italy of a non-Italian resident Intermediary, that intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes and the relevant coupons are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes.

Payments of Interest in respect of Notes that fall within the definitions set out above are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are:

- (a) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;
- (b) Italian resident partnerships carrying out commercial activities (*'società in nome collettivo'* or *'società in accomandita semplice'*);
- (c) Italian resident open-ended or closed-ended collective investment funds (together, the "**Funds**", and each, a "**Fund**"), SICAVs, Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 ("**Decree No. 252**"), Italian resident real estate investment funds, investment companies with fixed capital (SICAFs); and
- (d) Italian resident Noteholders described in (a), (b) and (c) above who have entrusted the management of their financial assets, including the Notes, to an authorised financial Intermediary and have opted for the asset management regime (*'regime del risparmio gestito'*).

Such categories are qualified as "gross recipients".

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above under (a) to (d) must:

- (a) be the beneficial owners of payments of Interest on the Notes, and
- (b) deposit the Notes in due time, together with the coupons relating to such Notes, directly or indirectly with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary).

Gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the Notes would be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for purposes of regional tax on productive activities – IRAP) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the asset management regime (*regime del risparmio gestito*) are subject to a 26 per cent. annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

If the investor is resident in Italy and is a Fund, a SICAF or a SICAV and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the Fund, SICAF or SICAV. The Fund, SICAF or SICAV will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Substitute Tax**").

Where a Noteholder is an Italian resident real estate investment fund, to which the provisions of Law Decree No. 351 of 25 September, 2001, as subsequently amended, apply, or a real estate SICAF, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or real estate SICAF. The income of the real estate fund or real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an Italian resident intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. annual substitute tax (the "**Pension Fund Tax**"). Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from taxable base of the Pension Fund Tax if the Notes are included in long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 and in Article 1 (211 – 215) of Law No. 145.

#### *Non-Italian resident Noteholders*

Interest payments relating to Notes received by non-Italian resident beneficial owners are not subject to taxation in Italy.

If the Notes are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign Intermediary) or are sold through an Italian Intermediary (or permanent establishment in Italy of foreign Intermediary) or in any case an Italian resident Intermediary (or permanent establishment in Italy of foreign Intermediary) intervenes in the payment of Interest on such Notes, to ensure payment of Interest without application of Italian taxation, a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a statement (*autocertificazione*) stating that he or she is not resident in Italy for tax purposes.

#### *Notes qualifying as atypical securities*

Notes that do not qualify as *obbligazioni* (bonds) or as *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44, paragraph 2, lett. c) of Decree No. 917 are characterised for Italian tax purposes as "atypical securities". Pursuant to Article 44 of Decree No. 917, securities can be qualified, for income tax purposes, as *titoli similari alle obbligazioni* (securities similar to bonds) only to the extent that they incorporate an unconditional obligation to pay at maturity or upon redemption (to the Noteholder) an

amount not less than therein indicated without providing any right to the Noteholders to participate in, or to control, the activity carried on by the Issuer.

Income of any kind, including interest and any sum paid to Noteholders at maturity in excess over the issue price and relating to Notes characterised as "atypical securities" may be subject to withholding tax levied at the rate of 26 per cent.. The 26 per cent. withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (a) a commercial partnership, (b) a company or similar commercial entity, (c) a permanent establishment in Italy of a foreign entity, and (d) a commercial private or public institution.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes not falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) and qualify as *titoli atipici* ("**atypical securities**") pursuant to Article 5 of Law Decree No. 512 of 30 September 1983, if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of the Law No. 232 and in Article 1 (211 – 215) of Law No. 145.

### Capital Gains

Pursuant to Decree No. 461, a 26 per cent. substitute tax on capital gains referred to as "*imposta sostitutiva*" is applicable to capital gains realised by:

- (a) an Italian resident individual not engaged in entrepreneurial activities to which the Notes are connected;
- (b) an Italian resident partnership not carrying out commercial activities; or
- (c) an Italian private or public institution not carrying out mainly or exclusively commercial activities.

Under the so called tax declaration regime (*'regime della dichiarazione'*), which is the standard regime for taxation of capital gains, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding fiscal year.

Alternatively to the tax declaration regime, holders of the Notes who are:

- (a) Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected;
- (b) Italian resident partnerships not carrying out commercial activities;
- (c) Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect for the administered savings regime (*'risparmio amministrato'* regime) to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the administered savings regime being made in writing in due time by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth.

Special rules apply if the Notes are part of a portfolio managed in an asset management regime (*'risparmio gestito'* regime) by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the asset management regime the realised capital gain is not required to be included in the annual income tax return of the Noteholder.

In the case of Notes held by Funds, SICAFs and SICAVs, capital gains on Notes contribute to determinate the increase in value of the managed assets of the Funds, SICAFs or SICAVs accrued at the end of each tax year. The Funds, SICAFs or SICAVs will not be subject to taxation on such increase, but the Collective Investment Fund Substitute Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by a Noteholder that is an Italian real estate fund to which the provisions of Law Decree No. 351 of 25 September, 2001, as subsequently amended, apply, or a real estate SICAF, shall not be subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund or real estate SICAF. The income of the real estate fund or real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains realised by a Noteholder that is an Italian pension fund (subject to the regime provided for by article 17 of the Decree No. 252) will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains in respect of Notes realised upon sale, transfer or redemption by Italian pension fund may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law 232 and in Article 1 (211 – 215) of Law No. 145.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non Italian resident corporations to which the Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realised upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant Article 1, (100 – 114), of Law No. 232 and in Article 1 (211 – 215) of Law No. 145.

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree No. 917 of 22 December 1986 (Decree No. 917), any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461 non Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt



from the *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes, in a state or territory listed in the Italian Ministerial Decree dated 4<sup>th</sup> September, 1996, as amended and supplemented from time to time (the "**White List**"). According to Article 11, par. 4, let. c), of Decree 239, the White List will be updated every six months period. Under these circumstances, if non Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the asset management regime or are subject to the administrative savings regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state; and

- (b) in any event, non Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

### **Italy Taxation - Warrants**

*The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Warrants by Italian resident holders. It does not purport to be a complete analysis of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Warrants and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Warrants, some of which may be subject to special rules. This summary is based upon Italian tax laws and practice in effect as at the date of this Base Prospectus, which may be subject to change, potentially with retroactive effect.*

*Prospective holders should consult their own tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Warrants.*

### **General**

The Warrants may be subject to different tax regimes depending on whether:

- (a) they represent derivative financial instruments or bundles of derivative financial instruments, through which the Warranholders purchase indirectly underlying financial instruments; or
- (b) they represent a debt instrument implying a "use of capital" (*impiego di capitale*), through which the Warranholders transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity.

### ***Warrants representing derivative financial instruments or bundles of derivative financial instruments***

Payments in respect of Warrants qualifying as securitised derivative financial instruments received by Italian Warranholders as well as capital gains realised by Italian Warranholders (not engaged in entrepreneurial activities to which the Warrants are connected) which are Italian resident individuals on any sale or transfer for consideration of the Warrants or redemption thereof are subject to a 26 per cent capital gains tax, which applies under the following taxation regime: tax declaration regime ("*Regime della dichiarazione*"), administrative savings regime ("*Regime del risparmio amministrato*") and asset management regime ("*Regime del risparmio gestito*") as described under paragraph "Capital Gains Tax" below.

### Capital Gains Tax

A 26 per cent. *imposta sostitutiva* is applicable on capital gains realised on the disposal of the Warrants by Warrantholders included among the following categories of Italian resident persons:

- (a) an Italian resident individual not engaged in entrepreneurial activities to which the Warrants are connected, or
- (b) an Italian resident partnership not carrying out commercial activities, or
- (c) an Italian private or public institution not carrying out mainly or exclusively commercial activities.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

- (a) Under the tax declaration regime ("*regime della dichiarazione*"), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Warrants are effectively connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any offsettable capital losses, realised by the Italian resident individual holding the Warrants. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Warrants carried out during any given fiscal year. Italian resident individuals holding the Warrants not in connection with an entrepreneurial activity must report the overall amount of the capital gains realised in any fiscal year, net of any offsettable capital losses, in the annual tax return and pay the *imposta sostitutiva* on those gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding fiscal years.
- (b) As an alternative to the tax declaration regime, Italian resident individual holding the Warrants not in connection with an entrepreneurial activity may elect to pay under the administrative savings regime ("*regime del risparmio amministrato*") the *imposta sostitutiva* separately on any capital gain realised on each sale or redemption of the Warrants. Such separate taxation of capital gains is allowed subject to:
  - (1) the Warrants being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and
  - (2) an express election for the administrative savings regime being timely made in writing by the relevant Warrantholder.

The depository must account for the *imposta sostitutiva* in respect of any capital gain realised on each sale or redemption of the Warrants (as well as in respect of any capital gain realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Warrantholder or using funds provided by the Warrantholder for this purpose. Under the administrative savings regime, where a sale or redemption of the Warrants results in a capital loss, which may be deducted from any capital gain subsequently realised, within the same securities management, in the same fiscal year or in the following fiscal years up to the fourth. Under the administrative savings regime, the Warrantholder is not required to declare the capital gains in the annual tax return.

- (c) Under the asset management regime ("*regime del risparmio gestito*"), any capital gain realised by Italian resident individuals holding the Warrants not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Warrants, to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. *imposta sostitutiva*, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding fiscal years. The Warrantholder is not required to report the capital gains realised in the annual tax return.

Any capital gain deriving from the sale or redemption of the Warrants and realised by Italian resident companies (including Italian permanent establishments of foreign entities to which the Warrants are connected), similar commercial entity, commercial partnership or Italian resident individuals engaged in an entrepreneurial activity to which the Warrants are effectively connected would not be subject to *imposta sostitutiva*, but must be included in the relevant Warrantholder's income tax return and therefore subject to IRES (and, in certain circumstances, depending on the "status" of the Warrantholder, also as part of the net value of the production for regional tax on business activities ("**IRAP**") purposes).

In the case of Warrants held by Funds, SICAFs and SICAVs, capital gains on Warrants contribute to determinate the increase in value of the managed assets of the Funds, SICAFs or SICAVs accrued at the end of each tax year. The Funds, SICAFs or SICAVs will not be subject to taxation on such increase, but the Collective Investment Fund Substitute Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by a Warrantholder that is an Italian real estate fund to which the provisions of Law Decree No. 351 of 25 September, 2001, as subsequently amended, apply, or a real estate SICAF, shall not be subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund or real estate SICAF. The income of the real estate fund or real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains realised by a Warrantholder that is an Italian pension fund (subject to the regime provided for by article 17 of the Decree No. 252) will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains in respect of Warrants realised upon sale, transfer or redemption by Italian pension fund may be excluded from the taxable base of the Pension Fund Tax if the Warrants are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100 - 114) of Law 232 and in Article 1 (211 – 215) of Law No. 145.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Warrants realised upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Warrants are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant Article 1 (100 – 114), of Law No. 232 and in Article 1 (211 – 215) of Law No. 145.

Capital gains realised by non-Italian resident Warrantholders are not subject to Italian taxation provided that the Warrants are held outside Italy or the capital gain derived from transaction executed in regulated market.

***Warrants not having 100% capital protection guaranteed by the Issuer***

In accordance with a different interpretation of the current legislation it is possible to consider the Warrants as "atypical securities" pursuant to Article 8 of Law Decree N° 512 of 30 September 1983. In this event any payment relating to the Warrants may be subject to a withholding tax, levied at the rate of 26 per cent.

The 26 per cent withholding tax is levied by any Italian resident entity which intervenes in the collection of payments on the Warrants or in their repurchase or transfers. In case the payments on the Warrants are not received through any aforementioned Italian resident entity, Italian resident individual Warrantholders are required to report the payments in their income tax return and subject them to a final withholding tax at 26 per cent. rate. Italian resident individual Warrantholders may elect instead to pay ordinary income tax at the progressive rates applicable to them in respect of the payments; if so, the Italian resident individual Warrantholders should generally benefit from a tax credit for any withholding tax possible applied outside Italy.

The 26 per cent. withholding tax does not apply to payments made to a non-Italian resident Warrantholder and to an Italian resident Warrantholder which is (i) a company (including Italian permanent establishments of foreign entities) or similar commercial entity, (ii) a commercial partnerships or (iii) a private or public institution carrying out commercial activities.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Warrants not falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) and qualify as *titoli atipici* ("atypical securities") pursuant to Article 5 of Law Decree No. 512 of 30 September 1983, if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of the Law No. 232 and in Article 1 (211 – 215) of Law No. 145.

### **Inheritance and Gift Tax**

The transfer of any valuable assets (including the Notes and the Warrants) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding EUR 1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding EUR 100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree;
- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding EUR 1,500,000.

Moreover, an anti-avoidance rule is provided by Law No. 383 of 18 October 2001 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains subject to the substitute tax (*imposta sostitutiva*) provided for by Decree No. 461 of 21 November 1997. In particular, if the donee sells the Notes for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

### **Stamp duty**

According to Article 13 par. 2-ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October, 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any Notes and/or Warrants which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed EUR14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes and/or the Warrants.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable on a pro-rata basis.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### **Wealth tax on financial assets deposited abroad**

According to Article 19 of Decree No. 201/2011, Italian resident individuals holding financial assets – including the Notes – outside of the Italian territory are required to pay a wealth tax at the rate of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year or – if no market value figure is available – on the nominal value or redemption value, or in the case the nominal or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes and/or the Warrants) held outside of the Italian territory.

### **Tax monitoring obligations**

Pursuant to Law Decree No. 167 of 28 June 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to (i) Notes and/or Warrants deposited for management with qualified Italian financial intermediaries, (ii) with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Notes and/or Warrants have been subject to tax by the same intermediaries or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a EUR 15,000 threshold throughout the year.

### **OTHER TAXATION MATTERS – NOTES AND WARRANTS**

#### **EU Taxation - Proposed Financial Transactions Tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes or Warrants (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes or Warrants where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes and Warrants are advised to seek their own professional advice in relation to the FTT.

#### **Withholding of U.S. tax on account of FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements (each an "**IGA**") with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes and Warrants, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes or Warrants, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes or Warrants, such withholding would not apply prior to the second anniversary of the date on which final regulations defining the term "foreign passthru payments" are published in the U.S. Federal Register, and Notes or Warrants treated as debt for U.S. federal income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining

"foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under "*Terms and Conditions of the Notes — Further Issues*") or Warrants (as described under "*Terms and Conditions of the Warrants — Further Issues*") that are not distinguishable from previously issued Notes or Warrants are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes or Warrants, including the Notes or Warrants offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes or Warrants. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes or Warrants, no person will be required to pay additional amounts as a result of the withholding.

## SECTION I.6 – GENERAL INFORMATION

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

1. The continuation of the Programme and the issue of Notes and Warrants under the Programme have been authorised by a resolution of the board of directors of the Issuer passed on 12 February 2019.
2. The Notes and Warrants have been accepted for clearance through Euroclear and Clearstream, Luxembourg, and may also be accepted for clearance through CREST. The appropriate International Securities Identification Number ("**ISIN**"), common code ("**Common Code**"), Valoren number ("**Valoren Number**"), Stock Exchange Daily Official List ("**SEDOL**") number and any other identifier and/or code (as applicable) in relation to the Notes and Warrants of each Series will be set out in the relevant Final Terms. The address of Euroclear Bank SA/NV is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream Banking, S.A. is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Euroclear UK and Ireland Limited is Watling House, 33 Cannon St, London EC4M 5SB, United Kingdom.
3. Settlement arrangements will be agreed between the Issuer, the relevant Dealer(s) or Manager(s), the Registrar or Warrant Registrar, and the Principal Paying Agent or Principal Warrant Agent, as applicable.
4. In relation to the Issuer, any transfer of, or payment in respect of, a Note, Warrant or Coupon involving (i) any person or body, or the government of any country, who or which is at the relevant time the subject of United Nations, European Union, United Kingdom or United States sanctions or other similar measures implemented or effective in the United Kingdom, (ii) any person or body resident in, incorporated in or constituted under the laws of, or carrying on a business in, any such country or exercising public functions in any such country, or (iii) any person or body owned or controlled by any of the foregoing or by any person acting on behalf of the foregoing, may be subject to restrictions and may be the target of any such sanctions or other similar measures.
5. Generally, any notice, document or information to be sent or supplied by the Issuer to its shareholder(s) may be sent or supplied in accordance with the Companies Act 2006 (the "**Act**") (whether authorised or required to be sent or supplied by the Act or otherwise) in hard copy form or in electronic form. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Issuer is unable effectively to convene a general meeting by notices sent through the post, subject to the Act, a general meeting may be convened by a notice advertised in at least one United Kingdom national newspaper. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the advertisement first appears. In any such case the Issuer shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
6. Notices to the Noteholders or Warranholders are made in accordance with the Conditions of the relevant Notes or Warrants, as applicable.
7. In relation to each Tranche of Notes, the indication of yield (if any) referred to in the relevant Final Terms will be calculated at the Issue Date of such Tranche on the basis of the Issue Price of such Tranche. It is not an indication of future yield.
8. Any tranche of Notes or Warrants intended to be admitted to listing on the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin will be so admitted to listing and trading upon submission to the Central Bank of Ireland and Euronext Dublin of the relevant Final Terms and any other information required by the Central Bank of Ireland and/or Euronext Dublin, subject in each case to the issue of the relevant Notes or Warrants (as the case may be). Prior to listing and admittance to trading of Notes or Warrants (as the case may be), dealings will be permitted by Euronext Dublin in accordance with its rules. Transactions will normally be effected for delivery on the second working day in Dublin after the date of the transaction.

9. Application may be made for a listing of Notes or Warrants on Borsa Italiana S.p.A. and admission to trading on the Electronic Bond Market, being the regulated market of the Borsa Italiana S.p.A. ("MOT").
10. There has been no significant change in the financial position of the Issuer and its subsidiaries nor any material adverse change in the prospects of the Issuer since 31 December 2018.
11. Save as disclosed in Note 25 "Provisions" on pages 142 to 143, and Note 32 "Legal proceedings and regulatory matters" on pages 151 to 154, of the 2018 Annual Report and Accounts (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12-month period before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.
12. The Issuer may pay to distributors (which may include affiliates of the Issuer) of Notes or Warrants issued under this Base Prospectus commissions or fees (including in the form of a discount to the issue price of such Notes or purchase price of such Warrants). Such commissions, fees or discounts will be as such parties may agree from time to time.
13. The Legal Entity Identifier ("LEI") code of the Issuer is: MP6I5ZYZBEU3UXPYFY54.
14. As at the date of this Base Prospectus, details of the administrator(s) of the following benchmarks appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of the Benchmarks Regulation:

Benchmark	Administrator Full Name
LIBOR	ICE Benchmark Administration Limited
FTSE® 100 INDEX Russell 2000 Index	FTSE International Limited
MSCI INDICES	MSCI Limited
Dow Jones Industrial Averages Index KOSPI 200 Index S&P 500 Index TOPIX Index	S&P Dow Jones Indices LLC
CAC-40 INDEX	Euronext Paris

15. Simon Kingsbury, with effect from 14 June 2019, stepped down from the Issuer's Executive Committee. Marcus Wogart was appointed a member of the Issuer's Executive Committee on an interim basis. Marcus' functions in relation to the Issuer's Executive Committee and his principal outside activities of significance to the Issuer are as follows:

Name	Function	Other principal activities outside the Bank
M Wogart	Global Head of Retail Banking & Wealth Management Financial Crime Compliance (FCC) and FCC Framework, and, subject to regulatory approval, interim HSBC Bank plc Money Laundering Reporting Officer	-

There are no existing or potential conflicts of interest between any duties owed to the Issuer by the above-named individual and the private interests and/or external duties owed by such individual.





## PART II – INFORMATION RELATING TO THE NOTES

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

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

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

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

In this sub-section (1), the various types of amounts which may be payable under a Note are described. Some amounts payable under a Note require the performance of indices to be ascertained. In sub-section (2) below, the various processes used in ascertaining the performance of indices are described.

#### *Amounts payable on redemption*

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

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

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

Further details and explanations of the above redemption provisions and the various Final Redemption Amounts which may be payable depending on which of the above redemption provisions is specified in the relevant Final Terms are set out in sub-section (3) below, together with some worked examples illustrating how the calculations of such amounts.

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

#### *Other amounts which may be payable*

The Final Terms relating to a Note issued may specify that "**Fixed Rate Note provisions**" or "**Floating Rate Note provisions**" are applicable. If this is the case, an investor will receive on certain specified dates interest payments (each, an "**Interest Amount**"), which will be calculated either by reference to a fixed rate of interest or a floating rate of interest, respectively. Details of the how Interest Amounts are calculated

are set out in sub-section (5(a) and (b)) below, together with some worked examples illustrating how the calculations are made in practice.

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

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

<b>If the Final Terms specify that the following is applicable...</b>	<b>... an explanation and worked example in this Base Prospectus may be found at:</b>
<b>Amounts payable on redemption</b>	
<i>Final Redemption Amount</i>	Page 82
Booster Redemption	Pages 82 to 84
Airbag Redemption	Pages 84 to 86
Autocallable Redemption	Pages 86 to 88
Reverse Convertible Redemption	Pages 88 to 89
100% Protected Growth Redemption	Pages 90 to 91
100% Protected Capped Growth Redemption	Pages 91 to 93
Partially Protected Growth Redemption	Pages 93 to 95
Partially Protected Capped Growth Redemption	Pages 95 to 97
Digital Redemption	Pages 97 to 98
<i>Automatic Early Redemption Amount</i>	Pages 98 to 100
<b>Other amounts that may be payable</b>	
<i>Interest Amounts and Coupon Trigger Event</i>	Page 100
Fixed Rate Note provisions	Pages 100 to 101
Floating Rate Note provisions	Pages 101 to 103
Coupon Trigger Event	Pages 103 to 104

(2) ***Ascertaining the performance of the Indices***

Each Final Redemption Amount, Automatic Early Redemption Amount and Coupon Trigger Amount which may be payable in respect of a Note is linked to the performance of the Index or basket of Indices to

which the Note is linked. Details of how to ascertain the performance of an Index or a basket of Indices are set out below, together with worked examples illustrating how the calculations made in practice.

(a) *The value of the Indices*

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

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

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

Averaging Dates:	are not specified in the relevant Final Terms	Final Index Level  (see page 79)
Averaging Dates:	are specified in the relevant Final Terms	Average Index Level  (see page 79)

Details of each valuation method are set out below.

*Final Index Level valuation method*

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

**Final Index Level worked example:**

*The hypothetical scenario*

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

- An investor purchases a Note linked to the FTSE®100 Index.
- No Averaging Dates are specified in the Final Terms.
- The Valuation Date specified in the Final Terms is 30 June 2021.
- The Valuation Time specified in the Final Terms is 5.00 p.m. (London time).
- The level of the FTSE®100 Index on 30 June 2021 at 5.00 p.m. (London time) is 6,000.

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

In order to determine the Final Index Level, the Calculation Agent will obtain the level of the FTSE®100 Index on 30 June 2021 at 5.00 pm (London time). In this case, the Final Index Level will be 6,000.

*Average Index Level valuation method*

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

**Average Index Level worked example:**

*The hypothetical scenario*

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

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

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

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

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

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

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

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

*The hypothetical scenario*

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

- An investor purchases a Note linked to an equally weighted basket consisting of the FTSE®100 Index and the S&P 500® Index.
- The initial index level of the FTSE®100 Index is 6,100.
- The initial index level of the S&P 500® Index is 2,300.
- The Valuation Date specified in the Final Terms is 30 June 2021.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time) in respect of the FTSE®100 Index and 5.00 pm (New York time) in respect of the S&P 500® Index.
- The level of the FTSE®100 Index on 30 June 2021 at 5.00 pm (London time) is 6,500.
- The level of the S&P 500® Index on 30 June 2021 at 5.00 pm (New York time) is 2,100.

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

In order to calculate the performance of each Index, the Calculation Agent will in respect of each Index divide the level of such Index determined on the Valuation Date at the Valuation Time by the initial

index level of such Index. In respect of the FTSE®100 Index the performance is  $6,500 / 6,100 = 1.0656$  and when expressed as a percentage 106.56%. In respect of the S&P 500® Index the performance is  $2,100 / 2,300 = 0.9130$  and when expressed as a percentage 91.30%.

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

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

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

First, the Calculation Agent will calculate the Average Index Level in respect of each constituent Index in the basket. The process for this is described in paragraph titled "*Average Index Level valuation method*" on page 82 of this Base Prospectus.

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

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

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

*The hypothetical scenario*

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

- An investor purchases a Note linked to a weighted basket of indices comprised of the FTSE®100 Index, the Hang Seng Index and the S&P 500® Index.
- The weightings of each Index specified in the relevant Final Terms is as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) *Booster Redemption*

*Overview of Booster Redemption*

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

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

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

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

*Calculation of the Final Redemption Amount*

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

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

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

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

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

**Booster Redemption worked example:**

*The hypothetical scenario*

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

- An investor purchases a Note denominated in GBP linked to the FTSE®100 Index which specifies Booster Redemption and has a term of 6 years.



- The calculation amount of the Note is GBP 100.
- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 6,400.
- The Relevant Level of the FTSE®100 Index is 6,450, as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Participation is 200%.
- The Cap is 60%.
- The Barrier Level is 50%

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

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

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

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

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

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

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

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

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

- The Relevant Final Performance less 100% (101.47% less 100% is equal to 1.47%) is greater than 0, and so 1.47% is used in the second part of the formula.
- The Participation (200%) multiplied by 1.47% equals 2.94%, which is less than the Cap (60%) and so 2.94% is used in the first part of the formula rather than 60%.

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

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

The Final Redemption Amount per Note will be:

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

(b) ***Airbag Redemption***

***Overview of Airbag Redemption***

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

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

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

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

*Calculation of the Final Redemption Amount*

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

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

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

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

**Airbag Redemption worked example:**

*The hypothetical scenario*

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

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

- The Barrier Level is 100%.

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

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

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

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

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

The Final Redemption Amount per Note will be:

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

(c) ***Autocallable Redemption***

*Overview of Autocallable Redemption*

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

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

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

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

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

- the redemption rate specified.

*Calculation of the Final Redemption Amount*

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

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

**Autocallable Redemption worked example:**

*The hypothetical scenario*

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

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

- The Final Trigger Level is 85%.

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

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

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

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

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

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

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

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

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

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

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

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

***Overview of Reverse Convertible Redemption***

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

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

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

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

- the performance of the Index or the performance of each constituent Index in the basket of Indices (as applicable);
- the barrier level specified;

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

*Calculation of the Final Redemption Amount*

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

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

**Reverse Convertible Redemption worked example:**

*The hypothetical scenario*

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

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

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

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

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

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

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

The Final Redemption Amount per Note will be:

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

(e) *100% Protected Growth Redemption*

*Overview of 100% Protected Growth Redemption*

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

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

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

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

*Calculation of the Final Redemption Amount*

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

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

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

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

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

*The hypothetical scenario*

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

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

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

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

(2) **Calculating the Formula**

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

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

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

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

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

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

(c) *Re-inserting the variable*

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

(3) **Final Redemption Amount**

The Final Redemption Amount per Note will be:

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

(f) *100% Protected Capped Growth Redemption*

*Overview of 100% Protected Capped Growth Redemption*

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

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

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

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

*Calculation of the Final Redemption Amount*

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

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



(B) if there has been a depreciation of the Index or basket of Indices, 0.

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

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

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

*The hypothetical scenario*

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

- An investor purchases a Note denominated in GBP linked to the Hang Seng Index and which specifies 100% Protected Capped Growth Redemption and a term of 5 years.
- The specified calculation amount of the Note is GBP 1,000.
- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 22,500.
- There are four Averaging Dates and the levels of the Index on these dates are 23,000, 20,000, 25,000 and 26,500.
- The Relevant Level of the Hang Seng Index is 23,625, as determined by the Calculation Agent using the "Average Index Level" valuation method.
- The Participation is 125%.
- The Cap (being a percentage that expresses the maximum appreciation of the Index or basket of Indices that will be considered when determining the Final Redemption Amount) is 10%.

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

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

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

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

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

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

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

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

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

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

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

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

The Final Redemption amount per Note will be

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

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

*Overview of Partially Protected Growth Redemption*

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

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

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

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

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

*Calculation of the Final Redemption Amount*

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

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

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

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

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

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

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

**Partially Protected Growth Redemption worked example:**

*The hypothetical scenario*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Final Redemption Amount per Note will be:

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

(h) ***Partially Protected Capped Growth Redemption***

*Overview of Partially Protected Capped Growth Redemption*

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

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

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

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

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

*Calculation of the Final Redemption Amount*

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

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled on redemption to:
  - (i) the specified calculation amount of the Note; *plus*

- (ii) an amount equal to the positive performance of the Index or basket of Indices multiplied by a factor, expressed as a percentage (the "**Participation**") and subject to a maximum of a "**Cap**".

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

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

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

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

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

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

*The hypothetical scenario*

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

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

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

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

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

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

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

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

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

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

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

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

The Final Redemption Amount per Note will be:

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

(i) ***Digital Redemption***

*Overview of Digital Redemption*

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

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

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

*Calculation of the Final Redemption Amount*

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

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

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

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

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

Indices which will be considered when determining the Final Redemption Amount (the "**Protection Level**").

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

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

**Digital Redemption worked example:**

*The hypothetical scenario*

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

- An investor purchases a Note denominated in GBP linked to the S&P 500® Index which specifies Digital Redemption and a term of 6 years
- The specified calculation amount of the Note is GBP 1,000.
- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 1,750.
- The Relevant Level of the S&P 500® Index is 2,000, as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Digital Amount is 3%.

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

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

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

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

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

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

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

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

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

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

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

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

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

- If on an Automatic Early Redemption Valuation Date, the Observation Index Level Performance of the Index or the Observation Index Level Performance of the worst performing Index in the basket of Indices, as applicable, is equal to or greater than a percentage specified in the relevant Final Terms as the "**Automatic Early Redemption Percentage**", the Note will be redeemed in whole for an amount equal to the principal amount of the Note multiplied by a percentage specified in the relevant Final Terms as the "**Automatic Early Redemption Rate**".
- If on an Automatic Early Redemption Valuation Date, the Observation Index Level Performance of the Index or the Observation Index Level Performance of the worst performing Index in the basket of Indices, as applicable, is less than the Automatic Early Redemption Percentage specified in the relevant Final Terms, the Note will not be redeemed at that time but will continue until the next Automatic Early Redemption Valuation Date (if any).

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

**Automatic Early Redemption Amount worked example:**

*The hypothetical scenario*

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

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

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

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

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

In this case, the Observation Index Level Performance relating to the FTSE®100 Index (102.99%) is less than the Observation Index Level Performance relating to the Euro STOXX 50® Index (104.35%) and therefore the worst performing Index is the FTSE®100 Index. The Observation Index Level Performance relating to the FTSE®100 Index (102.99%) is less than the Automatic Early Redemption Percentage (110%). Therefore, the Note will not be redeemed and will continue until the following



Automatic Early Redemption Valuation Date in respect of which the performance of the Indices will be determined in a similar manner.

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

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

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

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

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

**Fixed Rate Note worked example:**

*The hypothetical scenario*

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

- The Notes are issued on 15 June 2021.
- The Calculation Amount is EUR 1,000.
- The Notes are issued in the denominations of EUR 1,000 and EUR 5,000.
- The Interest Payment Dates are specified as being 15 January and 15 June in each year.
- The Fixed Coupon Amount is specified being EUR 8.75 per Calculation Amount.
- The term of the Notes is five years (and thus the Notes specify a "Maturity Date" of 15 June 2026).

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

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

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

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

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

then:

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

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

(b) *Interest Payments on Floating Rate Notes*

If "Floating Rate Note provisions" are specified as applicable in the relevant Final Terms, the Notes will bear interest at a Rate of Interest which is a variable percentage rate per annum or such other period as specified in the relevant Final Terms.

The Rate of Interest for Floating Rate Notes for a given Interest Period will be calculated by the Calculation Agent by reference either to:

- (i) where 'Screen Rate Determination' is specified as applicable in the relevant Final Terms, quotations provided electronically by banks in the "**Relevant Financial Centre**" specified in the relevant Final Terms; or
- (ii) where 'ISDA Determination' is specified as applicable in the relevant Final Terms, a notional interest rate on a swap transaction in the Settlement Currency and,

in either case, where specified in the relevant Final Terms, the addition of an additional percentage rate per annum (known as the "**Margin**").

Where "**Aggregate Outstanding Nominal Amount Rounding**" is not specified in the relevant Final Terms as being applicable, in order to calculate the Interest Amount payable per Note, the Calculation Agent will apply the Rate of Interest for such Interest Period to the Calculation Amount and multiply the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Settlement Currency. Where "**Aggregate Outstanding Nominal Amount Rounding**" is specified in the relevant Final Terms as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, in order to calculate the Interest Amount payable per Note, the Calculation Agent will apply the Rate of Interest for such Interest Period 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 multiply the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Settlement Currency.

Where '**Minimum Interest Rate**' is specified in the relevant Final Terms, the Rate of Interest will be restricted from falling below a fixed percentage level per annum (i.e. a so-called 'floor'). Where a '**Maximum Interest Rate**' is specified in the relevant Final Terms, the Rate of Interest will not exceed a fixed percentage level per annum (i.e. a so-called 'cap').

**Floating Rate Notes worked example:**

*The hypothetical scenario*

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

- The Notes are issued on 20 August 2020.
- The Settlement Currency is GBP.
- The Calculation Amount is GBP 1,000.
- The Maximum Rate of Interest is 5%.
- The Minimum Rate of Interest is 1.13%.
- Margin is specified as Not Applicable.
- Screen Rate Determination is Applicable and the following information is specified:
  - the Reference Rate is 3-month LIBOR;
  - the Interest Determination Date is on the first day of the relevant Interest Period;
  - the Relevant Screen Page is Reuters Page LIBOR01;
  - the Relevant Financial Centre is London;
  - the Relevant Time is 11 a.m.; and
  - the Relevant Currency is GBP.
- The Interest Commencement Date is 20 August 2020.
- The Interest Payment Dates are 20 August in each year.
- The term of the Notes is five years (and thus the Notes specify a Maturity Date of 20 August 2025).
- The Day Count Fraction is Actual/365 (Fixed).

(1) ***What is the interest amount payable on each Note on a particular Interest Payment Date?***

First, the Calculation Agent calculates the Rate of Interest that applies to the Interest Period ending on such Interest Payment Date (say, 20 August 2021).

As Screen Rate Determination is applicable to the Notes, the Calculation Agent does this by determining what rate is specified as 3-month LIBOR (the Reference Rate) for GBP (the Relevant Currency) which appears on Reuters Page LIBOR01 (the Relevant Screen Page) as of 11 a.m. (the Relevant Time) on 20 August 2020 (being the first day of the first Interest Period (i.e. the Interest Determination Date)).

It is assumed that the Calculation Agent determines that such rate is 2% per annum.

As Margin is specified as being Not Applicable to the Notes, the Rate of Interest for this Interest Period will therefore be 2% per annum. (Conversely, if Margin was applicable, then the Rate of Interest would be the sum of 2% and the percentage rate specified as the Margin.)

Secondly, the Calculation Agent calculates the Interest Amount payable in respect of such Interest Period as follows:

- (i) The Calculation Agent determines the Day Count Fraction applicable to the Interest Period. As the specified Day Count Fraction is Actual/365 (Fixed), this will be equal to the result of dividing the actual number of days in the Interest Period by 365, as follows. For the avoidance of doubt, in a leap year the Day Count Fraction will be determined by referring to 366 as the number of days in the Interest Period and divided by 365.

$$\frac{365 \text{ (Number of days in the Interest Period)}}{365 \text{ (Day Count Fraction)}}$$

$$= 1$$

- (ii) The Calculation Agent then applies the Rate of Interest to the Calculation Amount:

$$2\% \times \text{GBP } 1,000$$

$$= \text{GBP } 20.00$$

and multiplies the result by the Day Count Fraction:

$$\text{GBP } 20.00 \times 1 = \text{GBP } 20.00$$

Accordingly, the Interest Amount payable in respect of a Note for this Interest Period will be GBP 20.00.

- (2) ***What if the rate determined by the Calculation Agent is less than the Minimum Interest Rate or more than the Maximum Interest Rate?***

If the rate determined by the Calculation Agent after adding any applicable Margin is less than 1.13% or more than 5%, then the Rate of Interest will be the Minimum Interest Rate or, as the case may be, the Maximum Interest Rate as specified in the relevant Final Terms.

Accordingly, if, for example, the Rate of Interest so calculated would have been 0.5%, then; as the Minimum Interest Rate is specified as 1.13%, then the Rate of Interest will actually be 1.13%. As applied to the above example, if 2% were replaced by 1.13%, the Interest Amount payable would be GBP 11.30 per Note.

(c) *Coupon Trigger Event*

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

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

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

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

**Coupon Trigger Amount worked example:**

*The hypothetical scenario*

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

- An investor purchases a Note denominated in GBP linked to the FTSE®100 Index which specifies Coupon Trigger Event as being applicable in the relevant Final Terms.
- The principal amount of the Note is GBP 100.
- The initial index level set out in the relevant Final Terms against which the Index will be measured is 6,200.
- There are five Averaging Dates set out in the relevant Final Terms on which the Calculation Agent will determine the relevant levels for the purposes of calculating the Observation Index Level. "Omission" is specified in the relevant Final Terms as being applicable.
- For the first Coupon Trigger Valuation Date, the levels determined by the Calculation Agent on the first, second, fourth and fifth Averaging Dates, at the specified time, are 6,560, 6,570, 6,450 and 6,940. On the third Averaging Date, no level could be determined as the FTSE®100 Index failed to open for trading during its regular trading session.
- The Coupon Trigger Level set out in the relevant Final Terms is 105%.
- The Coupon Trigger Rate in respect of the first Coupon Trigger Valuation Date is 5%.

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

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

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

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

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

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

The Coupon Trigger Amount per Note will be:

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

**Please note: The worked examples provided in this "Section II.1 – Description of the Notes" are produced for illustrative purposes only.** The analysis is based on simplifying assumptions and hypothetical figures, and does not reflect a complete analysis of all possible gain and loss scenarios that

may arise under any actual investment in the Notes. No representation or warranty is made by the Issuer or any of its affiliates that any scenario shown above can be duplicated under any actual investment in the Notes. Actual results may vary from the results shown above, and variations may be material. The market-to-market value of the Notes can fluctuate either upward or downward due to changes in prevailing market conditions. Accordingly, if an investment in the Notes is unwound, repurchased or otherwise redeemed whether at or prior to its stated maturity, investors in such Notes may receive less than the purchase price of the Notes and therefore sustain a loss which in a worst case scenario may be equal to their invested amount.

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

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

Notes may, subject to all applicable legal and regulatory requirements, be issued in Tranches or Series comprising either Bearer Notes, Registered Notes or Uncertificated Registered Notes as specified in the relevant Final Terms. The summary that follows is only in relation to Bearer Notes and Registered Notes.

### **Bearer Notes**

Bearer Notes will be issued in classic global note form.

Bearer Notes treated as issued in bearer form for U.S. federal income tax purposes will be issued in accordance with the provisions of United States Treasury Regulations 1.163-5(c)(1)(ii) and 1.163-5(c)(2)(i)(D) ("**TEFRA D**", which definition shall include any successor rules in substantially the same form as TEFRA D for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended), unless the relevant Final Terms provides that such Notes will be issued in accordance with the provisions of United States Treasury Regulations 1.163-5(c)(1)(ii) and 1.163-5(c)(2)(i)(C) ("**TEFRA C**", which definition shall include any successor rules in substantially the same form as TEFRA C for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended). Bearer Notes issued in accordance with TEFRA D will be represented upon issue by a temporary global note in bearer form without interest coupons (a "**Temporary Global Note**"). Bearer Notes issued in accordance with TEFRA C will be represented upon issue by a permanent global note in bearer form without interest coupons (a "**Permanent Global Note**") or by a Temporary Global Note. Each Temporary Global Note or, as the case may be, Permanent Global Note will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank SA/NV as operator for Euroclear and/or Clearstream, Luxembourg ("**Common Depository**"). Beneficial interests in a Temporary Global Note issued in accordance with TEFRA C will be exchangeable at any time and without any requirement for certification for Bearer Notes in definitive form ("**Definitive Bearer Notes**"), in accordance with the terms of such Temporary Global Note and as specified in the relevant Final Terms. Interests in a Temporary Global Note issued in accordance with TEFRA D will be exchangeable either for Definitive Bearer Notes or for interests in a Permanent Global Note, on or after the date which is 40 days after the date on which such Temporary Global Note is issued and upon certification as to non-U.S. beneficial ownership thereof or otherwise as required by U.S. Treasury Regulations, in accordance with the terms of such Temporary Global Note and as specified in the relevant Final Terms.

For the purposes of complying with TEFRA D, Bearer Notes may not be offered or sold to a United States person. "**United States person**" means any person who is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organised under the laws of the United States or any political subdivision thereof or therein or (iii) an estate or trust the income of which is subject to United States taxation regardless of its source.

The forms of Temporary Global Note and Permanent Global Note (each, a "**Global Note**") will contain provisions applicable to the Notes represented thereby, some of which may modify the effect of the Conditions of the Notes. Certain of these are summarised in this section.

All payments, if any, in respect of Bearer Notes when represented by a Temporary Global Note or Permanent Global Note will be made against presentation and surrender or, as the case may be, presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents. On each occasion on which a payment is so made, the Issuer shall procure that, record of such payment is noted on a schedule to the relevant Global Note and the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

In respect of Bearer Notes represented by Global Notes, each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in a Global Note (each, an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective

rules and procedures of Euroclear and Clearstream, Luxembourg from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes.

The records of the relevant clearing systems which reflect the amount of Noteholders' interests in the Notes shall be conclusive evidence of the nominal amount of Notes represented by the Global Notes.

An exchange of a Temporary Global Note for Definitive Notes or, as the case may be, a Permanent Global Note will be made only on or after the Exchange Date (as set out in the relevant Final Terms) and provided certification as to the beneficial ownership thereof as required by the U.S. Treasury Regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depository) has been received.

The bearer of any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole or in part) for a Permanent Global Note or for delivery of Definitive Notes, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

If any date on which a payment of principal or interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by a Temporary Global Note, the related principal or interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by the U.S. Treasury Regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depository) has been received by Euroclear or Clearstream, Luxembourg. Payments of amounts due in respect of a Permanent Global Note will be made through any of Euroclear or Clearstream, Luxembourg without any requirement for certification.

Interests in a Permanent Global Note will be exchanged, at the cost and expense of the Issuer, by the Issuer in whole, for Definitive Notes (a) at the option of the holder of such Permanent Global Note, for Definitive Notes, if the Notes of the relevant Series become immediately repayable in accordance with Condition 9 (*Events of Default*), or (b) if any of Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so, or (c) at the option of the Issuer: (i) unless otherwise provided in the Final Terms, if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Notes in definitive form or (ii) where the Issuer or any Paying Agent, by reason of any change in, or amendment to, the laws of the United Kingdom, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if the Notes were in definitive form.

Where a Permanent Global Note is exchangeable for Definitive Notes, then such Notes shall be tradeable only in principal amounts of at least the denomination of the Notes (or if there is more than one denomination, the lowest denomination).

The Issuer may, at any time in writing, waive or limit its right to exchange a Permanent Global Note for Definitive Notes in the circumstances described above, where the Issuer at its sole discretion considers such limitation or waiver to be desirable in respect of a particular Series of Notes.

Definitive Bearer Notes will, if interest-bearing and if so specified in the relevant Final Terms, have Coupons and, if applicable, a talon for further Coupons attached. All Definitive Bearer Notes will, if the principal thereof is repayable by instalments, have endorsed thereon a grid for recording the payment of principal.

Following redenomination of the Notes pursuant to Condition 8 (*Redenomination*):

- (i) if Notes are required to be issued in definitive form, they shall be issued at the expense of the Issuer in the denominations of euro 0.01, euro 1,000, euro 10,000, euro 100,000 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders; and



- (ii) the amount of interest due in respect of Notes represented by the Temporary Global Note and the Permanent Global Note will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest euro 0.01.

All notices to the Holders of Notes or the Coupons appertaining thereto will be valid, in the case of Notes in global form, if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein; **provided that**, in each case, in the case of Notes that have been admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, the rules of such listing authority, stock exchange and/or quotation system have been complied with. Any such notice shall be deemed to have been given on the date of such delivery or, if the Notes are admitted to listing, trading and/or quotation and publication is required under the applicable rules of the relevant listing authority, stock exchange and/or quotation system, on the date of publication or, if published more than once, on the date of the first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

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

### **Registered Notes**

Registered Notes will be issued under the classic safekeeping structure.

In the case of Registered Notes, the relevant Final Terms may specify that the Notes will be issued in global form ("**Global Registered Notes**") held in specified clearing systems, as described below, or in definitive form ("**Definitive Registered Notes**").

### **Regulation S Global Registered Notes**

In the case of a Series or Tranche of Registered Notes offered and sold solely outside the United States (as defined in Regulation S) in reliance on Regulation S to non-U.S. persons, such Series or Tranche of Registered Notes may be represented by a Global Registered Note without interest coupons (a "**Regulation S Global Registered Note**"), which will be deposited on or about the issue date for the relevant Tranche with, and registered in the name of the Common Depositary (or its nominee). Interests in any Regulation S Global Registered Note will be exchangeable (in circumstances described below under "*Exchange and Transfer of Global Registered Notes for Definitive Registered Notes*") for Definitive Registered Notes ("**Regulation S Definitive Registered Notes**").

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

### **Owner of Global Registered Notes and Payments**

Subject to certain provisions of the Issuing and Paying Agency Agreement relating to directions, sanctions and consents of Holders of Registered Notes and to meetings of Holders of Notes, so long as Euroclear, Clearstream, Luxembourg, or the nominee of their Common Depositary is the registered owner or holder of a Global Registered Note, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Registered Note for all purposes under the Issuing and Paying Agency Agreement and the Notes. Payments of principal, interest and additional amounts, if any, pursuant to Condition 7 (*Payments*), on Global Registered Notes will be made to Euroclear, Clearstream, Luxembourg or such nominee thereof, or common service provider acting as agent for Euroclear and Clearstream, Luxembourg, as the case may be, or the registered holder thereof. None of the Issuer, the Registrar, or any Paying Agent or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Each such payment in respect of a Global Registered Note will be made to the person shown as the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the Register at the close of business (in the relevant clearing system) on the business day on which each clearing system for which the Global Registered Note is being held is open for business which is the business day of each such clearing system before the due date for such payment.

### **Exchange and Transfer of Global Registered Notes for Definitive Registered Notes**

Beneficial interests in a Regulation S Global Registered Note will be exchangeable, in whole but not in part, for Regulation S Definitive Registered Notes: (i) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or in fact does so; (ii) the Issuer, at its option, elects to terminate the book-entry system through Euroclear and Clearstream, Luxembourg; (iii) the Notes become immediately repayable in accordance with Condition 9 (*Events of Default*); (iv) unless otherwise provided in the Final Terms, at the option of the Issuer, if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Notes in definitive form; or (v) if the Issuer so elects, where the Issuer or Paying Agent, by reason of any change in, or amendments to, the laws of the United Kingdom, is or will be required to make any deduction or withholding from any payment under the Notes which will not be required if such Notes were in definitive form.

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

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

The Registrar will not register the transfer of or exchange of interests in a Global Registered Note for Definitive Registered Notes for a period of 15 calendar days preceding the due date for any payment in respect of the Notes.

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

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

### General

- (1) The Dealer has, in a Master Note Issuance Agreement, agreed with the Issuer a basis upon which it may from time to time agree either as principal or agent of the Issuer to subscribe for or purchase, to underwrite or, as the case may be, to procure subscribers or purchasers for Notes. When entering into any such agreement to subscribe for or purchase, to underwrite, or as the case may be, to procure subscribers for or purchasers for any particular Series of Notes, the Issuer and the relevant Dealer(s) will agree details relating to the form of such Notes and the Conditions relating to such Notes, the price at which such Notes will be purchased by the relevant Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription or purchase. The Master Note Issuance Agreement contains provisions for the Issuer to appoint other Dealers from time to time either generally in respect of the Programme or in relation to a particular Tranche of Notes.
- (2) No action has been or will be taken in any country or jurisdiction by the Issuer or the relevant Dealer(s) that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required other than in the United Kingdom. Persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the relevant Dealer(s) to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute this Base Prospectus or any Final Terms or related offering material, in all cases at their own expense.

### Dubai International Financial Centre

The Notes have not been and may not be offered to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

### European Economic Area

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

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"); and

- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

#### ***Public Offer Selling Restriction Under the Prospectus Directive***

In relation to any Notes if the Final Terms in respect of such Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State may not be made except that, with effect from and including the Relevant Implementation Date, an offer of such Notes to the public in that Relevant Member State may be made:

- (a) *Approved prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus which is not a drawdown prospectus has subsequently been completed by the Final Terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

**provided that** no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision only, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measures implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended or superseded) and includes any relevant implementing measure in the Relevant Member State.

#### ***Selling Restrictions Addressing Additional Belgian Securities Laws***

This Base Prospectus has not been submitted for approval to the Belgian Financial Services and Markets Authority. Accordingly, Notes that have a maturity of less than 12 months and qualify as money market instruments (and that therefore fall outside the scope of the Prospectus Directive) may not be distributed in Belgium by way of a public offering, as defined for the purposes of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets.

### ***Selling Restrictions Addressing Additional French Securities Laws***

(a) *Offer to the public in France:*

An offer of Notes to the public in France and the distribution or causing to be distributed to the public in France of this Base Prospectus, any relevant Final Terms or any other offering material relating to the offer of Notes, will only be made in the period beginning on the date of publication of this Base Prospectus which has been approved by the competent authority of a Member State of the EEA and notified to the *Autorité des marchés financiers* ("AMF") in France, and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, or

(b) *Private placement in France:*

Notes may not be offered or sold, directly or indirectly, to the public in France, nor may this Base Prospectus, any relevant Final Terms or any other offering material relating to the offer of Notes be distributed or caused to be distributed to the public in France, and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

### ***Selling Restrictions Addressing Additional Republic of Italy Securities Laws***

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, and no copies of this Base Prospectus and any other document relating to the Notes may be distributed in the Republic of Italy except:

- (1) to "**qualified investors**", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**"), and defined in article 34-ter, paragraph 1, letter (b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**");
- (2) that Notes may be offered, sold or delivered or copies of any prospectus relating to such Notes may be distributed in an offer to the public in the period commencing on the date of publication of such prospectus, **provided that** such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive and Directive 2010/73/EU, as implemented in Italy under Decree No. 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; and
- (3) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2015, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

*Provisions relating to the secondary market in Italy*

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy (with a minimum denomination lower than EUR100,000 (or its equivalent in another currency)), Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

***Selling Restrictions Addressing Additional Netherlands Securities Laws***

*Compliance with Dutch Savings Certificates Act:* Zero Coupon Instruments (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Instruments in global form, or (b) in respect of the initial issue of Zero Coupon Instruments in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Instruments in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Instruments within, from or into The Netherlands if all Zero Coupon Instruments (either in definitive form or as rights representing an interest in a Zero Coupon Instruments in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein, "**Zero Coupon Instruments**" are instruments that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

***Selling Restrictions Addressing Additional Norway Securities Laws***

Notes denominated in Norwegian Krone (NOK) may not be offered or sold, directly or indirectly within the Kingdom of Norway or to or for the benefit of Norwegian purchasers. Each purchaser of Notes denominated in Norwegian Krone (NOK) will be deemed to have acknowledged, represented and agreed that such Notes may not be offered or resold within the Kingdom of Norway or to or for the benefit of Norwegian purchasers.

***Selling Restrictions Addressing Additional Kingdom of Spain Securities Laws***

Notes may not be offered, sold or distributed in the Kingdom of Spain save in accordance with the requirements of the consolidated text of the Securities Market Law approved by legislative Royal Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the "**Securities Market Law**"), and Royal Decree 1310/2005, of 4 November 2005, partially developing Law 24/1988, of 28 July, on the Securities Market in connection with listing of securities in secondary official markets, initial public offerings, rights issues and the prospectus required for such purposes (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), as amended and restated, and the decrees and regulations made thereunder and by institutions authorised under the Securities Market Law and Royal Decree 217/2008, of 15 February, on the legal regime applicable to investment services companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión y por el que se modifica parcialmente el Reglamento de la Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva, aprobado por el Real Decreto 1309/2005, de 4 de noviembre*), as amended and restated, to provide investment services in Spain.

***Selling Restrictions Addressing Additional United Kingdom Securities Laws***

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) may only be communicated or caused to be communicated in connection with the issue or sale of

Notes in circumstances in which Section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer.

All applicable provisions of the FSMA must be complied with in respect of anything done in connection with the Notes in, from or otherwise involving the United Kingdom.

### **Guernsey**

The Notes may only be offered or sold in, or from within the Bailiwick of Guernsey either (i) to or by persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended or (ii) to persons licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 as amended, or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002 as amended or (iv) to persons licensed under the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 as amended or (v) to licensees under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 as amended.

This Base Prospectus has not been registered with the Guernsey Financial Services Commission and it is not intended that this Base Prospectus will be registered with the Guernsey Financial Services Commission under the Prospectus Rules 2018, on the basis that an offer will be in respect of Notes to be listed on Euronext Dublin.

Where the Notes are not to be so listed and traded, the offer will not be made to the public in Guernsey. Therefore, the number of persons in Guernsey to whom an offer for Notes that are not listed on Euronext Dublin is so communicated must not exceed fifty.

### **Hong Kong**

Notes (except for Notes which are a "**structured product**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) may not be offered or sold in Hong Kong by means of any document other than (a) to "**professional investors**" as defined in SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO).

No advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) may be issued or held in the possession of the Issuer or any Dealer or any other offeror nominated by the Issuer for the purpose of such issue of Notes, whether in Hong Kong or elsewhere, other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made the SFO.

### **Isle of Man**

Each Dealer appointed under the Programme (other than the Issuer) will be required to represent and agree that it shall only offer or sell Notes in or from the Isle of Man if it holds an appropriate financial services licence issued by the Isle of Man Financial Services Authority (the "**FSA**") under section 7 of the Isle of Man Financial Services Act 2008 (the "**FS Act**") or, where it does not hold such a licence, it shall only offer or sell Notes to an "Isle of Man person" (within the meaning of the Isle of Man Regulated Activities Order 2011, as amended (the "**Order**")) where it is an "overseas person" (within the meaning of the Order) who is authorised to offer and sell the Notes by a regulator outside the Isle of Man and either (i) the offer or sale of the Notes is the direct result of an approach made to such Dealer by or on behalf of the Isle of Man person which has not been solicited by such Dealer (otherwise than by means of an advertisement which is neither targeted at Isle of Man persons nor disseminated by a medium which is targeted at Isle of Man persons); or (ii) the Isle of Man person: (A) holds a licence issued by the FSA under section 7 of the FS Act to carry on a regulated activity; or (B) is a person falling within exclusion 2(r) contained in Schedule 1 to the Order; or (C) is a person whose ordinary business activities involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of his business.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**"), and, accordingly, Notes may not be offered or sold,

directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Jersey**

No consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958 has been obtained in relation to the circulation in Jersey of any offer of Notes and any such offer must be addressed exclusively to a restricted circle of persons in Jersey. For these purposes an offer is not addressed exclusively to a restricted circle of persons unless (i) the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror's appointed agent, (ii) the members of that category are the only persons who may accept the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the offer and (iii) the number of persons in Jersey to whom the offer is so communicated does not exceed fifty.

### **Kingdom of Bahrain**

The Notes have not been and may not be offered or sold except on a private placement basis to persons in the Kingdom of Bahrain who are an "**accredited investor**".

For this purpose, an "**accredited investor**" means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more; or
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

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

#### ***PRC Underlying***

The Notes linked to Indices in respect of which the securities are PRC securities (for the purpose of this section, the "**PRC-Linked Notes**") may not be offered or sold in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, for the current purposes, the "**PRC**") directly or indirectly or offered or sold to any Domestic Investor, or to any person using funds to purchase the PRC-Linked Notes sourced from any Domestic Investor, where "**Domestic Investor**" means:

- (a) PRC Citizens resident in the PRC;
- (b) PRC Citizens resident outside the PRC who are not permanent residents of another country or permanent residents of Hong Kong, Macau or Taiwan; and
- (c) legal entities registered in the PRC.

"**PRC Citizens**" means any person holding a "Resident Identification Card" or other equivalent government issued identification of the PRC.

Notes may not be offered or sold, directly or indirectly, in the PRC, except as permitted by the securities laws of the PRC.

In respect of any Notes, this Base Prospectus or any information obtained by reference herein relating to the Notes does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC. This Base Prospectus, any information contained herein or the Notes have not been, or will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be



supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC. The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Notes or distribution of this Base Prospectus in the PRC.

### ***Other Notes***

In respect of Notes other than the PRC-Linked Notes, the Notes may only be invested in by the PRC investors that are authorised to engage in investing in the Notes of the type being offered or sold. Investors are responsible for obtaining all relevant government approvals, verifications, licenses or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/ or overseas investment regulations.

### **Peru**

The contents of this Base Prospectus and the Notes issued and traded hereunder, have not been reviewed nor authorised by the Capital Markets Superintendence (*Superintendencia del Mercado de Valores*, the "SMV") nor the Private Pension Funds, Banking and Insurance Superintendence (*Superintendencia de Banca, Seguros y AFP*, the "SBS"). Therefore, investors will not benefit from protection of any of the aforementioned regulatory authorities.

The Notes have not been and will not be registered with the Capital Markets Public Registry of the SMV nor the Lima Stock Exchange Registry ("RBVL") for their public offering in Peru under the Peruvian Capital Markets Law (Law N°861/ Supreme Decree N°093-2002) and the decrees and regulations thereunder.

Consequently, Notes may not be offered or sold, directly or indirectly, nor this Base Prospectus, any relevant Final Terms or any other offering material relating to the Notes be distributed or caused to be distributed to the general public in Peru, unless the offering or selling of Notes comply with the Private Offer Exemptions (as defined below).

"**Private Offer Exemptions**" means an offer of Notes, where no Mass-marketing is used, and made:

- (i) exclusively to institutional investors; or
- (ii) where the minimum investment amount is greater than or equal to S/. 499,908.25 (approximately USD 151,200.00) (either in a single transaction or in aggregate).

"**Mass-marketing**" means a marketing strategy utilising mass distribution and mass media to offer, negotiate or distribute securities to the whole market. Mass media includes newspapers, magazines, radio, television, mail, meetings, social network, internet servers located in Peru, and other media or technology platforms..

### **Russia**

The Notes have not been and will not be offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

### **Singapore**

This Base Prospectus has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore. The Notes may not be offered or sold, nor may the Notes be the subject of an invitation for subscription or purchase, whether directly or indirectly, nor may this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289

of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- 1. to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- 2. where no consideration is or will be given for the transfer;
- 3. where the transfer is by operation of law; or
- 4. as specified in Section 276(7) of the SFA

#### Switzerland

**The Notes do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"). Therefore, the Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA"), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.**

Neither this Base Prospectus nor any offering or marketing material relating to the Notes constitute a prospectus within the meaning of (i) Articles 652a or Article 1156 of the Swiss Federal Code of Obligations, (ii) Article 5 CISA and its implementing regulations or (iii) Article 21 of the Additional Rules for the Listing of Derivatives of SIX Swiss Exchange.

However, the Issuer reserves the right to set forth all information which is required to be disclosed in a simplified prospectus pursuant to Article 5 CISA in a separate document referred to as "Final Terms" and/or "Simplified Prospectus" (the "**Simplified Prospectus**") for Notes distributed (such term including any offering and advertising) to qualified investors according to Article 10 Paras. 3 to 4 CISA ("**Qualified Investors**") and/or investors other than Qualified Investors ("**Non-Qualified Investors**").

Except as described in this section, Notes constituting structured products within the meaning of Article 5 CISA ("**Structured Products**") may not be distributed to Non-Qualified Investors in or from Switzerland. They may only be distributed in or from Switzerland to Qualified Investors.

Any Notes constituting Structured Products which are intended to be distributed to Non-Qualified Investors in or from Switzerland may only be offered or advertised in accordance with the provisions of the CISA and its implementing regulations. In particular, Structured Products which are not listed on SIX Swiss Exchange ("**Unlisted Structured Products**") may only be distributed in or from Switzerland to Non-Qualified Investors if (i) they are issued, guaranteed or secured in an equivalent manner by (A) a Swiss bank, insurance company or securities dealer or (B) a foreign institution which is subject to equivalent standards of supervision and has a branch in Switzerland; and (ii) a Simplified Prospectus complying with Article 5 CISA, its implementing regulations and the Swiss Banking Guidelines on Informing Investors about Structured Products (as amended from time to time) is available. A provisional version of such Simplified Prospectus including indicative information must be made available free of charge to any

interested person prior to subscribing for the Notes or prior to concluding an agreement to subscribe for the Notes. The definitive version must be made available free of charge to any interested person on issue or on concluding an agreement to subscribe for the Notes.

Notes constituting Unlisted Structured Products which are not intended to be distributed to Non-Qualified Investors in or from Switzerland may only be distributed in or from Switzerland to Qualified Investors and any Final Terms, Simplified Prospectuses, term sheets, fact sheets, or any other marketing material of products which are to be sold exclusively to Qualified Investors may not be distributed, copied, published or otherwise made public or available for Non-Qualified Investors.

Notes issued under this Programme which do not qualify as Structured Products may be offered in Switzerland on a private placement basis only.

### **Taiwan**

Notes other than Taiwan-Linked Notes (which are dealt with below) shall not be distributed, offered or sold in Taiwan but may be made available to Taiwan investors outside Taiwan for purchase by such investors either directly or through such financial institutions as may be authorized under the laws of Taiwan and only pursuant to the relevant laws, regulations and self-regulatory guidelines as may be applicable to them.

In respect of Notes linked to Taiwanese Indices in respect of which the securities are Taiwanese securities (including those underlying an Index) (for the purpose of this section, the "**Taiwan-Linked Notes**"):

- (i) Taiwan-Linked Notes are not permitted to be offered or distributed in Taiwan.
- (ii) Taiwan-Linked Notes are not permitted to be sold to (i) a resident(s) of the People's Republic of China (excluding Hong Kong, Macau and Taiwan, for the current purpose, the "**PRC**") or an entity(ies) domiciled in the PRC ("**PRC Person**"), (ii) an entity(ies) other than a fund established outside the PRC (including such entity(ies) established in Hong Kong or Macau) that is controlled by a PRC Person(s), (iii) an entity(ies) other than a fund established outside the PRC (including such entity(ies) established in Hong Kong or Macau) which is more than thirty per cent. owned, directly or indirectly, by a PRC Person(s) or (iv) a fund established outside the PRC (including a fund established in Hong Kong or Macau) which fund is: (a) a publicly offered fund the management company of which is controlled or more than 30 per cent. owned, directly or indirectly, by PRC Persons and the investments in which from PRC Persons exceeds 30 per cent. of assets under management; or (b) a privately placed fund which is controlled or more than 30 per cent. owned, directly or indirectly, by PRC Persons.
- (iii) Taiwan-Linked Notes are not permitted to be sold to any holder utilising funds sourced from Taiwan or the PRC for the purposes of purchasing the Taiwan-Linked Notes.

### **United Arab Emirates (excluding the Dubai International Financial Centre)**

The Notes have not been and may not be offered, sold or publicly promoted or advertised in the United Arab Emirates (the "**UAE**") other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

### **United States of America**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Master Note Issuance Agreement:

- (1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Final Terms, (a) it will not offer, sell or deliver Notes at any time (whether as part of their distribution at any time or otherwise) within the United States or to, or for the account or benefit of, U.S. persons and (b) it will send to each dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons; and
- (2) otherwise, (a) it will not offer, sell or deliver Notes, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Series of which such Notes are a part, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons and (b) it will send to each dealer to which it sells Notes during the periods referred to in (a)(i) and (ii) above a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition:

- (1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Final Terms, an offer or sale of Notes at any time within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act; and
- (2) otherwise, until 40 days after the commencement of the offering of any Tranche of Notes, an offer or sale of Notes of such Tranche within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

### **Uruguay**

Neither the Notes nor the Issuer are registered with the Superintendency of Financial Services of the Central Bank of Uruguay allowing the Notes to be publicly offered in Uruguay, since the placement qualifies as a private placement under section 2 of Uruguayan law 18.627.

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

*The following are the terms and conditions of the Notes (the "Conditions") which apply to all Notes and which are completed by the relevant Final Terms for each issue of Notes. The Conditions will be endorsed on each Note in definitive form. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Form of Notes and Summary of Provisions Relating to the Notes While in Global Form".*

The Notes are issued by HSBC Bank plc (the "**Issuer**") pursuant to a programme for the issuance of notes and warrants (the "**Programme**") established by the Issuer, are constituted by, and have the benefit of, a deed of covenant dated on or about 31 May 2019 (the "**Deed of Covenant**"). The Notes also have the benefit of a master note issuance agreement dated 24 February 1999 as most recently amended and restated on or about 27 June 2019 (as further modified and/or amended from time to time, the "**Master Note Issuance Agreement**") and made between the Issuer, HSBC Bank plc and HSBC France as dealers (each a "**Dealer**" and together the "**Dealers**", which expression shall include any additional or successor Dealer) and The Hongkong and Shanghai Banking Corporation Limited (which entity shall not be a dealer for the purposes of the Notes), and an issuing and paying agency agreement dated 24 February 1999 as most recently amended and restated on or about 27 June 2019 (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 Final Terms, which expression includes any successor or other Calculation Agent appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms), HSBC Bank plc as transfer agent (HSBC Bank plc being the "**Transfer Agent**", which expression shall include any additional or successor or other Transfer Agent appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms), HSBC Bank plc as the principal paying agent (HSBC Bank plc being the "**Principal Paying Agent**", which expression shall include any additional or successor or other Principal Paying Agent appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms and, together with any additional paying agent appointed pursuant to the Issuing and Paying Agency Agreement or the Computershare Agency Agreement (as defined below), as specified in the relevant Final Terms, the "**Paying Agents**"), HSBC Bank plc as issue agent (HSBC Bank plc being the "**Issue Agent**", which expression shall include any additional or successor or other Issue Agent appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms), HSBC Bank plc as registrar (HSBC Bank plc being the "**Registrar**", which expression shall include any additional or successor or other Registrar appointed pursuant to the Issuing and Paying Agency Agreement, as specified in the relevant Final Terms) and the other parties specified therein.

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

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

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

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

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

## 1. Definitions

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

**"Administrator/Benchmark Event"** means, in respect of any Series of Notes and a Relevant Benchmark, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, 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, all as determined by the Issuer;

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

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

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

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

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

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

- (i) the rate of exchange between the Settlement Currency and Alternative Payment Currency (expressed as the number of units of Alternative Payment Currency per one unit of Settlement Currency or as the number of units of Settlement Currency per one unit of Alternative Payment Currency (as applicable)) as published on the Alternative Payment Currency Fixing Page at or around the Alternative Payment Currency Fixing Time on the Alternative Payment Currency Fixing Date and as observed by the Calculation Agent;
- (ii) if Cross Currency Exchange Rate is specified as applicable in the relevant Final Terms, the rate of exchange determined in accordance with, or derived from the Alternative Payment Cross Currency Rate and the Settlement Currency Exchange Rate, as determined in good faith and in a commercially reasonable manner by the Calculation Agent; or
- (iii) such other rate as may be specified in the relevant Final Terms.

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, the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in accordance with sub-paragraphs (i) or (ii), as applicable, of Condition 7(f)

(*Payments - Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Final Terms, in its discretion, acting in good faith;

**"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 the fifth day (or such other number of days specified in the relevant Final Terms) prior to the relevant Interest Payment Date, Maturity Date or other date on which the relevant payment falls due (as appropriate). For the purposes of this definition, "**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 Final Terms, or if no such jurisdiction or place is specified in the relevant Final Terms, the Settlement Currency Jurisdiction, the Alternative Payment Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Final Terms, the Cross Currency Jurisdiction;

**"Alternative Payment Currency Fixing Page"** means the Reuters or other screen page specified as such in the relevant Final Terms or any successor page thereof;

**"Alternative Payment Currency Fixing Time"** means the time and place specified as such in the relevant Final Terms or, such other time and place as the Calculation Agent determines in the case of a successor page to the Alternative Payment Currency Fixing Page specified in the relevant Final Terms;

**"Alternative Payment Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Final Terms;

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

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

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

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

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

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

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

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

comprising the Index Basket, the Automatic Early Redemption Valuation Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

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

**"Averaging Date"** means:

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

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

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

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

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

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

**"BBR"** means, in respect of any Relevant Currency and any specified period, the rate for bills of exchange denominated in such Relevant Currency and having a tenor equal to such specified period;

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

**"Business Day"** means:

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



in the principal financial centre of the Settlement Currency (as applicable) 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 Final Terms (which shall be one of the following expressions) and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Amount"** means the amount in the Settlement Currency specified as such in the relevant Final Terms;

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

**"Change in Law"** means, in relation to any Notes, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (x) it will, or there is a substantial likelihood that it will, with the passing of time, or it has become illegal for the Issuer or any of its designated affiliates to hold, acquire or dispose of or realise, recover or remit the proceeds of the sale or disposal of, Component Securities, or other components comprised in an Index relating to such Notes or any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including, without limitation, any currency risk, of the Issuer issuing and performing its obligations with respect to the Notes (y) it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Notes, or in relation to the Issuer's hedging activities in connection with the Notes or in relation to the hedging activities of the Issuer or any of its designated affiliates in connection with the Notes, (ii) stock loan transactions in relation to such Notes or (iii) other

instruments or arrangements (howsoever described) held by the Issuer or any of its designated affiliates in order to hedge, individually or on a portfolio basis, such Notes or (z) the Issuer or any of its designated affiliates will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position)

"**Clearing System**" means, in relation to a Series of Notes, Euroclear, Clearstream, Luxembourg, and/or CREST in which Notes of the relevant Series are for the time being held, or, in relation to an individual Note, in which that Note is for the time being held, in each case as specified in the relevant Final Terms;

"**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.;

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

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

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

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

"**Coupon Trigger Payment Date**" means each of the dates specified as such in the relevant Final Terms subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

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

"**Coupon Trigger Valuation Date**" means

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

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

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

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

"**Cross Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Final Terms;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in the relevant Final Terms and:

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

- (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified means:
- (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
- (b) where the Calculation Period is longer than one Regular Period, the sum of:
- (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any one year; and
- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (iii) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is specified, the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

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

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

"**Deferral Period**" has the meaning ascribed thereto in Condition 7(f) (*Payments - Price Source Disruption and FX Disruption*);

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

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

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

**"Early Redemption Amount"** means, in relation to each Note or Calculation Amount (as applicable) an amount equal to the percentage per Calculation Amount calculated in accordance with, and subject to, Condition 5(h) (*Redemption and Purchase – Calculation and Rounding*) or its Fair Market Value, in each case as specified in the relevant Final Terms for the event giving rise to the early redemption;

**"EMU Event"** means the occurrence of any of the following, as determined by the Calculation Agent:

- (i) the redenomination of any security into euro;
- (ii) the change by any organised market, exchange or clearing, payment or settlement system in the unit of account of its operating procedures to the euro;
- (iii) any change in the currency of denomination of any Index; or
- (iv) any change in the currency in which some or all of the securities or other property comprising any Index is denominated;

**"EURIBOR"** means, in respect of any Relevant Currency and any specified period, the interest rate benchmark known as the Eurozone interbank offered rate;

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

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

**"Euroclear"** means Euroclear Bank SA/NV;

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

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

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

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

**"exchange date"** shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in the manner specified in Condition 11 (*Replacement, Exchange and Transfer*);

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

**"Fair Market Value"** means, in relation to any Note which is to be redeemed early, its fair market value immediately prior to the early redemption date, as determined by the Issuer (acting in a commercially reasonable manner) and/or the Calculation Agent, as applicable, and in respect only of Notes that are not Italian Notes, 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 9 (*Events of Default*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes;

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

**"Final Index Performance"** means:

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

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

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

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

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

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

**"Final Valuation Date"** means:

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

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

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

**"Floating Rate Note"** means a Note which bears interest at a floating rate and in respect of which Condition 4B (*Interest- Floating Rate Note Provisions*) is 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 Final Terms;

**"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 Settlement Currency (the **"FX Disruption Relevant Currency"**) which would make it unlawful or impractical in whole or in part (including without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial power) for the Issuer (or the Issuer's affiliate) to pay or receive amounts in the FX Disruption Relevant Currency under or in respect of any hedging arrangement relating to or connected with the FX Disruption Relevant Currency; or (ii) if Offshore RMB is specified as the applicable FX Disruption Relevant Currency, each of the events specified in (i) above, plus an Offshore RMB Disruption;

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

**"Hedging Disruption"** means that the Issuer or any of its designated affiliates is unable or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Issuer wholly or any of its designated affiliates or partially after using commercially reasonable efforts and acting in good faith, to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the equity or any other price risk (including but not limited to, any currency risk) of entering into and performing the Issuer's obligations in respect of the Notes or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s) or (C) without prejudice to (B) above, transfer amounts denominated in the Settlement Currency (1) from accounts inside the Settlement Currency Jurisdiction to accounts outside the Settlement Currency Jurisdiction (2) between accounts inside the Settlement Currency Jurisdiction or (3) to a party that is a non-resident of the Settlement Currency Jurisdiction or (D) without prejudice to (B) and (C) above, convert the Settlement Currency into an Alternative Payment Currency;

**"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);

**"Increased Cost of Hedging"** means that the Issuer or any of its designated affiliates would incur materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge equity or any other price risk (including but not limited to, any currency risk) of entering into and performing the Issuer's obligations in respect of the Notes or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or its designated affiliates, as applicable, shall not be deemed an Increased Cost of Hedging;

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

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

**"Index 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:

- (i) a public statement or publication of information by or on behalf of the administrator of the Relevant Benchmark announcing that it has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Relevant Benchmark; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Benchmark, the central bank for the currency of the Relevant Benchmark, an insolvency official with jurisdiction over the administrator for the Relevant Benchmark, a resolution authority with jurisdiction over the administrator for the Relevant Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Relevant Benchmark, which states that the administrator of the Relevant Benchmark has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to produce the Relevant Benchmark;

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

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

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

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

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



**"Interest 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; **provided that** where so specified in the relevant Final Terms, such day shall be a day (i) if such currency is euro, which is a Euro Business Day, and (ii) if such currency is any other currency, on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre or centres of the country of such currency (or where such currency is a National Currency Unit and the Notes have been redenominated into euro pursuant to Condition 8 (*Redenomination*)), the former principal financial centre or centres);

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

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

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

**"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](http://www.isda.org));

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

**"Italian Notes"** means Notes for which it is specified in the Final Terms that an application is expected to be made for the Notes to be admitted to the official list of the Italian Stock Exchange;

**"Italian Stock Exchange"** means Borsa Italiana S.p.A.;

**"LIBOR"** means, in respect of any Relevant Currency and any specified period, the interest rate benchmark known as the London interbank offered rate;

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

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

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

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

- (a) (1) the occurrence or existence, in respect of any Component Security, of (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, OR (cc) an Early

Closure; AND (2) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or

- (b) the occurrence or existence, in respect of futures or options contracts relating to such Index of: (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Related Exchange; or (cc) an Early Closure.

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

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

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

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

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

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

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

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

**"Non-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);

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

**"Observation Index Level Performance"** means:

- (a) in respect of an Index and an Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date (as applicable), if in the relevant Final Terms Averaging Dates are not specified in relation to such Automatic Early Redemption Valuation Date or Coupon Trigger Valuation Date, the performance of the Index or, in case of an Index Basket, the performance of the least performing Index comprised in such Index Basket, on such Automatic Early Redemption Valuation Date or

Coupon Trigger Valuation Date (as applicable) as calculated by the Calculation Agent in accordance with the following formula:

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

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

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

**"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 either Hong Kong, Singapore, Taiwan or any other jurisdiction specified as such in the relevant Final Terms;

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

**"Offshore RMB Illiquidity"** means the occurrence of any event after the Trade Date that makes it impossible (where it has previously been possible) for the Issuer to obtain a firm quote of an offer price in respect of any amount in Offshore RMB in order to satisfy its obligation to pay an amount under the Notes (the **"Relevant Disrupted Amount"**), in each case on the due date for payment or Valuation 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 Final Terms 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;

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

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

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

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

**"Rate of Interest"** means:

- (a) where the Fixed Rate Note provisions are specified in the relevant Final Terms as being applicable, the rate of interest specified as such in the relevant Final Terms; and
- (b) where the Floating Rate Note provisions are specified in the relevant Final Terms as being applicable, the rate of interest determined in accordance with Conditions 4B(c) (*Interest – Floating Rate Note Provisions – Screen Rate Determination*) and 4B(d) (*Interest – Floating Rate Note Provisions – ISDA Determination*), as applicable;

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

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

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

- (a) is specified by the Issuer in the notice given to the Noteholders pursuant to Condition 8(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 Dealers"** means leading dealers in the relevant foreign exchange market, as determined by the Calculation Agent;

**"Reference Rate"** means, as specified in the relevant Final Terms, either BBR, LIBOR or EURIBOR;

**"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 Exchange"** means, subject to the proviso below, in respect of an Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index as on the original Related Exchange) **provided, however**, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, **"Related Exchange"** shall mean in respect of an Index

each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index, as the case may be;

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

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

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

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

To the extent that any index, benchmark or price source constitutes an Alternative Pre-nominated Index or Replacement Index used pursuant to Condition 13A (*Consequences of 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;

**"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"** means:

- (a) "AUD" which is the lawful currency of Australia;
- (b) "CHF" which is the lawful currency of Switzerland;
- (c) "EUR" which is the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty;
- (d) "GBP" which is the lawful currency of the United Kingdom; and
- (e) "USD" which is the lawful currency of the United States of America,

in each case as specified in the relevant Final Terms;

**"Relevant Currency Business Day"** means, in relation to a Relevant Rate that is the Alternative Payment Currency Exchange Rate or Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate, an Alternative Payment Currency Fixing Date;

**"Relevant Final Performance"** means the Final Index Performance of an Index or the weighted arithmetic average of the Final Index Performances of the constituent Indices in the Index Basket as is specified in the relevant Final Terms as being applicable in relation to the calculation of the Final Redemption Amount;

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

**"Relevant Financial Centre Day"** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre or centres for the currency in which payment falls to be made (or, where such currency is a National Currency Unit and the Notes have been redenominated into euro pursuant to Condition 8 (*Redenomination*), the former principal financial centre or centres) and in any other place set out in the Final Terms. In the case of payments which fall to be made in euro (save for payments in relation to Notes which have been redenominated into euros pursuant to Condition 8 (*Redenomination*)), a Euro Business Day. The Relevant Financial Centre Days in relation to any Tranche determined in accordance with the above provisions as at the Issue Date shall be specified in the relevant Final Terms;

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

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

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

**"Relevant Rate"** means the Alternative Payment Currency Exchange Rate, Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate (as applicable);

**"Relevant Reference Asset Fallback Provisions"** means:

- (a) in relation to a Series of Notes where the Affected Relevant Benchmark is an Index, Condition 17(c) (*Index Cancellation*), as if the relevant Benchmark Trigger Event were an Index Cancellation; and
- (b) in relation to any Series of Notes where the Affected Relevant Benchmark is a Relevant Rate, if "Price Source Disruption" is specified as being applicable in the relevant Final Terms, Condition 7(f) (*Price Source Disruption and FX 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 Final Terms, 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"** means the time specified as such in the relevant Final Terms;

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

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

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

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

**"Scheduled FX Fixing Date"** has the meaning specified in Condition 7(f) (*Payments - Price Source Disruption and FX Disruption*);

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

**"Scheduled Valuation Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Final Valuation Date, an Automatic Early Redemption Valuation Date or a Coupon Trigger Valuation Date (as applicable);

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

**"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 Final Terms;

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

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

**"Specified Period"** means the period specified as such in the relevant Final Terms;

**"Strike Date"** means:

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

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

**"Substitute Index"** means in respect of an Index a successor index identified by the Calculation Agent using commercially reasonable efforts, with characteristics, objectives and rules similar to such index in effect immediately prior to the occurrence of the Index Cancellation;

**"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;

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

by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component Security on the Exchange in respect of such Component Security, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange;

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

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

"**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 Final Terms) immediately preceding the Scheduled FX Fixing Date;

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

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

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

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

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

### (a) **Form**

Notes are issued in bearer form ("**Bearer Notes**"), in registered form ("**Registered Notes**") or in uncertificated registered form ("**Uncertificated Registered Notes**") as set out in the relevant Final Terms. Bearer Notes issued in definitive form are referred to as "**Definitive Notes**". Definitive Notes will be serially numbered. In the case of Registered Notes, a certificate will be issued to each Noteholder in respect of its registered holding. Each such certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") maintained by the Registrar in respect of the Registered Notes.

### (b) **Bearer Notes**

#### (i) **Denomination**

Subject to Condition 8 (*Redenomination*), Bearer Notes will be in the denomination(s) specified in the relevant Final Terms. Bearer Notes of one denomination will not be exchangeable after their initial delivery for Notes of any other denomination.

#### (ii) **General; Title**

Interest-bearing Definitive Notes will, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery Coupons, presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below.



Interest-bearing Definitive Notes will also, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery, a Talon for further coupons and the expression "Coupons" shall, where the context so permits, include Talons.

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

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

(c) **Registered Notes**

(i) *Denomination*

Registered Notes will be in the denomination(s) and multiples specified in the relevant Final Terms.

(ii) *General; Title*

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

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

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

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

(d) **Uncertificated Registered Notes**

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

particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Notes.

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

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

No provision of these Conditions as amended in accordance with the relevant Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Notes in uncertificated form, (II) the transfer of title to Uncertificated Registered Notes by means of a relevant system or (III) the Uncertificated Securities Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the relevant Final Terms, so long as the Uncertificated Registered Notes are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Notes shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Notes may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Securities Regulations, and (C) for the avoidance of doubt, the Conditions and the relevant Final Terms in relation to any Uncertificated Registered Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Note.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Uncertificated Securities Regulations and the relevant Operator (as such term is used in the Uncertificated Securities Regulations) is CREST (or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Notes and in accordance with the Uncertificated Securities Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Notes in accordance with Condition 12 (*Notices*).

If at any time:

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

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

### 3. **Status**

The Notes are direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and, at their date of issue, (save for certain obligations required to be preferred by law) with all other unsecured and unsubordinated obligations of the Issuer for the time being outstanding.

### 4. **Interest**

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

##### (a) ***Application***

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

(b) *Accrual of interest*

Fixed Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 7 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Final Redemption Amount or any other redemption amount, as the case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4A (*Interest – Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

(c) *Fixed Coupon Amount*

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

(d) *Calculation of interest amount*

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

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

and, in each case, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Settlement Currency (as defined in Condition 1 (*Definitions*)) (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). 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. 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.

**4B. *Floating Rate Note Provisions***

(a) *Application*

This Condition 4B (*Interest – Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note provisions are specified in the relevant Final Terms 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 7 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Final Redemption Amount or any other redemption amount, as the

case may be, is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4B (*Interest – Floating Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the day the Calculation Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment, in which case the Notes will continue to bear interest as aforesaid).

(c) *Screen Rate Determination*

If Screen Rate Determination is specified in the relevant Final Terms 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 13A (*Consequences of a Benchmark Trigger Event*):

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears in the Relevant Currency 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 appears in the Relevant Currency on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date; and
- (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, then:
  - (a) if ISDA Determination for Fall-back provisions is specified in the relevant Final Terms as being applicable, then, subject to the penultimate paragraph of this Condition 4B(c) (*Interest – Floating Rate Note Provisions – Screen Rate Determination*), the Calculation Agent will determine the relevant Rate of Interest for the relevant Interest Determination Date in accordance with Condition 4B(d) (*Interest – Floating Rate Note Provisions – ISDA Determination*) on the basis of the Floating Rate Option, Designated Maturity and Reset Date specified in the relevant Final Terms and, if so specified in the relevant Final Terms, as if fewer than the minimum number of Reference Banks specified therein had quoted; and
  - (b) in all other cases, the Calculation Agent will:
    - (1) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate in the Relevant Currency 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;
    - (2) determine the arithmetic mean of such quotations; and
    - (3) 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 ISDA Determination for Fall-back provisions is specified in the relevant Final Terms as being applicable, then the Calculation Agent may be required to determine the relevant Floating Rate by reference to the rates provided by certain financial institutions selected by it in accordance with the ISDA Definitions in circumstances in which Condition 4B(c)(iii)(a) applies.**

(d) *ISDA Determination*

If ISDA Determination is specified in the relevant Final Terms 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 Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; 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 for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms

**provided, however, that:**

- (A) 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
- (B) 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 13A (*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.

**Investors should note that, if ISDA Determination is specified in the relevant Final Terms as the manner in which the Floating Rate(s) is/are to be determined, then the Calculation Agent may be required to determine the relevant Floating Rate 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 Final Terms 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 Final Terms specify that ISDA Reference Banks Fallbacks are not applicable).**

(e) *Maximum or Minimum Interest Rate*

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

(f) *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. 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 Final Terms as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes notwithstanding that the formula specified in the relevant Final Terms may provide for calculation in relation to the Calculation Amount; or
- (ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Final Terms 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. 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.

(g) *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. 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.

(h) *Notifications etc.*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4B (*Interest – Floating Rate Note Provisions*) by the Calculation Agent will be made by the Calculation Agent and 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.

4C. ***Coupon Trigger Notes***

This Condition 4C (*Interest – Coupon Trigger Notes*) is applicable to the Notes only if Coupon Trigger Event is specified in the relevant Final Terms as being applicable.

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

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

5. **Redemption and Purchase**

(a) ***At Maturity***

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

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

(i) ***Booster Redemption***

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

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

(ii) ***Airbag Redemption***

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

- (1) the Calculation Amount; and

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

(iii) *Autocallable Redemption*

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

- (1) the Calculation Amount; and
- (2) either:
  - (A) if the Relevant Final Performance or the Relevant Final Performance of each constituent Index in the Index Basket (as applicable) is equal to or greater than the Final Trigger Level, the Redemption Rate; or
  - (B) if the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the Index Basket (as applicable) is less than the Final Trigger Level, but the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the Index Basket (as applicable) is equal to or greater than the Barrier Level, 100 per cent; or
  - (C) if the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the Index Basket (as applicable) is less than the Final Trigger Level and the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the Index Basket (as applicable) is also less than the Barrier Level, the percentage equal to the Relevant Final Performance or the Relevant Final Performance of the worst performing Index in the Index Basket (as applicable).

(iv) *Reverse Convertible Redemption*

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

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



(v) *100% Protected Growth Redemption*

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

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

(vi) *100% Protected Capped Growth Redemption*

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

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

(vii) *Partially Protected Growth Redemption*

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

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

(viii) *Partially Protected Capped Growth Redemption*

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

- (1) the Calculation Amount; and

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

(ix) *Digital Redemption*

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

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

(b) *Redemption for Taxation Reasons*

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

- (i) on a subsequent date for the payment of interest on such Series of Notes the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 6B (*Taxation – Gross-up*); or
- (ii) if the Issuer were to seek to redeem such Notes (for which purpose no regard shall be had to whether or not the Issuer would otherwise be entitled to redeem such Notes), the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 6B (*Taxation – Gross-up*);

the Issuer may, having given not less than 30 nor more than 45 days' notice (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 specified in the relevant Final Terms together with interest accrued and unpaid, if any, to the date fixed for redemption **provided that** no such notice of redemption shall be given earlier than 90 days (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.

Prior to giving any notice of redemption pursuant to this Condition 5(b) (*Redemption and Purchase – Redemption for Taxation Reasons*) the Issuer may obtain a certificate of an independent legal adviser or accountant to the effect either that such a circumstance does exist or that, upon a change in or amendment to the laws of the United Kingdom (including any regulations pursuant thereto), or in the interpretation or administration thereof, which at the date of such certificate is proposed and in the opinion of such legal adviser or accountant is reasonably expected to become effective

on or prior to the date on which the relevant payment of principal or interest in respect of the Notes would otherwise be made, becoming so effective, such circumstances would exist and any such certificate shall be sufficient to establish the circumstances required by this Condition 5(b) (*Redemption and Purchase – Redemption for Taxation Reasons*).

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

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

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

(d) ***Early Redemption for Illegality***

The Issuer shall have the right to terminate its obligations under the Notes, if the Calculation Agent shall have determined that the performance of such obligations under the Notes (or, the Issuer's or the Issuer's designated affiliates' obligations under any hedging arrangements established in connection therewith) shall after the Trade Date:

- (i) have become unlawful, or
- (ii) unless "Early Redemption for Impracticability" is specified as not applicable in the relevant Final Terms, have become impracticable,

in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, 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 5(d) (*Redemption and Purchase – Early Redemption for Illegality*). In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount specified in the relevant Final Terms. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 12 (*Notices*).

(e) ***Purchases***

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

(f) ***Cancellation***

All Notes which are redeemed pursuant to Condition 5(a) (*Redemption and Purchase – At Maturity*), 5(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 5(c) (*Redemption and Purchase – Early Redemption for Autocallable Notes*) or 5(d) (*Redemption and Purchase – Early Redemption for Illegality*) shall, and all Notes purchased by the Issuer pursuant to Condition 5(e) (*Purchases*) may, at the option of the Issuer, be cancelled forthwith (together with, in the case of Definitive Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or resold.

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

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 5(a) (*Redemption and Purchase – At Maturity*), 5(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 5(c) (*Redemption and Purchase – Early Redemption for Autocallable Notes*) and 5(d) (*Redemption and Purchase – Early Redemption for Illegality*).

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

Any redemption amount payable on redemption of a Note (the "**Redemption Amount**") shall be calculated pursuant to this Condition 5 (*Redemption and Purchase*) and in rounding any values determined or calculated in connection with such Redemption Amount, the Calculation Agent shall apply the following rounding conventions:

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

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. 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.

6. **Taxation**

**6A – Taxation – No gross-up**

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

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

**6B – Taxation – Gross-up**

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

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

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

- (a) to, or to a third party on behalf of, a Holder of a Note or Coupon who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it having some connection with the United Kingdom or any other relevant jurisdiction, other than the mere holding of such Note or Coupon;
- (b) unless it is proved, in the case of Bearer Notes, to the satisfaction of the Principal Paying Agent or the Paying Agent to whom the same is presented, or, in the case of Registered Notes, to the satisfaction of the Registrar, that the Holder is unable to avoid such withholding or deduction by satisfying any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authorities or by notifying (and/or presenting evidence of such notification to) any tax authorities of such payment of principal or interest or by presenting the relevant Note or Coupon at the specified office of another Paying Agent;
- (c) more than 30 days after the Relevant Date (defined below) except, in the case of Bearer Notes, to the extent that the Holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days;
- (d) in the case of Registered Notes, unless it is proved to the satisfaction of the Registrar that the Holder, immediately upon becoming the Holder, (i) was eligible for the benefits of a tax treaty with the United Kingdom or any other relevant jurisdiction that provides for a complete exemption from withholding taxes on payments under the Notes, or (ii) was otherwise entitled to a complete exemption from withholding taxes on payments under the Notes; or
- (e) to, or to a third party on behalf of, a Holder who is not the sole beneficial owner of the Note or any Coupon, or a portion of either, or that is a fiduciary or partnership, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due but, in the case of Bearer Notes, if the full amount of the money payable has not been received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect shall have been duly given to the relevant Holders in accordance with Condition 12 (*Notices*).

If the Issuer becomes resident for tax purposes in any taxing jurisdiction other than the United Kingdom, references in this Condition 6 (*Taxation*) to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

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

- (i) any additional amounts which may be payable under this Condition 6 (*Taxation*);
- (ii) the principal amount payable on the relevant Notes on the Maturity Date;
- (iii) the principal amount payable on redemption of the relevant Notes prior to such Maturity Date; and
- (iv) any premium and any other amounts which may be payable under or in respect of the relevant Notes.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986, as amended, Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant

to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

7. **Payments**

(a) ***Bearer Notes***

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

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

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

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

Definitive Notes which are Fixed Rate Notes should be presented for payment with all unmatured Coupons appertaining thereto, failing which the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, that portion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 6 (*Taxation*)) for the payment of such principal, whether or not such Coupon has become void pursuant to Condition 10 (*Prescription*) or, if later, five years from the date on which such Coupon would have become due.

Notwithstanding the above, if any Definitive Notes should be issued with a Maturity Date and an interest rate or rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall, in its sole and absolute discretion, determine which unmatured Coupons are to become void, and shall select, in its sole and absolute discretion, for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

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

In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside the United States (save as provided above) in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 (*Prescription*) below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

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

(b) ***Registered Notes***

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

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

Payment will be made in the currency in which such amount is due either by cheque posted to the Noteholder's registered address (or, in the case of joint Holders, the first-named) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar or to the Transfer Agent and the Registrar or, as the case may be, the Transfer Agent has acknowledged such application for payment to be made to a designated account denominated in the relevant Settlement Currency, in each case as specified in Condition 7(d) (*Payments - General Provisions*).

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

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

(d) ***General Provisions***

The following provisions apply to both Bearer Notes and Registered Notes (and do not apply to Uncertificated Registered Notes). Subject to Condition 7(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 6 (*Taxation*).

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

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

If "Payment of Alternative Payment Currency Equivalent" is specified as applicable in the relevant Final Terms, then if by reason of a FX Disruption Event or a Clearing System Currency Eligibility 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 Final Terms on the due date at the Alternative Payment Currency Equivalent of any such amount due.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(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 Final Terms, then, if on any day on which the Calculation Agent is required to determine a Relevant Rate (a "**Scheduled FX Fixing Date**"):

(A) a Price Source Disruption occurs, (other than as a result of an Unscheduled Holiday), the Calculation Agent shall:

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

(2) unless the Final Terms specify 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 Final Terms specify 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 Final Terms) 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 Day**"), and if the Postponed FX Fixing Day 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 Final Terms) 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 Day and the Calculation Agent, acting in a commercially reasonable manner, shall determine its good faith estimate of the Relevant Rate on that Postponed FX Fixing Day.
- (Y) If at any time, a FX Disruption Event occurs, the Issuer, in its sole and absolute discretion, may elect to either:
- (C) unless Redemption following FX Disruption Event is specified as being not applicable in the relevant Final Terms, having given not less than five days' notice to the Noteholders in accordance with Condition 12 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount (and, if the FX Disruption Event occurs on a Scheduled FX Fixing Date on which there is a Price Source Disruption or Unscheduled Holiday, and the Early Redemption Amount is specified as being Fair Market Value in the relevant Final Terms, for the purposes of determining such Fair Market Value the Calculation Agent shall first determine any Relevant Rate (A) in accordance with sub-paragraph (X)(A) or (X)(B) above, as applicable, of this Condition 7(f) (*Payments - Price Source Disruption and FX Disruption*) if "Price Source Disruption" is specified as applicable in the relevant Final Terms or, otherwise (B) in good faith and in a commercially reasonable manner) on the date notified to the Noteholders; or
- (D) instruct the Calculation Agent to make such adjustment(s) to the Conditions as it determines to be necessary or desirable to reflect or account for any market practice that develops in respect of the FX Disruption Event,

**provided, however that** in relation to sub-paragraphs (Y)(C) and (Y)(D) 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 7(e) (*Payments - Payment of Alternative Payment Currency Equivalent*).

If a Scheduled FX Fixing Date is postponed in accordance with this Condition 7(f) (*Payments – Price Source Disruption and FX Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the applicable Final Terms) following the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Day, as applicable.

8. **Redenomination**

(a) **General**

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

With effect from the Redenomination Date:

- (i) each Note shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated into such amount of euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Settlement Currency, converted into euro at the rate for the conversion of the relevant Settlement Currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with EC regulations); **provided, however, that** if the Issuer determines that market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (ii) if Notes are in definitive form:
  - (A) all unmatured Coupons denominated in the relevant Settlement Currency (whether or not attached to the Notes) will become void on the Euro Exchange Date and no payments will be made in respect thereof;
  - (B) the payment obligations contained in all Notes denominated in the Settlement Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 8(a)(ii) (*Redenomination – General*)) shall remain in full force and effect; and
  - (C) new Notes and Coupons denominated in euro will be issued in exchange for Notes and Coupons denominated in the relevant Settlement Currency in such manner as the Issuer may specify and as shall be notified to the Noteholders in the Euro Exchange Notice;
- (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the relevant Settlement Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro, as though references in the Notes to the Settlement Currency were to euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union; and
- (iv) such other changes will be made to the Conditions as the Issuer may decide to conform such Notes to conventions then applicable to Notes denominated in euro. Any such other changes will not take effect until after it has been notified to the Noteholders in accordance with Condition 12 (*Notices*).

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

(b) **Interest**

Following redenomination of the Notes pursuant to Condition 8(a) (*Redenomination – General*):

- (i) where Notes are in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (ii) in respect of Fixed Rate Notes where interest is payable annually, any interest required to be calculated for a period of less than one year in respect of the Notes shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365); **provided, however, that** if the Issuer determines that the market practice in respect of internationally offered euro denominated securities is different from that specified above, then the Issuer shall promptly notify the Noteholders, and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of the changes that will be required so as to comply with such market practice and such changes shall be deemed to be effective on the date which is 5 days following the date on which such notice is given to the Noteholders;
- (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 reflects the market practice in respect of internationally offered euro denominated securities.

9. **Events of Default**

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

- (a) 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 Final Terms, together with interest accrued and unpaid until the date of its redemption, without presentment, demand, protest or other notice of any kind.

#### 10. **Prescription**

Notes and Coupons will become void unless presented for payment within a period of 10 years and five years, respectively, from the Relevant Date (as defined in Condition 6 (*Taxation*)) in respect thereof. Any monies paid by the Issuer to the Principal Paying Agent for the payment of the principal or interest in respect of any Notes or Coupons and remaining unclaimed when such Notes or Coupons become void will then revert to the Issuer and all liability of the Principal Paying Agent with respect thereto will thereupon cease.

There shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 (*Prescription*) or Condition 7 (*Payments*).

#### 11. **Replacement, Exchange and Transfer**

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

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

Upon the terms and subject to the conditions set out in the Issuing and Paying Agency Agreement, a Registered Note, in definitive form, may be transferred in whole or in part only (**provided that** such part is, or is an appropriate multiple of, the minimum denomination set out in the Final Terms) by the Holder or Holders surrendering the Registered Note for registration of transfer at the specified office of the Registrar or the Transfer Agent, duly endorsed by, or accompanied by a written instrument to transfer in form satisfactory to the Issuer and the Registrar or the Transfer Agent, duly executed by the Holder or Holders thereof or his or their attorney duly authorised in writing. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

If so set out in the relevant Final Terms, the Holder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Issuing and Paying Agency Agreement. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of the Principal Paying Agent or of the Registrar or the Transfer Agent, together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date

(as defined below) where the exchange date would, but for the provisions of this paragraph, occur between the Record Date (as defined in Condition 7(b) (*Payments – Registered Notes*)) for such payment of interest and the date on which such payment of interest fall due.

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

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

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

## 12. Notices

### (a) *Notices to Noteholders*

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

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

### (b) *Notices from Noteholders*

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

## 13. Paying Agents, Calculation Agents, Issue Agents, Transfer Agents and Registrars

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

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

which any Paying Agent, Calculation Agent, Issue Agent, Transfer Agent or Registrar acts, **provided that:**

- (i) so long as any Bearer Notes are outstanding, there will at all times be a Principal Paying Agent; and
  - (ii) so long as any Registered Notes are outstanding, there will at all times be a Registrar and a Transfer Agent.
- (b) In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 7(a) (*Payments – Bearer Notes*). Any variation, termination, appointment or change shall only take effect (other than in the case of an insolvency, when it shall be of immediate effect) after notice has been given to the Noteholders in accordance with Condition 12 (*Notices*).
- (c) All calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Notes (including any determinations by the Calculation Agent as to the exercise or non-exercise by it of its powers, duties and discretions for such purposes) shall be made in good faith and a commercially reasonable manner.
- (d) The Agents and the Calculation Agent shall not act as agents for the Noteholders but shall be the agents of the Issuer. All calculation functions required of the Calculation Agent under these Conditions may be delegated to any such person as the Calculation Agent, in its absolute discretion, may decide.

### **13A Consequences of a Benchmark Trigger Event**

- (a) 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 Final Terms:
    - (A) unless the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Relevant Benchmark shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from the Benchmark Trigger Event Determination Date; and
    - (B) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Notes of referencing the Alternative Pre-nominated Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Notes; and
  - (ii) if an Alternative Pre-nominated Index has not been specified in relation to such Relevant Benchmark in the relevant Final Terms or the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, the Issuer shall do any of the following:
    - (A) determine that references to such Relevant Benchmark shall be deemed to be replaced by references to such index, benchmark or price source as the Issuer determines would have the effect of placing the Issuer in an economically equivalent position to that which it would have been in had the 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 Final Terms on the date selected by the Issuer and give notice of such redemption to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*);

**provided, however, that** if (1) it is or would be unlawful at any time under applicable law or regulation or (2) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Notes, then such provision shall not apply and the Issuer shall not make such determination (as the case may be) and the Issuer shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements.

- (b) In making any determination under this Condition 13A, the Issuer shall take account of such facts and circumstances as it considers relevant, including, without limitation, any determinations made in respect of any of the Issuer's hedging arrangements in relation to the Notes (including in respect of any termination or re-establishment of hedging arrangements) and the Issuer's funding costs; **provided, however, that**, in the case of a Series of Italian Notes, it shall not take account of any such determinations made in respect of such hedging arrangements and/or the Issuer's funding costs.
- (c) If the Issuer is not able to determine the Relevant Benchmark in accordance with the provisions of this Condition 13A on any Relevant Benchmark Determination Date, then the Relevant Benchmark Determination Date shall be postponed to such date as it is able to make such determination and any Relevant Benchmark Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Final Terms) following the postponed Relevant Benchmark Determination Date.
- (d) No further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 13A (so that, for the avoidance of doubt, any interest payable in respect of the Notes on a Relevant Benchmark Related Payment Date which is so postponed shall be calculated as if such Relevant Benchmark Related Payment Date had not been postponed pursuant to this Condition 13A) unless, in the case of a Fixed Rate Note or a Floating Rate Note there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 4A (*Fixed Rate Note Provisions*) or 4B (*Floating Rate Note Provisions*), as appropriate.
- (e) The Issuer shall promptly following the determination of any replacement for a Relevant Benchmark pursuant to paragraph (a)(i)(A) or (a)(ii)(A) above give notice thereof and of any changes pursuant to paragraph (a)(i)(B) or (a)(ii)(A)(2) (as applicable) to the Principal Paying Agent, the Calculation Agent and the Noteholders (in accordance with Condition 12 (*Notices*)).

- (f) Without prejudice to Condition 17(b) (*Index Modification*), if the definition, methodology or formula for a Relevant Benchmark in respect of a Series of Notes, or other means of calculating the Relevant Benchmark in respect of a Series of Notes, is changed, then references to such Relevant Benchmark shall be to such Relevant Benchmark as so changed.

14. **Meetings of Noteholders, Modification and Substitution**

(a) ***Meetings of Noteholders***

The Master Note Issuance Agreement contains provisions for convening meetings of the Holders of the Notes of any Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Note Issuance Agreement) of a modification of the Notes or any of the provisions of the Master Note Issuance Agreement. Such a meeting may be convened by the Issuer or by Holders of the Notes of any Series holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders of the Notes of any Series whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes, reducing or cancelling the amount of principal payable in respect of the Notes or altering the currency of payment of the Notes), the quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders of the Notes of any Series shall be binding on all the Noteholders, whether or not they are present at the meeting. Any modification of the Notes shall be notified to the Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

(b) ***Modification***

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

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

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

(c) ***Substitution***

The Issuer may also agree, without the consent of the Noteholders, to the substitution of a subsidiary or holding company of the Issuer or any subsidiary of any such holding company (the "**New Issuer**") in place of the Issuer as principal debtor under the Notes of any Series and the Coupons appertaining thereto (if any), **provided that** such Notes and the Coupons appertaining thereto (if any) are irrevocably guaranteed by the Issuer. In the event of any such substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer. Any such substitution shall be promptly notified to the relevant Noteholders in accordance with



Condition 12 (*Notices*). In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Noteholder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Noteholder.

15. **Further Issues**

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

16. **Consequences of Disrupted Days**

- (a) For the purposes of this Condition 16 (*Consequences of Disrupted Days*), "**Limit Valuation Date**" shall mean, if any Scheduled Valuation Date in respect of a Note is a Disrupted Day, the Specified Maximum Number of Disrupted Days following such Scheduled Valuation Date, notwithstanding the fact that such day is a Disrupted Day.
- (b) If any Scheduled Valuation Date is a Disrupted Day, then:
- (A) in the case of a Note which relates to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, **provided that** the Scheduled Valuation Date shall not fall after the Limit Valuation Date. In that case, the Limit Valuation Date will be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level of the Index as of the Valuation Time on the Limit Valuation Date determined in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security or other property on the Limit Valuation Date, its estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and
- (B) in the case of a Note which relates to a basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index, unless each of the succeeding Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Index notwithstanding the fact that such day is a Disrupted Day relating to that Index and the Calculation Agent shall determine the level of that Index, as of the Valuation Time on the Limit Valuation Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect to the relevant security or other property on the Limit Valuation Date, its estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date).

- (c) If Averaging Dates are specified in the relevant Final Terms, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index:
- (A) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Final Terms in relation to "**Averaging Date Market Disruption**" is:
- (1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Redemption Amount, Coupon Trigger Amount or Automatic Early Redemption Amount, as applicable, **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Index, then Condition 16(b) (*Consequences of Disrupted Days*) will apply for purposes of determining the relevant level on the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates occur after the relevant Valuation Date as a result of the occurrence of a Disrupted Day, then the calculation of the relevant amount due under the relevant Note shall be made on the last such Averaging Date as though it were a Valuation Date and Condition 16(d) (*Consequences of Disrupted Days*) shall apply as if the relevant Valuation Date had been postponed to such last Averaging Date in accordance with this Condition 16 (*Consequences of Disrupted Days*);
  - (2) "**Postponement**", then Condition 16(b) (*Consequences of Disrupted Days*) will apply for purposes of determining the relevant level on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes. If any Averaging Dates occur after the relevant Valuation Date as a result of the occurrence of a Disrupted Day, then the calculation of the relevant amount due under the relevant Note shall be made on the last such Averaging Date as though it were a Valuation Date and Condition 16(d) (*Consequences of Disrupted Days*) shall apply as if the relevant Valuation Date had been postponed to such last Averaging Date in accordance with this Condition 16 (*Consequences of Disrupted Days*); or
  - (3) "**Modified Postponement**", then:
    - (aa) in the case of a Note which relates to a single Index, such Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging Date in relation to the relevant Scheduled Valuation Date, then the Limit Valuation Date shall be deemed to be the Averaging Date notwithstanding the fact that such day is a Disrupted Day (irrespective of whether that Limit Valuation Date is already an Averaging Date) and the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 16(b)(A) (*Consequences of Disrupted Days*); and
    - (bb) in the case of a Note which relates to a basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging Date, then the Limit Valuation Date shall be deemed to be the Averaging Date (irrespective of whether that Limit Valuation Date is already an Averaging Date) and the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 16(b)(B) (*Consequences of Disrupted Days*).

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

For the purposes of this Condition 16(c)(A)(3) only, "**Limit Valuation Date**" shall mean, if any Averaging Date in respect of a Note is a Disrupted Day, the Specified Maximum Number of Disrupted Days following the Scheduled Final Averaging Date, notwithstanding the fact that such day is a Disrupted Day.

- (d) If a Valuation Date is postponed (x) in accordance with this Condition 16 (*Consequences of Disrupted Days*) and/or (y) as a result of it not being a Scheduled Trading Day, any Disrupted Day Related Payment Date will also be postponed, if needed, such that the Disrupted Day Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the Final Terms) following the 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 Day, as applicable (if any). In respect of a Note which relates to a basket of Indices, the postponed Valuation Date or Limit Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date or Limit Valuation Date, as applicable, occurring in respect of such Scheduled Valuation Date.

## 17. **Adjustments to Indices**

### (a) ***Successor Index***

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

### (b) ***Index Modification***

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

### (c) ***Index Cancellation***

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

- (A) the Issuer shall as soon as is reasonably practicable after determining the same give notice (an "**Index Cancellation Notice**") of such Index Cancellation to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*);
- (B) if "Index Substitution" is specified as being applicable in the relevant Final Terms, the Issuer shall, acting in good faith and a commercially reasonable manner, determine whether or not and the date as of which the Index is to be substituted with a Substitute

Index and, if it so determines, it shall give an Index Substitution Notice to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*) and, with effect from the date so determined, the Substitute Index shall be deemed to be the Index; and

- (C) if no Substitute Index has been identified within 10 Business Days of the giving of such Index Cancellation Notice or if Index Substitution has not been specified as being applicable in the relevant Final Terms, the Issuer shall, in its sole and absolute discretion, determine whether or not the relevant Notes shall continue and:
- (1) if it determines that the Notes shall continue, then the Calculation Agent shall determine the Relevant Level, the Observation Index Level for such Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date using, in lieu of a published level of that Index, the level for that Index as at that Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the Index Cancellation, but using only those components that comprised that Index immediately prior to that Index Cancellation; and
  - (2) if it determines that the Notes shall not continue, the Issuer shall redeem the relevant Notes as of the date selected by the Issuer and give notice thereof to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*), specifying the early redemption amount and early redemption date, and the entitlements of the relevant Noteholders to receive the Final Redemption Amount (or any other payment to be made by the Issuer, as the case may be) shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of such amount as is determined by the Calculation Agent to be the Fair Market Value of the Notes immediately prior to such early redemption.

(d) ***Correction of Index Levels***

If the level of an Index published by the Index Sponsor at any time and used or to be used by the Calculation Agent for any calculation or determination under the Notes is subsequently corrected and the correction is published by the Index Sponsor after the original publication, the Calculation Agent will make such adjustment as it determines to be appropriate, if any, to the settlement or payment terms of the Notes to account for such correction.

18. **Additional Disruption Events**

Following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the relevant Notes shall continue and, if so, shall determine any adjustments to be made. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount, the Coupon Trigger Amount, the Automatic Early Redemption Amount, the Early Redemption Amount or any amount of interest set out in the relevant Final Terms and any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent. If the Issuer determines that the relevant Notes shall be terminated, then the Notes shall be terminated as of the date selected by the Calculation Agent and the entitlements of the relevant Noteholders to receive the relevant Final Redemption Amount, Coupon Trigger Amount, Automatic Early Redemption Amount or Early Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of the Fair Market Value of the Notes.

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

Following the occurrence of an EMU Event, the Calculation Agent shall make such adjustment (and determine the effective date of such adjustment) as it determines to be appropriate, if any, to the formula for the Final Redemption Amount, the Coupon Trigger Amount, the Automatic Early Redemption Amount, the Early Redemption Amount or any amount of interest set out in the

relevant Final Terms and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes.

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

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

20. **Third Party Rights**

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

21. **Governing Law**

(a) ***Governing law***

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

(b) ***English courts***

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

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

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

Final Terms dated: [•]

**HSBC Bank plc**

**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 Tranche[s] [ ])]**

### PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 1 July 2019 relating to Index-Linked Notes issued under the above Programme, together with each supplemental prospectus relating to the Programme published by the Issuer after 1 July 2019 but before the issue date or listing date of the Notes, whichever is later, to which these Final Terms relate which together constitute a base prospectus ("**Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended or superseded, the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. [A summary of the issue of the Notes is annexed to these Final Terms.]

*[The following alternative paragraph to be included instead of the above paragraph where the Offer Period for the Notes is expected to span the update of the Base Prospectus (so long as the updated Base Prospectus is approved and published before the expiry of this Base Prospectus):*

This document constitutes the Final Terms for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**") relating to the issue of the Tranche of Notes described herein and must be read in conjunction with (i) in relation to the period to and including 30 June 2020 (the "**2019 Prospectus Expiry Date**"), the Base Prospectus dated 1 July 2019 relating to Index-Linked Notes issued under the above Programme, which together with each supplemental prospectus relating to the Programme published by the Issuer after 1 July 2019 but before the 2019 Prospectus Expiry Date, issue date or listing date of the Notes, whichever is later, to which these Final Terms relate constitutes a base prospectus (the "**2019 Prospectus**") for the purposes of the Prospectus Directive, and (ii) from but excluding the 2019 Prospectus Expiry Date, such base prospectus relating to Index-Linked Notes issued under the above Programme as is published by the Issuer in replacement of the 2019 Prospectus, which together with each supplemental prospectus relating to the Programme published by the Issuer after such publication but before the issue date or listing date of the Notes, whichever is later, to which these Final Terms relate constitutes a base prospectus (the "**2020 Prospectus**") for the purposes of the Prospectus Directive. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes set forth in the 2019 Prospectus (the "**Conditions**") and which are or will be incorporated by reference into the 2020 Prospectus. [A summary of the issue of the Notes is annexed to these Final Terms.]

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

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated [ ] which are incorporated by reference in the Base Prospectus dated 1 July 2019 and are applicable to the Notes. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 1 July 2019 together with each supplemental prospectus relating

to the Programme published by the Issuer after 1 July 2019 but before the issue date or listing date of the Notes to which the Final Terms relate, whichever is later, which together constitute a base prospectus ("**Prospectus**") for the purposes of the Prospectus Directive. [A summary of the issue of the Notes is annexed to these Final Terms.]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

*[The following alternative paragraph to be included instead of the above paragraph where the Offer Period for the Notes is expected to span the update of the Base Prospectus (so long as the updated Base Prospectus is approved and published before the expiry of this Base Prospectus):*

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and (i) in relation to the period to and including the 2019 Prospectus Expiry Date, the 2019 Prospectus, and (ii) from but excluding the 2019 Prospectus Expiry Date, the 2020 Prospectus. Each of the 2019 Prospectus and the 2020 Prospectus are available for viewing from their respective dates of publication during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

**[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 (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the 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.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

- |   |   |
|---|---|
| 1. Issuer:  | HSBC Bank plc   |
| 2. Tranche Number:  | [ ] [The Notes issued under these Final Terms are to be consolidated and form a single series with [ ] (the " <b>Original Issue</b> ") issued on [ ] [(ISIN)]:[ ].] |
| 3. Settlement Currency:                                       | [ ]   |
| 4. Aggregate Principal Amount [of Notes admitted to trading]: |   |
| [(i) Series:  | [ ]]  |
| [(ii) Tranche:  | [ ]]  |

5. Issue Price: [ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [ ]]
6. (i) Denomination(s)<sup>1</sup>: [ ]
- (ii) Calculation Amount: [ ]
- (iii) Aggregate Outstanding Nominal Amount Rounding: [Applicable] [Not Applicable]
7. (i) Issue Date: [ ]
- (ii) Trade Date: [ ]
- (iii) Interest Commencement Date: [ ] [Issue Date] [Not Applicable]
8. Maturity Date: [ ] [or, if later, the [ ] Business Day following the [Final Valuation Date]] [adjusted in accordance with Business Day Convention].
9. Interest basis: [[ ] per cent. Fixed Rate]
- [[ ] +/- [ ] per cent. Floating Rate Notes]
- [Index Linked]

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

10. Fixed Rate Note provisions: [Applicable] [Not Applicable]
- (i) Rate of Interest: [ ] per cent. [per annum] [ ] payable in arrear on [each] [the first] [ ] Interest Payment Date [[and] [ ] per cent. [per annum] in arrear on [ ] [the last] Interest Payment Date]
- (ii) Interest Payment Date(s): [ ] in [each year] [ ] [adjusted in accordance with the Business Day Convention] [not adjusted]
- (iii) Fixed Coupon Amount(s): [[ ] per Calculation Amount] [Not Applicable]
- (iv) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [Actual/Actual (ICMA)] [30E/360] [30E/360 (ISDA)] [Not Applicable]
- (v) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention/Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention/Floating Rate Convention/Eurodollar Convention] [No Adjustment]
11. Floating Rate Note provisions: [Applicable] [Not Applicable]
- (i) Interest Period(s): [ ] [Not Applicable]
- (ii) Specified Period: [ ] [Not Applicable]
- (iii) Interest Payment Dates: [ ]
- (iv) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention/Modified Business

<sup>1</sup> Denominations not to be less than EUR1,000.



- Day Convention] [Preceding Business Day Convention]  
[FRN Convention/Floating Rate Convention/Eurodollar  
Convention] [No Adjustment]
- (v) Screen Rate Determination: [Applicable] [Not Applicable]
- (1) Reference Rate: [ [●] month] [BBR] [EURIBOR] [LIBOR]
- (2) Interest Determination Date: [ ]
- (3) Relevant Screen Page: [ ]
- (4) Alternative Pre-nominated Index: [ ] [Not Applicable]
- (5) Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 13A(c): [3] [ ]
- (6) Relevant Financial Centre: [ ]
- (6) Relevant Time: [ ]
- (7) Relevant Currency: [AUD] [CHF] [EUR] [GBP] [USD]
- (8) ISDA Determination for Fall-back provisions: [Applicable] [Not Applicable]
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
  - Alternative Pre-nominated Index: [ ] [Not Applicable]
  - Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to [3] [ ]

Condition  
13A(c):

- Fewer than [Applicable] [Not Applicable] minimum number of Reference Banks quoting:

- (vi) ISDA Determination: [Applicable] [Not Applicable]
- (1) Floating Rate Option: [ ]
- (2) Designated Maturity: [ ]
- (3) Reset Date: [ ]
- (4) Alternative Pre-nominated Index: [ ] [Not Applicable]
- (5) Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 13A(c): [3] [ ]
- (6) ISDA Reference Banks Fallbacks: [Applicable] [Not Applicable]
- (vii) Margin: [[+/-] [ ] per cent. per [annum] [ ]] [Not Applicable]
- (viii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [Actual/Actual (ICMA)] [30E/360] [30E/360 (ISDA)] [Not Applicable]
- (ix) Minimum Interest Rate: [[ ] per cent. [ ] per [ ] [annum]] [Not Applicable]
- (x) Maximum Interest Rate: [[ ] per cent. [ ] per [ ] [annum]] [Not Applicable]
12. Coupon Trigger Event: [Applicable] [Not Applicable]

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

- (i) Averaging Dates: [ ] [Not Applicable]
- (ii) Averaging Date Market Disruption in respect of Coupon Trigger Event: [ ] [Omission] [Postponement] [Modified Postponement] [Not Applicable]

- (iii) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention/Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention/Floating Rate Convention/Eurodollar Convention] [No Adjustment]

**PROVISIONS RELATING TO REDEMPTION**

13. Method for determining the Final Redemption Amount of each Note: [Booster Redemption] [Airbag Redemption] [Autocallable Redemption] [Reverse Convertible Redemption] [100% Protected Growth Redemption] [100% Protected Capped Growth Redemption] [Partially Protected Growth Redemption] [Partially Protected Capped Growth Redemption] [Digital Redemption]

14. Provisions relating to the calculation of the Final Redemption Amount of each Note:

- (i) [Index]/[Index Basket]: [ ] [The Index is a Multiple Exchange Index]

[Each of the indices specified in the table below:]

<i>Index</i>	<i>Multiple Exchange Index</i>
[ ]	[Yes] [No]

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

- (ii) Weighting: [Applicable] [Not Applicable]

Weighting	Index
[ ]	[ ]

- (iii) Barrier Level: [[ ] per cent.] [Not Applicable]
- (iv) Cap: [[ ] per cent.] [Not Applicable]
- (v) Final Trigger Level: [[ ] per cent.] [Not Applicable]
- (vi) Digital Amount: [[ ] per cent.] [Not Applicable]
- (vii) Participation: [[ ] per cent.] [Not Applicable]
- (viii) Protection Level: [[ ] per cent.] [Not Applicable]
- (ix) Redemption Rate: [Applicable] [Not Applicable]
- (x) Relevant Final Performance: [Final Index Performance of the Index] [Final Index Performance of the worst performing Index in the Index Basket] [the weighted arithmetic average of the Final Index Performances of the constituent Indices in the Index Basket]
- (xi) Relevant Level: [Final Index Level] [Average Index Level] [Not Applicable]
- (xii) Averaging Dates: [ ] [Not Applicable]

- (xiii) Averaging Date Market Disruption: [ ] [Omission] [Postponement] [Modified Postponement] [Not Applicable]
- (xiv) Alternative Pre-nominated Index: [Applicable] [Not Applicable]

Underlying Index(ices)	Alternative Pre-nominated Index	Index Sponsor	Exchanges	Related Exchanges	Multiple Index	Exchange
[ ]	[ ]	[ ]	[ ]	[All Exchanges ]	[ ]	

- (XV) Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 13A(c): [3] [ ]

15. Early Redemption:

- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): [[ ] per cent. of the Calculation Amount] [Fair Market Value] [Not Applicable]  
*(Condition 5(b) or 5(d))*
- (ii) Early Redemption Amount following an Event of Default: [[ ] per cent. of the Calculation Amount] [Fair Market Value]  
*(Condition 9)*
- (iii) Redemption following FX Disruption Event [Applicable] [Not Applicable]  
*(Condition 7(f)(Y))*
- (iv) Early Redemption Amount following FX Disruption Event or Benchmark Trigger Event: [[ ] per cent. of the Calculation Amount] [Fair Market Value][Not Applicable]  
*(Condition 7(f)(Y) or 13A)*

16. Early Redemption for Autocallable Notes: [Applicable] [Not Applicable]

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

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

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

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

18. Form of Notes: [Bearer Notes] [Registered Notes] [Uncertificated Registered Notes]
19. If issued in bearer form: [Applicable] [Not Applicable]
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: [Temporary] [Permanent] Global Note
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes: [Yes] [No] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note]
- (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation: [Yes] [No. Paragraph (c) of the Permanent Global Note does not apply. The Issuer may not elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (c) of the Permanent Global Note.]
- (iv) Coupons to be attached to Definitive Notes: [Yes] [No] [Not Applicable]
- (v) Talons for future Coupons to be attached to Definitive Notes: [Yes] [No] [Not Applicable]
20. Exchange Date for exchange of Temporary Global Note: [ ] [Not earlier than 40 days after the Issue Date]
21. If issued in registered form (other than Uncertificated Registered Notes): [Applicable; the Notes will initially be represented by a Regulation S Global Registered Note] [Not Applicable]
- (i) Regulation S Global Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage [Yes] [No. Paragraph (d) of the Regulation S Global Registered Note does not apply. The Issuer may not elect to exchange a Regulation S Global Registered Note for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the Regulation S Global Registered Note]

following a change of law  
or regulation:

22. Payments:

- (i) Relevant Financial Centre Day: [ ]
- (ii) Business Centre(s): [ ]
- (iii) Payment of Alternative Payment Currency Equivalent: [Applicable] [Not Applicable]
- Cross Currency: [ ]
  - Cross Currency Jurisdiction: [ ]
  - Settlement Currency Jurisdiction: [ ]
  - Alternative Payment Currency: [ ]
  - Alternative Payment Currency Jurisdiction: [ ]
  - Alternative Payment Currency Fixing Page: [ ]
  - Alternative Payment Currency Fixing Time: [ ]
  - Alternative Payment Currency Fixing Date: [ ] [Condition 1 applies] [The relevant jurisdictions/places] for the purposes of the Alternative Payment Currency Fixing Date are [ ]
  - Offshore RMB Centre: [Hong Kong] [Singapore] [Taiwan] [ ] [Not Applicable]
  - Alternative Pre-nominated Index: [ ] [Not Applicable]
  - Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 13A(c): [3] [ ]
- (iv) 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 7(f): [3] [ ]
  - Dealer Poll: [Applicable] [Not Applicable]
  - Unscheduled Holiday and Deferral Period: The number of Relevant Currency Business Days for the purpose of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purposes of the Deferral Period is [ ] [as per Condition 1]]
23. Redenomination: [Applicable] [Not Applicable]
24. Further provisions relating to the underlying Ind[ex] [ices]:
- (i) Index Sponsor(s): [ ]
  - (ii) Index Rules<sup>2</sup>: [ ] [Not Applicable]
  - (iii) Exchange(s): [ ]
  - (iv) Related Exchange(s): [ ] [All Exchanges]
  - (v) Initial Index Level: [ ] [The definition in Condition 1 applies]
  - (vi) Strike Date: [ ]
  - (vii) Final Valuation Date: [ ] [Not Applicable]
  - (viii) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]] [Not Applicable]
  - (ix) Index Substitution: [Applicable] [Not Applicable]
25. Valuation Time: [ ] [The definition in Condition 1 applies]
26. Specified Maximum Number of Disrupted Days: [ ] [Not Applicable] [The definition in Condition 1 applies]
27. Number of local banking days for the purpose of postponing Disrupted Day Related Payment Dates pursuant to Condition 16: [3] [ ]

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<sup>2</sup> Not including proprietary indices

**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][and][the official list of the Borsa Italiana S.p.A.]. No assurance can be given as to whether or not, or when, such application will be granted.]
- (ii) Admission to trading: [The Original Issue was admitted to trading on the regulated market of Euronext Dublin on [ ].] [Application [will be] [has been] made for the Notes to be admitted to trading on [the regulated market of Euronext Dublin][and][the Electronic Bond Market, being the regulated market of the Borsa Italiana S.p.A. ("MOT")]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not Applicable]

### 2. [RATINGS]

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

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

- (i) Reasons for the offer and use of proceeds: [ ] [Not Applicable]
- (ii) Estimated net proceeds: [ ] [Not Applicable]
- (iii) Estimated total expenses: [ ] [Not Applicable]

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

[The Notes may be on-sold by the Dealer(s) to the Initial Authorised Offerors at a discount to the Issue Price of [up to] [%]. Such discount (the "re-offer spread") will be retained by the Initial Authorised Offerors.] [Save for any fees payable to the Dealer(s)[ and ]][[S/s]ave for the re-offer spread retained by the Initial Authorised Offerors], no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the [issue/offer]. 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.] [Not Applicable]

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

Indication of yield: [ ]

### 6. [*Floating Rate Notes only* – HISTORIC INTEREST RATES]

Information on past and future performance and volatility of the [BBR] [EURIBOR] [LIBOR] interest rates can be obtained from [Reuters] [ ].]

7. **INFORMATION ABOUT THE UNDERLYING**

Information on the past and future performance and volatility of the [Index] [Indices comprised in the basket] can be obtained from [the following display pages on [Bloomberg (source: Bloomberg Financial Markets Service)]] [the following website [•] [(Source: [•])]].

8. **[PERFORMANCE OF RATE[S] OF EXCHANGE**

Information on past and future performance and volatility of the [ ] [Alternative Payment Currency Exchange Rate] can be obtained from [Reuters] [ ].]

**[DISTRIBUTION**

9. (i) If syndicated, name[s] and address[es] of Dealers [and underwriting commitments]: [ ]
- (ii) Date of subscription agreement: [ ]
- (iii) Indication of the overall amount of the underwriting commission and of the placing commission: [[ ] per cent. of the Aggregate Nominal Amount [of the Tranche]] [Not Applicable]
10. If non-syndicated, name and address of Dealer: [ ]
11. TEFRA Rules applicable to Bearer Notes: [TEFRA C Rules] [TEFRA D Rules] [TEFRA Not Applicable]
12. Selling restrictions, United States of America: 40-day Distribution Compliance Period: [Applicable] [Not Applicable]
13. Public Offer: [Applicable] [Not Applicable]
- (i) Details of the Public Offer: A public offer of this Tranche of Notes may be made by the Dealers [and [ ]] ([together with the Dealers,] the "**Initial Authorised Offeror[s]**") and any other Authorised Offerors published on the Issuer's website [www.hsbc.com](http://www.hsbc.com) (following links to 'Investors', 'Fixed income investors', 'Issuance programmes') in [the United Kingdom] [the Republic of Ireland][France] [Italy] (the "**Public Offer Jurisdiction**") during the period from and including [ ] until but excluding [ ] (the "**Offer Period**").
- (ii) Conditions attached to the consent to use the Prospectus: [ ] [Not Applicable]
14. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable ]
15. Additional U.S. federal income tax considerations: [Not Applicable/give details] The Notes are not Section 871(m) Notes for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986.

**OPERATIONAL INFORMATION**

16. ISIN Code: [ ] [Not Applicable]

17. Common Code:  [Not Applicable]
18. Valoren Number:  [Not Applicable]
19. SEDOL:  [Not Applicable]
20. Other identifier / code:  [Not Applicable]
21. Clearing System:  [Euroclear]  [Clearstream, Luxembourg]  [CREST]
22. Delivery:  Delivery [against]  [free of] payment
23. (i) Principal Paying Agent/Registrar/Issue Agent/Transfer Agent:  [HSBC Bank plc]
- (ii) Additional Paying Agent(s) (if any):  [Not Applicable]
24. Common Depository:  [HSBC Bank plc]  [Not Applicable]
25. Calculation Agent:  [HSBC Bank plc]  [HSBC France]

**[TERMS AND CONDITIONS OF THE OFFER**

26. Offer Price:  [Issue Price]  [ ]
27. Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:  [Not Applicable]
28. The time period, including any possible amendments, during which the offer will be open:  [Not Applicable]
29. Conditions to which the offer is subject:  [Not Applicable]
30. Description of the application process:  [Not Applicable]
31. Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:  [Not Applicable]
32. Details of the minimum and/or maximum amount of application:  [Not Applicable]
33. Details of the method and time limits for paying up and delivering of the securities:  [Not Applicable]
34. Manner in and date on which results of the offer are to be made public:  [Not Applicable]
35. Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:  [Not Applicable]

36. Whether tranche(s) have been reserved for certain countries: [ ] [Not Applicable]
37. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [ ] [Not Applicable]
38. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [ ] [Not Applicable]
39. Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [ ] [Not Applicable]
40. Name and address of any paying agents and depositary agents in each country: [ ] [Not Applicable]
41. Name and address if the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [ ] [Not Applicable]

#### **BENCHMARKS**

42. Details of benchmarks administrators and registration under Benchmarks Regulation: [specify benchmark] is provided by [administrator legal name]. As at the date hereof, [administrator legal name] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [administrator legal name] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[Not Applicable]

**ANNEX**

**ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO  
THE UNDERLYING**

**[The following Index disclaimer is applicable in respect of the [ ] Index, as agreed between the  
Index Sponsor and the Issuer: [ ]].**

## PART III – INFORMATION RELATING TO THE WARRANTS

### SECTION III.1 – DESCRIPTION OF THE WARRANTS

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

(1) **Introduction**

The Issuer may from time to time issue Warrants. A document known as "**Final Terms**" will give further details of the amounts payable under the Warrants.

In this sub-section (1), the various types of cash payment which may be payable upon exercise of a Warrant (each, a "**Cash Settlement Amount**") are described. All Cash Settlement Amounts payable upon exercise of a Warrant require the performance of indices to be ascertained. In sub-section (2), the various processes used in ascertaining the performance of indices are described.

Unless a Warrant has been terminated earlier, a Warrant will be exercised at the end of its term on the "**Expiry Date**". The Cash Settlement Amount which an investor will receive will be calculated using the Cash Settlement Amount provisions specified in the relevant Final Terms. The relevant Final Terms will specify one of the following Cash Settlement Amount provisions as applying to a particular issue of Warrants:

- Protection Cash Settlement Put Warrant;
- Growth Cash Settlement Call Warrant;
- Capped Growth Cash Settlement Call Warrant;
- Partially Protected Cash Settlement Put Warrant;
- Conditional Growth Cash Settlement Call Warrant;
- Conditional Capped Growth Cash Settlement Call Warrant;
- Digital Cash Settlement Put Warrant; and
- Digital Cash Settlement Call Warrant.

The amount of the Cash Settlement Amount will depend on the performance of the index or basket of indices to which the Warrant is linked (the "**Index**" and "**Indices**" respectively) and the relevant Cash Settlement Amount provision.

Further details of the above Cash Settlement Amount provisions and the amounts which may be payable depending on which of the above Cash Settlement Amount provisions is specified in the relevant Final Terms are set out at sub-section (3) below, together with some worked examples.

Warrants may be issued in pairs. If so, in each pair, one of the Warrants will be a 'Put Warrant' and one will be a 'Call Warrant' for the relevant type of cash settlement. Each Warrant in a pair will be exercisable independently of the other Warrant in the pair. A Put Warrant provides protection against a downwards movement of the Index or Indices (as applicable) during the term of the Warrants. A Call Warrant provides exposure to positive movement of the Index or Indices (as applicable) during the term of the Warrants. A more detailed description of Put Warrants and Call Warrants is set out at sub-section (3) below.

\*\*\*\*\*

The following table sets out for each type of Cash Settlement Amount details of where an explanation of the Cash Settlement Amount for each Warrant and a related worked example may be found in this Base Prospectus.

<b>If the Final Terms specify that the following is applicable ...</b>	<b>... an explanation and worked example in this Base Prospectus may be found at:</b>
Protection Cash Settlement Put Warrant	Pages 191 to 194
Growth Cash Settlement Call Warrant	Pages 191 to 194
Capped Growth Cash Settlement Call Warrant	Pages 191 to 194
Partially Protected Cash Settlement Put Warrant	Pages 195 to 198
Conditional Growth Cash Settlement Call Warrant	Pages 195 to 198
Conditional Capped Growth Cash Settlement Call Warrant	Pages 195 to 198
Digital Cash Settlement Put Warrant	Pages 199 to 200
Digital Cash Settlement Call Warrant	Pages 199 to 200

(2) *Ascertaining the performance of the Indices*

Each Cash Settlement Amount which may be payable in respect of a Warrant is linked to the performance of the Index or basket of Indices to which the Warrant is linked. Details of how to ascertain the performance of an Index or a basket of Indices are set out below, together with worked examples.

(a) *The value of the Indices*

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

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

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

Averaging Dates:	are not specified in the relevant Final Terms	Final Index Level  (see pages 186 to 187)
Averaging Dates:	are specified in the relevant Final Terms	Average Index Level  (see page 187)

Details of each valuation method are set out below.

*Final Index Level valuation method*

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

**Final Index Level worked example:**

*The hypothetical scenario*

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

- An investor purchases a Warrant linked to the FTSE®100 Index.
- No Averaging Dates are specified in the Final Terms.
- The Valuation Date specified in the Final Terms is 30 June 2021.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time).
- The level of the FTSE®100 Index on 30 June 2021 at 5.00 pm (London time) is 6,800.

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

In order to determine the Final Index Level, the Calculation Agent will obtain the level of the FTSE®100 Index on 30 June 2021 at 5.00 pm (London time). In this case, the Final Index Level will be 6,800.

*Average Index Level valuation method*

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

**Average Index Level worked example:**

*The hypothetical scenario*

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

- An investor purchases a Warrant linked to the FTSE®100 Index.
- Four Averaging Dates are specified in the Final Terms.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time).
- The levels of the FTSE®100 Index at the Valuation Time on each of the four Averaging Dates are 6,650, 7,050, 6,800 and 6,900.

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

In order to calculate the Average Index Level, the Calculation Agent will obtain the arithmetic average of the levels of the Index on each of the four Averaging Dates. The Average Index Level is therefore 6,850, being  $(6,650 + 7,050 + 6,800 + 6,900)$  divided by 4.

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

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

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



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

*The hypothetical scenario*

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

- An investor purchases a Warrant linked to an equally weighted basket consisting of the FTSE®100 Index and the S&P 500® Index.
- The initial index level of the FTSE®100 Index is 6,100.
- The initial index level of the S&P 500® Index is 2,300.
- The Valuation Date specified in the Final Terms is 30 June 2021.
- The Valuation Time specified in the Final Terms is 5.00 pm (London time) in respect of the FTSE®100 Index and 5.00 pm (New York time) in respect of the S&P 500® Index.
- The level of the FTSE®100 Index on 30 June 2021 at 5.00 pm (London time) is 6,500.
- The level of the S&P 500® Index on 30 June 2021 at 5.00 pm (New York time) is 2,100.

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

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

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

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

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

First, the Calculation Agent will calculate the Average Index Level in respect of each constituent Index in the basket. The process for this is described in paragraph titled "*Average Index Level valuation method*" on page 190 of this Base Prospectus.

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

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

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

*The hypothetical scenario*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) **Cash Settlement Amount**

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

Warrants may be issued in pairs. If so, in each pair, one of the Warrants will be a 'Put Warrant' and one will be a 'Call Warrant' for the relevant type of cash settlement. Each Warrant in a pair will be exercisable independently of the other Warrant in the pair.

A Put Warrant provides protection against a downwards movement of the Index or Indices (as applicable) during the term of the Warrants.

A Call Warrant provides exposure to positive movement of the Index or Indices (as applicable) during the term of the Warrants.

Together, a Put Warrant and Call Warrant provide investors protection against depreciation of the Index or Indices (as applicable) and exposure to the appreciation of the Index or Indices (as applicable) subject to a cap (if applicable) and multiplied by a participation (if applicable). In all pair combinations, if both Warrants are held by the same investor and exercised by them at the same time, then the sum of the Cash Settlement Amounts for both Warrants received by that investor will be a minimum of 100%, or a percentage equal to the partial protection level as specified in the relevant Final Terms, of the face value (as specified in the relevant Final Terms relating to both Warrants) (the "**Face Value**") (not, for the avoidance of doubt, 100% or a percentage equal to the partial protection level as specified in the relevant Final Terms of the combined Face Values of both Warrants in a pair).

The pair combinations of Warrants are:

- Protection Cash Settlement Put Warrant and Growth Cash Settlement Call Warrant
  - Protection Cash Settlement Put Warrant and Capped Growth Cash Settlement Call Warrant
  - Partially Protected Cash Settlement Put Warrant and Conditional Growth Cash Settlement Call Warrant
  - Partially Protected Cash Settlement Put Warrant and Conditional Capped Growth Cash Settlement Call Warrant
  - Digital Cash Settlement Put Warrant and Digital Cash Settlement Call Warrant
- (a) *Warrants specifying Protection Cash Settlement Put Warrant, Growth Cash Settlement Call Warrant or Capped Growth Cash Settlement Call Warrant*

A Warrant specifying "Protection Cash Settlement Put Warrant" may be paired with either a Warrant specifying "Growth Cash Settlement Call Warrant" or a Warrant specifying "Capped Growth Cash Settlement Call Warrant".

Overview of Warrants specifying Protection Cash Settlement Put Warrant, Growth Cash Settlement Call Warrant or Capped Growth Cash Settlement Call Warrant

When a pair of Warrants consisting of a Protection Cash Settlement Put Warrants and a Growth Cash Settlement Call Warrants are exercised together they provide the investor with protection on its investment together with a potential upside (a specified participation factor expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable) not subject to a maximum cap) depending on the appreciation or depreciation of the Index or basket of Indices.

When a pair of Warrants consisting of a Protection Cash Settlement Put Warrants and a Capped Growth Cash Settlement Call Warrants are exercised together they provide the investor with protection on its investment together with a potential upside (a specified participation factor expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable) subject to a maximum cap) depending on the appreciation or depreciation of the Index or basket of Indices.

Accordingly, the Cash Settlement Amount payable to the investor will depend on:

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

Calculation of the Cash Settlement Amount

(i) *Protection Cash Settlement Put Warrant*

If "Protection Cash Settlement Put Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the face value of the Warrant ("**Face Value**") by the product of the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(ii) *Growth Cash Settlement Call Warrant*

If "Growth Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the Face Value by the product of the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%] + \text{Participation} \\ \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]$$

(iii) *Capped Growth Cash Settlement Call Warrant*

If "Capped Growth Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the Face Value by the product of the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} \\ - 10\%] + \text{MIN} [\text{Cap}; \text{Participation} \times \text{MAX} [0; \text{Relevant Final Performance} \\ - 100\%]]$$

**Protection Cash Settlement Put Warrant, Growth Cash Settlement Call Warrant and Capped Growth Cash Settlement Call Warrant:**

*The hypothetical scenario*

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

- An investor purchases a pair of Warrants denominated in GBP linked to the FTSE®100 Index (the "**Index**"). The Final Terms of one (the "**Put Warrant**") specify Protection Cash Settlement Put Warrant and the Final Terms of the other Warrant specify either Growth Cash Settlement Call Warrant or Capped Growth Cash Settlement Call Warrant.
- The Face Value of each Warrant is GBP 1,000.
- The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 6,450.
- The Relevant Level of the FTSE®100 Index is 6,800, as determined by the Calculation Agent using the "Final Index Level" valuation method.

- The Participation (being a percentage that expresses the increase in the Face Value of the Warrant if there is an appreciation of the Index or basket of Indices) is 120%.
- The Cap (being a percentage that expresses the maximum appreciation of the Index or basket of Indices that will be considered when determining the Cash Settlement Amount) is 10%.

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

To determine the Relevant Final Performance, the Relevant Level (6,800) is divided by the initial index level (6,450). This is equal to 1.0543 and, when expressed as a percentage, is 105.43%. Therefore the Relevant Final Performance is 105.43%.

(2) ***Calculating the formula for Protection Cash Settlement Put Warrant***

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

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

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

0 is greater than 100% - Relevant Final Performance (minus 5.43%, being 100% - 105.43%), and so 0 is used rather than minus 5.43%.

(b) ***What is MIN [90%; MAX [0; 100% - Relevant Final Performance]]?***

0 is less than 90%, and so 0 is used rather than 90%.

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

Once the variable is re-inserted into the formula, the calculation is  $1/90\% \times 0$ , which is equal to 0.

(3) ***Cash Settlement Amount for Protection Cash Settlement Put Warrant***

The Cash Settlement Amount per Put Warrant is:

GBP	1000	x	(The Face Value of the Warrant)
	0%		(The percentage ascertained from the formula)
<b>GBP</b>	<b>0</b>		<b>The Cash Settlement Amount per Put Warrant</b>

(4) ***Calculating the formula for Growth Cash Settlement Call Warrant (if applicable)***

For the purposes of this paragraph (4), it is assumed that the investor also purchases a Warrant denominated in GBP linked to the FTSE®100 Index which specifies Growth Cash Settlement Call Warrant ("**Call Warrant**").

An investor will be entitled to an amount equal to the Face Value of the Warrant multiplied by the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] + \text{Participation} \\ \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]]$$

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

(a) ***What is MAX [0; Relevant Final Performance - 10%]?***

The Relevant Final Performance - 10% is 95.43% (being 105.43% - 10%) which is greater than 0, and so 95.43% is used rather than 0%.

(b) *What is MIN [90%; MAX [0; Relevant Final Performance - 10%]]?*

90% is less than 95.43%, and so 90%, rather than 95.43%, is multiplied by 1/90% in the first part of the formula.

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

The Relevant Final Performance - 100% is 5.43% (being 105.43% - 100%) which is greater than 0, and so 5.43% is used in the fourth part of the formula rather than 0.

(d) *Re-inserting the variables*

Once these variables are re-inserted into the formula, the calculation is  $1/90\% \times 90\% + 120\% \times 5.43\%$ , which is equal to 106.52%.

(e) *Cash Settlement Amount for Growth Cash Settlement Call Warrant*

The Cash Settlement Amount per Call Warrant will be:

GBP	1,000.00	x	(The Face Value of the Warrant)
	<u>106.52%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>1,065.20</b>		<b>The Cash Settlement Amount per Call Warrant</b>

(f) *Total amount which the investor will receive upon exercising a Warrant specifying "Protection Cash Settlement Put Warrant" and a Warrant specifying "Growth Cash Settlement Call Warrant"*

The total amount which the investor will receive upon exercising this pair of Warrants will be:

GBP	0	(The Cash Settlement Amount per Put Warrant)
+	<u>1,065.20</u>	(The Cash Settlement Amount per Call Warrant)
<b>GBP</b>	<b>1,065.20</b>	<b>The total amount received for this pair of Warrants</b>

(5) *Calculating the formula for Capped Growth Cash Settlement Call Warrant (if applicable)*

For the purposes of this paragraph (5), it is assumed that the investor purchases in addition to the Put Warrant a Warrant denominated in GBP linked to the FTSE®100 Index which specifies Capped Growth Cash Settlement Call Warrant ("**Capped Call Warrant**").

An investor will be entitled on exercise to an amount equal to the Face Value of the Warrant multiplied by the following formula:

$$1/90\% \times \text{MIN [90%; MAX [0; Relevant Final Performance - 10%]]} + \text{MIN [Cap; Participation} \\ \times \text{MAX [0; Relevant Final Performance - 100%]]}$$

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

(a) *What is MAX [0; Relevant Final Performance - 10%]?*

The Relevant Final Performance - 10% is 95.43% (being 105.43% - 10%) which is greater than 0, and so 95.43% is used rather than 0.

(b) *What is MIN [90%; MAX [0; Relevant Final Performance - 10%]]?*

90% is less than 95.43%, and so 90%, rather than 95.43%, is multiplied by 1/90% in the first part of the formula.

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

The Relevant Final Performance - 100% is 5.43% (being 105.43% - 100%) which is greater than 0%, and so 5.43% is used rather than 0%.

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

The Cap (10%) is greater than the Participation (120%) multiplied by the Relevant Final Performance - 100% (5.43%) (being 6.52%), so 6.52% will be used rather than the Cap (being 10%) in the second part of the formula.

(e) *Re-inserting the variables*

Once these variables are re-inserted into the formula, the calculation is  $1/90\% \times 90\% + 6.52\%$ , which is equal to 106.52%.

(f) *Cash Settlement Amount for Capped Growth Cash Settlement Call Warrant*

The Cash Settlement Amount per Capped Call Warrant will be:

GBP	1,000.00	x	(The Face Value of the Warrant)
	<u>106.52%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>1,065.20</b>		<b>The Cash Settlement Amount per Capped Call Warrant</b>

(g) *Total amount which the investor will receive upon exercising a Warrant specifying "Protection Cash Settlement Put Warrant" and a Warrant specifying "Capped Growth Cash Settlement Call Warrant"*

The total amount which the investor will receive upon exercising this pair of Warrants will be:

GBP	0	(The Cash Settlement Amount for the Put Warrant)
+	<u>1,065.20</u>	(The Cash Settlement Amount for the Capped Call Warrant)
<b>GBP</b>	<b>1,065.20</b>	<b>The total amount received for this pair of Warrants</b>

(b) *Warrants specifying Partially Protected Cash Settlement Put Warrant, Conditional Growth Cash Settlement Call Warrant or Conditional Capped Growth Cash Settlement Call Warrant*

A Warrant specifying "Partially Protected Cash Settlement Put Warrant" may be paired with either a Warrant specifying "Conditional Growth Cash Settlement Call Warrant" or a Warrant specifying "Conditional Capped Growth Cash Settlement Call Warrant".

Overview of Warrants specifying Partially Protected Cash Settlement Put Warrant, Conditional Growth Cash Settlement Call Warrant or Conditional Capped Growth Cash Settlement Call Warrant

When a pair of Warrants consisting of a Partially Protected Cash Settlement Put Warrants and a Conditional Growth Cash Settlement Call Warrants are exercised together they provide the investor with a potential upside (a specified participation factor expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable) not subject to a maximum cap) or downside (subject to a protection level which is a fixed percentage expressing the maximum amount of depreciation that is taken into account) depending on the appreciation or depreciation of the Index or basket of Indices.

When a pair of Warrants consisting of a Partially Protected Cash Settlement Put Warrants and a Conditional Capped Growth Cash Settlement Call Warrants are exercised together they provide the investor with a potential upside (a specified participation factor expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable) subject to a maximum cap) or downside (subject to a protection level which is a fixed percentage expressing the maximum amount of depreciation that is taken into account) depending on the appreciation or depreciation of the Index or basket of Indices.

Accordingly, the Cash Settlement Amount payable to the investor will depend on:

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

- the maximum cap specified (if applicable).

*Calculation of the Cash Settlement Amount*

(i) *Partially Protected Cash Settlement Put Warrant*

If "Partially Protected Cash Settlement Put Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the Face Value of the Warrant by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% - \text{Protection Level}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(ii) *Conditional Growth Cash Settlement Call Warrant*

If "Conditional Growth Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ + \text{Participation} \times [\text{Relevant Final Performance} - 100\%]$$

- If the Relevant Final Performance is less than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

(iii) *Conditional Capped Growth Cash Settlement Call Warrant*

If "Conditional Capped Growth Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] + \text{MIN} [\text{Cap}; \text{Participation} \times [\text{Relevant Final Performance} \\ - 100\%]]$$

- If the Relevant Final Performance is less than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

**Partially Protected Cash Settlement Put Warrant, Conditional Growth Cash Settlement Call Warrant and Conditional Capped Growth Cash Settlement Call Warrant worked example:**

*The hypothetical scenario*

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

- An investor purchases a pair of Warrants denominated in GBP linked to the FTSE®100 Index and S&P 500® Index (together, the "**Basket**"). The Indices in the Basket are equally weighted. The Final Terms of one (the "**Put Warrant**") specify Partially Protected Cash Settlement Put Warrant and the Final Terms of the other Warrant specify either Conditional Growth Cash Settlement Amount Call Warrant or Conditional Growth Capped Cash Settlement Call Warrant.
- The Face Value of each Warrant is GBP 1,000.



- The initial index level of the FTSE®100 Index set out in the relevant Final Terms is 6,700 and the initial index level of the S&P 500® Index set out in the relevant Final Terms is 2,300.
- The Relevant Level of the FTSE®100 Index and of the S&P 500® Index are 7,250 and 1,750, respectively as determined by the Calculation Agent using the "Final Index Level" valuation method.
- The Participation (being a percentage that expresses the increase in the Face Value of the Warrant if there is an appreciation of the Index or basket of Indices) is 120%.
- The Cap (being a percentage that expresses the maximum appreciation of the Index or basket of Indices that will be considered when determining the Cash Settlement Amount) is 10%.
- The Protection Level (being a percentage that expresses the maximum amount of depreciation that is taken into account) is 85%.

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

To determine the Relevant Final Performance, the Relevant Level in respect of each Index is divided by the relevant initial index level. In respect of the FTSE®100 Index the performance is  $7,250 / 6,700 = 1.0821$  and when expressed as a percentage 108.21%. In respect of the S&P 500® Index the performance is  $1,750 / 2,300 = 0.7609$  and when expressed as a percentage 76.09%. The Relevant Final Performance is the weighted average of the performances of the Indices and will be calculated as  $(108.21\% + 76.09\%) / 2 = 184.30\% / 2 = 92.15\%$ . Therefore the Relevant Final Performance is 92.15%.

(2) ***Calculating the formula for Partially Protected Cash Settlement Put Warrant***

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

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% - \text{Protection Level}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

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

100% - the Relevant Final Performance is 7.85% (being 100% - 92.15%) which is greater than 0, and so 7.85% is used in both parts of the formula rather than 0.

(b) ***What is MIN [90%; MAX [0; 100% - Relevant Final Performance]]?***

7.85% is less than 90% and so 7.85% is used in the first part of the formula rather than 90%.

(c) ***What is 100% - Protection Level?***

100% - the Protection Level (85%) is 15%.

(d) ***What is MIN [100% - Protection Level, MAX [0; 100% - Relevant Final Performance]]?***

7.85% is less than 15%, so 7.85% is used in the second part of the formula rather than 15%.

(e) ***Re-inserting the variables***

Once the variables are re-inserted into the formula, the calculation is  $1/90\% \times 7.85\% - 7.85\%$ , which is equal to 0.872%.

(3) ***Cash Settlement Amount for Partially Protected Cash Settlement Put Warrant***

The Cash Settlement Amount per Put Warrant is:

GBP	1,000.00	x	(The Face Value of the Warrant)
	<u>0.872%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>8.72</b>		<b>The Cash Settlement Amount per Put Warrant</b>

(4) ***Calculating the formula for Conditional Growth Cash Settlement Call Warrant (if applicable)***

For the purposes of this paragraph (4), it is assumed that the investor also purchases a Warrant denominated in GBP linked to an equally weighted basket comprised of the FTSE®100 Index and S&P 500® Index which specifies Conditional Growth Cash Settlement Call Warrant (the "**Call Warrant**").

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

The Relevant Final Performance (92.15%) is not equal to or greater than 100%

Therefore, an investor will be entitled on exercise to an amount equal to the Face Value of the Call Warrant multiplied by the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

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

(b) *What is MAX [0; Relevant Final Performance - 10%]*

Relevant Final Performance - 10% is 82.15% (being 92.15% - 10%) which is greater than 0, and so 82.15% is used rather than 0.

(c) *What is MIN [90%; MAX [0; Relevant Final Performance - 10%]]?*

82.15% is less than 90%, and so 82.15%, rather than 90%, is used in the second part of the formula.

(d) *Re-inserting the variable*

Once the variable is re-inserted into the formula, the calculation is  $\frac{1}{90}\% \times 82.15\%$ , which is equal to 91.278%.

(e) ***Cash Settlement Amount for Conditional Growth Cash Settlement Call Warrant***

The Cash Settlement Amount per Call Warrant will be:

GBP	1,000.00	x	(The Face Value of the Warrant)
	<u>91.278%</u>		(The percentage ascertained from the formula)
<b>GBP</b>	<b>912.78</b>		<b>The Cash Settlement Amount per Call Warrant</b>

(f) ***Total amount which the investor will receive upon exercising a Warrant specifying "Partially Protected Cash Settlement Put Warrant" and a Warrant specifying "Conditional Growth Cash Settlement Call Warrant"***

The total amount which the investor will receive upon exercising this pair of Warrants will be:

GBP	8.72		(The Cash Settlement Amount for the Put Warrant)
	<u>+ 912.78</u>		(The Cash Settlement Amount for the Call Warrant)
<b>GBP</b>	<b>921.50</b>		<b>The total amount received for this pair of Warrants (which equals the performance of the Warrants if the Warrants are held in a pair)</b>

(5) ***Calculating the formula for Conditional Capped Growth Cash Settlement Call Warrant) (if applicable)***

If, in addition to the Put Warrant, the investor purchases a Warrant denominated in GBP linked to the FTSE®100 Index and S&P 500® Index which specifies Conditional Capped Growth Cash Settlement Call Warrant (the "**Capped Call Warrant**") the calculations for determining the Cash Settlement Amount for the Capped Call Warrant will be as for the Call Warrant, save that if there is any appreciation of the basket of Indices (as opposed to the depreciation demonstrated in this example), the maximum appreciation that will be considered when determining the Cash Settlement Amount for the Capped Call Warrant will be the Cap (i.e. in this example, 10%).

(c) *Warrants specifying Digital Cash Settlement Put Warrant and Digital Cash Settlement Call Warrant*

A Warrant specifying "Digital Cash Settlement Put Warrant" will be paired with a Warrant specifying "Digital Cash Settlement Call Warrant".

Overview of Warrants specifying Digital Cash Settlement Put Warrant and Digital Cash Settlement Call Warrant

When a pair of Warrants consisting of a Digital Cash Settlement Call Warrant and a Digital Cash Settlement Cash Settlement Put Warrant are exercised together they provide the investor either with an upside (an amount (a so-called digital amount) which is a fixed percentage increase expressing an enhanced return following an appreciation of the underlying Index or Indices (as applicable)) or a downside (subject to a protection level which is a fixed percentage expressing the maximum amount of depreciation of the underlying Index or Indices (as applicable) that is taken into account) depending on the appreciation or depreciation of the Index or basket of Indices.

Accordingly, the Cash Settlement Amount payable to the investor will depend on:

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

*Calculation of the Cash Settlement Amount*

(i) *Digital Cash Settlement Put Warrant*

If "Digital Cash Settlement Put Warrant" is stated to be applicable in the relevant Final Terms, then the Cash Settlement Amount will be calculated by multiplying the face value of the Warrant ('Face Value') by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% \\ - \text{Protection Level}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(ii) *Digital Cash Settlement Call Warrant*

If "Digital Cash Settlement Call Warrant" is stated to be applicable in the relevant Final Terms, then an investor will be entitled upon settlement to the Cash Settlement Amount which will be calculated as follows.

- If the Relevant Final Performance is equal to or greater than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$1/90\% \times \text{MIN} [90\%; \text{MAX} [0; [\text{Relevant Final Performance} - 10\%]]] + \text{Digital Amount}$$

- If the Relevant Final Performance is less than 100%, then an investor will be entitled to an amount equal to the Face Value multiplied by the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

**Digital Cash Settlement Put Warrant and Digital Cash Settlement Call Warrant worked example:**

*The hypothetical scenario*

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

An investor purchases a Warrant denominated in GBP linked to the FTSE®100 Index (the "**Index**") which specifies Digital Cash Settlement Put Warrant (the "**Put Warrant**") and a Warrant denominated in GBP linked to the FTSE®100 Index which specifies Digital Cash Settlement Call Warrant (the "**Call Warrant**").

The Face Value of each Warrant is GBP 1,000.

The initial index level set out in the relevant Final Terms against which the performance of the Index will be measured is 6,500.

There are four Averaging Dates and the levels of the Index on these dates are 6,650, 7,050, 6,800 and 6,900.

The Relevant Level of the Index is 6,850 (being (6,650 + 7,050 + 6,800 + 6,900) divided by 4), as determined by the Calculation Agent using the "Average Index Level" valuation method.

The Protection Level (being a percentage that expresses the maximum amount of depreciation of the Index that is taken into account) is 85%.

The Digital Amount (being a fixed percentage increase which expresses an enhanced return following an appreciation of the Index) is 7%.

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

To determine the Relevant Final Performance, the Relevant Level (6,850) is divided by the initial index level (6,500). This is equal to 1.10 and, when expressed as a percentage, is 110%. Therefore the Relevant Final Performance is 110%.

(2) ***Calculating the formula for Digital Cash Settlement Put Warrant***

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

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% \\ - \text{Protection Level}; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

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

0 is greater than 100% - Relevant Final Performance which is minus 10% (being 100% - 110%), and so 0 is used in the second and third parts of the formula rather than minus 10%.

(b) ***What is MIN [90%; MAX [0; 100% - Relevant Final Performance]]?***

0 is less than 90%, and so 0 is multiplied by 1/90% in the first part of the formula, rather than 90%.

(c) ***What is MIN [100% - Protection Level; MAX [0; 100% - Relevant Final Performance]]?***

100% - 85% (the Protection Level) is 15%.

0 is less than 15%, so 0 is used in the third part of the formula rather than 15%.

(d) *Re-inserting the variables*

Once these variables are re-inserted into the formula, the calculation is  $1/90\% \times 0 - 0$ , which is equal to 0.

(3) ***Cash Settlement Amount for Digital Cash Settlement Put Warrant***

The Cash Settlement Amount per Put Warrant is:

$$\begin{array}{rcl} \text{GBP} & 1,000 & \times \quad (\text{The Face Value of the Put Warrant}) \\ & \underline{0\%} & (\text{The percentage ascertained from the formula}) \\ \text{GBP} & \underline{\quad 0} & \text{The Cash Settlement Amount per Put Warrant} \end{array}$$

(4) ***Calculating the formula for Digital Cash Settlement Call Warrant***

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

The Relevant Final Performance (110%) is greater than 100%.

Therefore, an investor will be entitled on exercise to an amount equal to the Face Value of the Call Warrant multiplied by the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] + \text{Digital Amount}$$

When working out the above formula, the first step is to determine the variables in the formula described using "MIN", which means the lower of.

(b) *What is MAX [0; Relevant Final Performance - 10%]?*

The Relevant Final Performance - 10% is 100% (being 110% - 10%) so 100% is used in the second part of the formula.

(c) *What is MIN [90%; [Relevant Final Performance - 10%]]?*

90% is less than 100%, and so 90% is multiplied by  $1/90\%$  in the first part of the formula, rather than 100%.

(d) *Re-inserting the variables*

Once these variables are re-inserted into the formula, the calculation is  $1/90\% \times 90\% + 7\%$ , which is equal to 107%.

(5) ***Cash Settlement Amount for Digital Cash Settlement Call Warrant***

The Cash Settlement Amount per Call Warrant is:

$$\begin{array}{rcl} \text{GBP} & 1,000 & \times \quad (\text{The Face Value of the Call Warrant}) \\ & \underline{107\%} & (\text{The percentage ascertained from the formula}) \\ \text{GBP} & \underline{\quad 1,070} & \text{The Cash Settlement Amount per Call Warrant} \end{array}$$

(6) ***Total Cash Settlement Amount***

The total amount which the investor will receive upon exercising this pair of Warrants will be:

$$\begin{array}{rcl} \text{GBP} & 0 & (\text{The Cash Settlement Amount for the Put Warrant}) \\ + & \underline{1,070} & (\text{The Cash Settlement Amount for the Call Warrant}) \\ \text{GBP} & \underline{\quad 1,070} & \text{The total amount received for this pair of Warrants} \end{array}$$

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

## **SECTION III.2 – FORM OF WARRANTS AND SUMMARY OF PROVISIONS RELATING TO THE WARRANTS WHILE IN GLOBAL FORM**

Warrants may, subject to all applicable legal and regulatory requirements, be issued in Tranches or Series and will (as specified in the relevant Final Terms) either (i) be offered in reliance on Regulation S under the Securities Act ("**Regulation S**") in uncertificated registered form ("**Uncertificated Registered Warrants**"), or (ii) be in registered form ("**Registered Warrants**") offered in reliance on Regulation S, and represented by a Regulation S global registered warrant (the "**Regulation S Global Registered Warrant**").

### ***Regulation S Global Registered Warrants***

A Tranche of Registered Warrants will be offered and sold pursuant to Regulation S and will be issued in the form of Regulation S Global Registered Warrants. The Issuer will deliver a Regulation S Global Registered Warrant subject to the Master Warrant Issuance Agreement (as defined herein) in accordance with its terms.

The Regulation S Global Registered Warrant will be deposited on or about the issue date for the relevant Tranche with, and registered in the name of the common depositary for, Euroclear and Clearstream, Luxembourg. A beneficial interest in the Regulation S Global Registered Warrant may at all times be held only through Euroclear and Clearstream, Luxembourg. In the circumstances described below under "*Exchange and Transfer of Regulation S Global Registered Warrants for Regulation S Definitive Registered Warrants*", interests in any Regulation S Global Registered Warrant will be exchangeable for Regulation S Definitive Registered Warrants.

Each Regulation S Global Registered Warrant will have an ISIN number.

### ***Owner of Regulation S Global Registered Warrants and Payments***

Subject to certain provisions of the Master Warrant Issuance Agreement relating to directions, sanctions and consents of Holders of Registered Warrants and to meetings of Holders of Warrants, so long as Euroclear, Clearstream, Luxembourg, or the nominee of their common depositary, is the registered owner or holder of a Regulation S Global Registered Warrant, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Warrants represented by such Regulation S Global Registered Warrant for all purposes under the Master Warrant Issuance Agreement and the Warrants. Payments on Regulation S Global Registered Warrants will be made to Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the registered holder thereof. None of the Issuer, the Warrant Registrar, or any Warrant Agent or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Regulation S Global Registered Warrants or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Each such payment in respect of a Regulation S Global Registered Warrant will be made to the person shown as the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the Register at the close of business (in the relevant clearing system) on the business day on which each clearing system for which the Regulation S Global Registered Warrant is being held is open for business which is the business day of each such clearing system before the due date for such payment.

### ***Exchange and Transfer of Regulation S Global Registered Warrants for Regulation S Definitive Registered Warrants***

Beneficial interests in a Regulation S Global Registered Warrant will be exchangeable, in whole but not in part, for Regulation S Definitive Registered Warrants: (i) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention permanently to cease business or in fact does so; or (ii) if the Issuer, at its option, elects to terminate the book entry system through Euroclear and Clearstream, Luxembourg; or (iii) at the option of the Issuer, if the Issuer would suffer a material disadvantage in respect of the Warrants as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction which would not be suffered were the Warrants in definitive form; or (iv) at the option of the Issuer, if the Issuer, any Warrant Agent or the Warrant Registrar, by reason of any change in, or amendment to, the laws of the United Kingdom, is or

will be required to make any deduction or withholding from any payment under the Warrants which would not be required if such Warrants were in definitive form.

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

The holder of a Registered Warrant may transfer such Registered Warrant in accordance with the provisions of Condition 2 (*Form and Transfer*) of the Terms and Conditions of the Warrants.

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

The Warrant Registrar will not register the transfer of or exchange of interests in a Regulation S Global Registered Warrant for Regulation S Definitive Registered Warrants for a period of 15 calendar days preceding the due date for any payment in respect of the Warrants.



### SECTION III.3 – PURCHASE AND SALE OF WARRANTS

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

#### **General**

- (1) The Manager has, in a Master Warrant Issuance Agreement, agreed with the Issuer a basis upon which it may from time to time agree either as principal or agent of the Issuer to subscribe for or purchase, to underwrite or, as the case may be, to procure subscribers or purchasers for Warrants. When entering into any such agreement to subscribe for or purchase, to underwrite, or as the case may be, to procure subscribers for or purchasers for any particular Series of Warrants, the Issuer and the relevant Manager(s) will agree details relating to the form of such Warrants and the Conditions relating to such Warrants, the price at which such Warrants will be purchased by the relevant Manager(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription or purchase. The Master Warrant Issuance Agreement contains provisions for the Issuer to appoint other Managers from time to time either generally in respect of the Programme or in relation to a particular Tranche of Warrants.
- (2) No action has been or will be taken in any country or jurisdiction by the Issuer or the relevant Manager(s) that would permit a public offering of Warrants, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required other than in the United Kingdom. Persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the relevant Manager(s) to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Warrants or have in their possession or distribute this Base Prospectus or any Final Terms or related offering material, in all cases at their own expense.

#### **Dubai International Financial Centre**

The Warrants have not been and may not be offered to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

#### **European Economic Area**

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

Unless the Final Terms in respect of any Warrants specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") ; or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**") ; and

- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants.

#### ***Public Offer Selling Restriction Under the Prospectus Directive***

In relation to any Warrants if the Final Terms in respect of such Warrants specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") an offer of Warrants which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State may not be made except that, with effect from and including the Relevant Implementation Date, an offer of such Warrants to the public in that Relevant Member State may be made:

- (a) *Approved prospectus*: if the Final Terms in relation to the Warrants specify that an offer of those Warrants may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Warrants which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus which is not a drawdown prospectus has subsequently been completed by the Final Terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

**provided that** no such offer of Warrants referred to in (b) to (d) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision only, the expression an "**offer of Warrants to the public**" in relation to any Warrants in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State.

#### ***Selling Restrictions Addressing Additional French Securities Laws***

- (a) *Offer to the public in France*:

An offer of Warrants to the public in France and the distributions or causing to be distributed to the public in France of this Base Prospectus, any relevant Final Terms or any other offering material relating to the offer of Warrants, will only be made in the period beginning on the date of publication of the Base Prospectus which has been approved by the competent authority of a Member State of the EEA and notified to the *Autorité des marchés financiers* ("**AMF**") in France, and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, or

(b) *Private placement in France:*

Warrants may not be offered or sold, directly or indirectly, to the public in France, nor may this Base Prospectus, any relevant Final Terms or any other offering material relating to the offer of Warrants be distributed or caused to be distributed to the public in France, and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

***Selling Restrictions Addressing Additional Republic of Italy Securities Laws***

The offering of the Warrants has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly no Warrants may be offered, sold or delivered, and no copies of this Base Prospectus and any other document relating to the Warrants may be distributed, in the Republic of Italy except:

- (1) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**"), and defined in article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**");
- (2) that Warrants may be offered, sold or delivered or copies of any prospectus relating to such Warrants may be distributed in an offer to the public in the period commencing on the date of publication of such prospectus, **provided that** such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive and Directive 2010/73/EU, as implemented in Italy under Decree No. 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; and
- (3) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Warrants or distribution of copies of this Base Prospectus or any other document relating to the Warrants in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2015, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

*Provisions relating to the secondary market in Italy*

Investors should also note that, in any subsequent distribution of the Warrants in the Republic of Italy (issued for consideration of less than EUR100,000 (or its equivalent in another currency per Warrant)), Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Warrants are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Warrants who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Warrants were purchased, unless an exemption provided for under Decree No. 58 applies.

### ***Selling Restrictions Addressing Additional Netherlands Securities Laws***

*Compliance with Dutch Savings Certificates Act:* Zero Coupon Instruments (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Instrument in global form, or (b) in respect of the initial issue of Zero Coupon Instruments in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Instruments in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon instruments within, from or into The Netherlands if all Zero Coupon Instruments (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein, "**Zero Coupon Instruments**" are instruments that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### ***Selling Restrictions Addressing Additional Norway Securities Laws***

Warrants denominated in Norwegian Krone (NOK) may not be offered or sold, directly or indirectly, within the Kingdom of Norway or to or for the benefit of Norwegian purchasers. Each purchaser of Warrants denominated in Norwegian Krone (NOK) will be deemed to have acknowledged, represented and agreed that such Warrants may not be offered or resold within the Kingdom of Norway or to or for the benefit of Norwegian purchasers.

### ***Selling Restrictions Addressing Additional Kingdom of Spain Securities Laws***

Warrants may not be offered, sold or distributed in the Kingdom of Spain save in accordance with the requirements of the consolidated text of the Securities Market Law approved by legislative Royal Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the "**Securities Market Law**"), and Royal Decree 1310/2005, of 4 November 2005, partially developing Law 24/1988, of 28 July, on the Securities Market in connection with listing of securities in secondary official markets, initial public offerings, rights issues and the prospectus required for such purposes (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), as amended and restated, and the decrees and regulations made thereunder and by institutions authorised under the Securities Market Law and Royal Decree 217/2008, of 15 February, on the legal regime applicable to investment services companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión y por el que se modifica parcialmente el Reglamento de la Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva, aprobado por el Real Decreto 1309/2005, de 4 de noviembre*), as amended and restated, to provide investment services in Spain.

### ***Selling Restrictions Addressing Additional United Kingdom Securities Laws***

- (a) An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) may only be communicated or caused to be communicated in connection with the issue or sale of Warrants in circumstances in which Section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer.
- (b) All applicable provisions of the FSMA must be complied with in respect of anything done in connection with the Warrants in, from or otherwise involving the United Kingdom.

### **Guernsey**

The Warrants may only be offered or sold in, or from within the Bailiwick of Guernsey either (i) to or by persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended or (ii) to persons licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 as amended, or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002 as amended or (iv) to

persons licensed under the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 as amended or (v) to licensees under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 as amended.

This Base Prospectus has not been registered with the Guernsey Financial Services Commission and it is not intended that this Base Prospectus will be registered with the Guernsey Financial Services Commission under the Prospectus Rules 2018, on the basis that an offer will be in respect of Warrants to be listed on Euronext Dublin.

Where the Warrants are not to be so listed and traded, the offer will not be made to the public in Guernsey. Therefore, the number of persons in Guernsey to whom an offer for Warrants that are not listed on Euronext Dublin is so communicated must not exceed fifty.

### **Hong Kong**

Warrants (except for Warrants which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) may not be offered or sold in Hong Kong by means of any document other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO).

No advertisement, invitation or document relating to the Warrants, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) may be issued or held in the possession of the Issuer or any Manager or any offeror nominated by the Issuer for the purpose of such issue of Warrants, whether in Hong Kong or elsewhere, other than with respect to Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### **Isle of Man**

Each Manager appointed under the Programme (other than the Issuer) will be required to represent and agree that it shall only offer or sell Warrants in or from the Isle of Man if it holds an appropriate financial services licence issued by the Isle of Man Financial Services Authority (the "**FSA**") under section 7 of the Isle of Man Financial Services Act 2008 (the "**FS Act**") or, where it does not hold such a licence, it shall only offer or sell Warrants to an "Isle of Man person" (within the meaning of the Isle of Man Regulated Activities Order 2011, as amended (the "**Order**")) where it is an "overseas person" (within the meaning of the Order) who is authorised to offer and sell the Warrants by a regulator outside the Isle of Man and either (i) the offer or sale of the Warrants is the direct result of an approach made to such Manager by or on behalf of the Isle of Man person which has not been solicited by such Manager (otherwise than by means of an advertisement which is neither targeted at Isle of Man persons nor disseminated by a medium which is targeted at Isle of Man persons); or (ii) the Isle of Man person: (A) holds a licence issued by the FSA under section 7 of the FS Act to carry on a regulated activity; or (B) is a person falling within exclusion 2(r) contained in Schedule 1 to the Order; or (C) is a person whose ordinary business activities involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of his business.

### **Japan**

The Warrants have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**"), and, accordingly, Warrants may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Jersey**

No consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958 has been obtained in relation to the circulation in Jersey of any offer of Warrants and any such offer must be addressed exclusively to a

restricted circle of persons in Jersey. For these purposes an offer is not addressed exclusively to a restricted circle of persons unless (i) the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror's appointed agent, (ii) the members of that category are the only persons who may accept the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the offer and (iii) the number of persons in Jersey to whom the offer is so communicated does not exceed fifty.

### **Kingdom of Bahrain**

The Warrants have not been and may not be offered or sold except on a private placement basis to persons in the Kingdom of Bahrain who are an "**accredited investor**".

For this purpose, an "**accredited investor**" means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more; or
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

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

#### ***PRC Underlying***

The Warrants linked to Indices in respect of which the securities are PRC securities (for the purpose of this section, the "**PRC-Linked Warrants**") may not be offered or sold in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, for the current purposes, the "**PRC**") directly or indirectly or offered or sold to any Domestic Investor, or to any person using funds to purchase the PRC-Linked Warrants sourced from any Domestic Investor, where "**Domestic Investor**" means:

- (a) PRC Citizens resident in the PRC;
- (b) PRC Citizens resident outside the PRC who are not permanent residents of another country or permanent residents of Hong Kong, Macau or Taiwan; and
- (c) legal entities registered in the PRC.

"**PRC Citizens**" means any person holding a "Resident Identification Card" or other equivalent government issued identification of the PRC.

Warrants may not be offered or sold, directly or indirectly, in the PRC, except as permitted by the securities laws of the PRC.

In respect of any Warrants, this Base Prospectus or any information obtained by reference herein relating to the Warrants does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC. This Base Prospectus, any information contained herein or the Warrants have not been, or will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Warrants in the PRC. The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that any Warrants may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Warrants or distribution of this Base Prospectus in the PRC.

### **Other Warrants**

In respect of Warrants other than PRC-Linked Warrants, the Warrants may only be invested in by the PRC investors that are authorised to engage in investing in the Warrants of the type being offered or sold. Investors are responsible for obtaining all relevant government approvals, verifications, licenses or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/ or overseas investment regulations.

### **Peru**

The content of this Base Prospectus and the Warrants issued and traded hereunder, have not been reviewed nor authorised by the Capital Markets Superintendence (*Superintendencia del Mercado de Valores*, the "SMV") nor the Private Pension Funds, Banking and Insurance Superintendence (*Superintendencia de Banca, Seguros y AFP*, the "SBS"). Therefore, investors will not benefit from protection of any of the aforementioned regulatory authorities.

The Warrants have not been and will not be registered with the Capital Markets Public Registry of the SMV nor the Lima Stock Exchange Registry ("RBVL") for their public offering in Peru under the Peruvian Capital Markets Law (Law N°861/ Supreme Decree N°093-2002) and the decrees and regulations thereunder.

Consequently, Warrants may not be offered or sold, directly or indirectly, nor this Base Prospectus, any relevant Final Terms or any other offering material relating to the Warrants be distributed or caused to be distributed to the general public in Peru, unless the offering or selling of Warrants comply with the Private Offer Exemptions (as defined below).

"**Private Offer Exemptions**" means an offer of Warrants, where no Mass-marketing is used, and made:

- (a) exclusively to institutional investors; or
- (b) where the minimum investment amount is greater than or equal to S/. 499,908.25 (approximately USD 151,200.00) (either in a single transaction or in aggregate).

"**Mass-marketing**" means a marketing strategy utilising mass distribution and mass media to offer, negotiate or distribute securities to the whole market. Mass media includes newspapers, magazines, radio, television, mail, meetings, social network, internet servers located in Peru, and other media or technology platforms.

### **Russia**

The Warrants have not been and will not be offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

### **Singapore**

This Base Prospectus has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore. The Warrants may not be offered or sold, nor may the Warrants be the subject of an invitation for subscription or purchase, whether directly or indirectly, nor may this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Warrants be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore, as modified or amended from time to time (the "SFA"))) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Warrants are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Warrants pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) of the SFA or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA

#### *Switzerland*

**The Warrants do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"). Therefore, the Warrants are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA") and investors in the Warrants will not benefit from protection under the CISA or supervision by FINMA.**

Neither this Base Prospectus nor any offering or marketing material relating to the Warrants constitute a prospectus within the meaning of (i) Articles 652a or Article 1156 of the Swiss Federal Code of Obligations, (ii) Article 5 CISA and its implementing regulations or (iii) Article 21 of the Additional Rules for the Listing of Derivatives of SIX Swiss Exchange.

However, the Issuer reserves the right to set forth all information which is required to be disclosed in a simplified prospectus pursuant to Article 5 CISA in a separate document referred to as a "Simplified Prospectus" for Warrants offered to investors in Switzerland.

Warrants issued under this Programme may be offered in Switzerland on a private placement basis only.

#### **Taiwan**

Warrants and any documents relating to the Warrants are not permitted to be offered or distributed in Taiwan.

Warrants linked to Taiwanese Indices in respect of which the securities are Taiwanese securities (for the purpose of this section, the "**Taiwan-Linked Warrants**") are not permitted to be sold to (i) a resident(s) of the People's Republic of China (excluding Hong Kong, Macau and Taiwan, for the current purpose, the "**PRC**") or an entity(ies) domiciled in the PRC ("**PRC Person**"), (ii) an entity(ies) other than a fund established outside the PRC (including such entity(ies) established in Hong Kong or Macau) that is controlled by a PRC Person(s), (iii) an entity(ies) other than a fund established outside the PRC (including such entity(ies) established in Hong Kong or Macau) which is more than thirty per cent. owned, directly or indirectly, by a PRC Person(s) or (iv) a fund established outside the PRC (including a fund established in Hong Kong or Macau) which fund is: (A) a publicly offered fund the management company of which is controlled or more than 30% owned, directly or indirectly, by PRC Persons and the investments in which from PRC Persons exceeds 30% of assets under management; or (B) a privately placed fund which is controlled or more than 30% owned, directly or indirectly, by PRC Persons.



Taiwan-Linked Warrants are not permitted to be sold to any holder utilising funds sourced from Taiwan or the PRC for the purposes of purchasing the Taiwan-Linked Warrants.

#### **United Arab Emirates (excluding the Dubai International Financial Centre)**

The Warrants have not been and may not be offered, sold or publicly promoted or advertised in the United Arab Emirates (the "UAE") other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

#### **United States of America**

The Warrants have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S) except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, unless the relevant Final Terms specifies otherwise, Warrants may not be offered or sold to, or for the account or benefit of U.S. Persons (as defined in the Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed. Reg. 45292, 26 July 2013, as amended or supplemented by the U.S. Commodity Futures Trading Commission) at any time.

Each Manager has agreed that, except as permitted by the Master Warrant Issuance Agreement:

- (1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Final Terms, (a) it will not offer, sell or deliver Warrants at any time (whether as part of their distribution at any time or otherwise) within the United States or to, or for the account or benefit of, U.S. persons and (b) it will send to each dealer to which it sells Warrants a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the United States or to, or for the account or benefit of, U.S. persons; and
- (2) otherwise, (a) it will not offer, sell or deliver Warrants, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Series of which such Warrants are a part, as certified to the Principal Warrant Agent or the Issuer by such Manager (or, in the case of a sale of a Series of Warrants to or through more than one Manager, by each of such Managers as to the Warrants of such Series purchased by or through it, in which case the Principal Warrant Agent or the Issuer shall notify each such Manager when all such Managers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, other than pursuant to Rule 144A, and (b) it will send to each dealer to which it sells Warrants during the periods referred to in (a)(i) and (ii) above a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the United States or to, or for the account or benefit of, U.S. persons.

In addition:

- (1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Final Terms, an offer or sale of Warrants at any time within the United States by any dealer (whether or not participating in the offering of such Warrants) may violate the registration requirements of the Securities Act; and
- (2) otherwise, until 40 days after the commencement of the offering of any Tranche of Warrants, an offer or sale of Warrants of such Tranche within the United States by any dealer (whether or not participating in the offering of such Warrants) may violate the registration requirements of the Securities Act.

#### **Uruguay**

Neither the Warrants nor the Issuer are registered with the Superintendency of Financial Services of the Central Bank of Uruguay allowing the Warrants to be publicly offered in Uruguay, since the placement qualifies as a private placement under section 2 of Uruguayan law 18.627.

## SECTION III.4 – TERMS AND CONDITIONS OF THE WARRANTS

*The following are the terms and conditions of the Warrants (the "**Conditions**") which apply to all Warrants and which are completed by the Final Terms for each issue of Warrants.*

The Warrants are issued by HSBC Bank plc (the "**Issuer**") pursuant to a programme for the issuance of notes and warrants (the "**Programme**") established by the Issuer. The Warrants also have the benefit of a warrant agency agreement dated 24 February 1999 as most recently amended and restated on or about 27 June 2019 (as further modified and/or amended from time to time, the "**Warrant Agency Agreement**") 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 Warrants, which expression shall include any successor or other Calculation Agent appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms), HSBC Bank plc as principal warrant agent (the "**Principal Warrant Agent**", which expression includes any successor or other principal warrant agent appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms, and together with any successor or other warrant agent appointed pursuant to the Warrant Agency Agreement or the Computershare Agency Agreement (as defined below), as specified in the relevant Final Terms, the "**Warrant Agents**"), HSBC Bank plc as authentication agent (the "**Authentication Agent**", which expression includes any successor or other authentication agent appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms), HSBC Bank USA, National Association as warrant transfer agent (the "**Warrant Transfer Agent**", which expression shall include any successor or other warrant transfer agent appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms), HSBC Bank USA, National Association as warrant registrar (the "**Warrant Registrar**", which expression shall include any successor or other warrant registrar appointed pursuant to the Warrant Agency Agreement, as specified in the relevant Final Terms) and the other parties specified therein.

In addition, the Issuer has entered into an agreement with Computershare Investor Services PLC dated 23 April 2010 (such agreement, as amended and/or supplemented and/or restated from time to time, the "**Computershare Agency Agreement**") appointing the latter as registrar and paying agent (the "**CREST Registrar**", which expression shall include any successor registrar and paying agent) with respect to Uncertificated Registered Warrants (as defined below) and has entered into a deed of covenant dated 31 May 2019 (such deed, as amended and/or supplemented and/or restated from time to time, the "**Warrant Deed of Covenant**") for the purposes of constituting Uncertificated Registered Warrants.

As used herein, the expression "**Warrant Agents**" shall include the Principal Warrant Agent and any other warrant agents appointed pursuant to the Warrant Agency Agreement or the Computershare Agency Agreement. The Warrants also have the benefit of a master warrant issuance agreement dated 24 February 1999 as most recently amended and restated on or about 27 June 2019 (as further modified and/or amended from time to time, the "**Master Warrant Issuance Agreement**") and made between the Issuer, HSBC Bank plc and HSBC France as Managers (each a "**Manager**" and together the "**Managers**"), which expression shall include any additional or successor Manager) and The Hongkong and Shanghai Banking Corporation Limited (which entity shall not be a manager for the purposes of the Warrants).

Copies of the Warrant Agency Agreement, the Computershare Agency Agreement and the Warrant Deed of Covenant are available for inspection by Holders (as defined below) of Warrants, and copies of the relevant Final Terms, this Base Prospectus and any supplemental base prospectus may be obtained in each case during normal business hours at the specified offices of the Principal Warrant Agent and the CREST Registrar, respectively. The Warrant holders (as defined in Condition 2 (*Form and Transfer*)) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions (including the form of Exercise Notice referred to in Condition 5 (*Exercise Procedure*)) of the Warrant Agency Agreement, the Computershare Agency Agreement and the Warrant Deed of Covenant.

All Warrants will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Warrants issued on different issue dates. Each Tranche will be the subject of final terms (each, the "**Final Terms**"). In the case of a Tranche of Warrants in relation to which application has not been made to admit to trading on the regulated market of Euronext Dublin or the Electronic Bond Market, being the regulated market of the Borsa Italiana S.p.A. ("**MOT**"), copies of the relevant Final Terms will only be available to a Holder (as defined in Condition 2 (*Form and Transfer*)) of such Warrants. Other than the issue date and the issue price, the Warrants of each Series will have identical terms and conditions. The Warrants of each Tranche will have identical terms and conditions.

Words and expressions defined in the Warrant Agency Agreement or the Computershare Agency Agreement or used in the relevant Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any of the Warrant Agency Agreement, the Computershare Agency Agreement and the relevant Final Terms, the relevant Final Terms will prevail.

1. **Definitions**

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

"**Administrator/Benchmark Event**" means, in respect of any Series of Warrants and a Relevant Benchmark, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, 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 Warrants, all as determined by the Issuer;

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

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

"**Alternative Payment Currency Equivalent**" means the relevant amount in the Settlement Currency determined by the Calculation Agent converted in to 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 the number of units of Settlement Currency per one unit of Alternative Payment Currency (as applicable)) 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 Final Terms, the rate of exchange determined in accordance with, or derived from the Alternative Payment Cross Currency Rate and the Settlement Currency Exchange Rate, as determined by the Calculation Agent; or
- (c) such other rate as may be specified in the relevant Final Terms.

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 a Relevant Rate is not available for any reason as determined by the Calculation Agent, the Calculation Agent will determine the Alternative Payment Currency Exchange Rate in accordance with sub-paragraphs (i) or (ii), as applicable, of Condition 5(g) (*Exercise Procedure - Price Source Disruption and FX Disruption*) or, if Price Source Disruption is specified as not applicable in the relevant Final Terms, in its discretion, acting in good faith;

"**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 the fifth day (or such other number of days specified in the relevant Final Terms) prior to the relevant Cash Settlement Payment Date or other date on which the relevant payment falls due (as appropriate). For the purposes of this definition, "**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 Final Terms, or if no such

jurisdiction or place is specified in the relevant Final Terms, the Settlement Currency Jurisdiction, the Alternative Payment Currency Jurisdiction and, if Cross Currency Exchange Rate is specified as applicable in the relevant Final Terms, the Cross Currency Jurisdiction;

**"Alternative Payment Currency Fixing Page"** means the Reuters or other screen page specified as such in the relevant Final Terms or any successor page thereof;

**"Alternative Payment Currency Fixing Time"** means the time and place specified as such in the relevant Final Terms or, such other time and place as the Calculation Agent determines in the case of a successor page to the Alternative Payment Currency Fixing Page;

**"Alternative Payment Currency Jurisdiction"** means the jurisdiction specified as such in the relevant Final Terms;

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

**"Benchmark Trigger Event"** means:

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

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

**"Averaging Date"** means:

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

in each case, subject to the provisions of Condition 17 (*Consequences of Disrupted Days*);

**"Average Index Level"** means, in respect of an Index and the determination of the Cash Settlement Amount, the arithmetic average of the Averaging Index Levels relating to such determination of the Cash Settlement Amount, as determined by the Calculation Agent, rounded up to four decimal places (with 0.00005 being rounded up);

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

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

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

**"Business Day"** means:

- (i) in relation to any sum payable in euro, a Euro Business Day and a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in

London and in each (if any) Business Centre and on which the relevant Clearing System is open for business; and

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

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

"**Cash Settlement Amount**" has the meaning given to it in Condition 7 (*Cash Settlement Amount*);

"**Cash Settlement Payment Date**" means the date specified as such in the relevant Final Terms or if such day is not a Business Day, the following Business Day or, if later, 5 Business Days following the Exercise Date;

"**Change in Law**" means, in relation to any Warrants, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (x) it will, or there is a substantial likelihood that it will, with the passing of time, or it has become illegal for the Issuer or any of its designated affiliates to hold, acquire or dispose of or realise, recover or remit the proceeds of the sale or disposal of, Component Securities or other components comprised in an Index relating to such Warrants or any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including, without limitation, any currency risk, of the Issuer issuing and performing its obligations with respect to the Warrants or (y) it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Warrants, or in relation to the Issuer's hedging activities in connection with the Warrants or in relation to the hedging activities of the Issuer or any of its designated affiliates in connection with the Warrants, (ii) stock loan transactions in relation to such Warrants or (iii) other instruments or arrangements (howsoever described) held by the Issuer or any of its designated affiliates in order to hedge, individually or on a portfolio basis, such Warrants or (z) the Issuer or any of its designated affiliates will incur a materially increased cost in performing its obligations under the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"**Clearing System**" means, in relation to a Series of Warrants, Euroclear, Clearstream, Luxembourg and/or CREST in which Warrants of the relevant Series are for the time being held, or in relation to an individual Warrant, in which that Warrant is for the time being held, in each case as specified in the relevant Final Terms;

"**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.;

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

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

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

"**Cross Currency Jurisdiction**" means the jurisdiction specified as such in the relevant Final Terms;

"**Deferral Period**" has the meaning ascribed thereto in Condition 5(g) (*Exercise Procedure - Price Source Disruption and FX Disruption*);

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

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

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

**"EMU Event"** means the occurrence of any of the following, as determined by the Calculation Agent:

- (i) the redenomination of any security into euro;
- (ii) the change by any organised market, exchange or clearing, payment or settlement system in the unit of account of its operating procedures to the euro;
- (iii) any change in the currency of denomination of any Index; or
- (iv) any change in the currency in which some or all of the securities or other property comprising any Index is denominated;

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

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

**"Euroclear"** means Euroclear Bank SA/NV;

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

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

**"Exercise Date"** means, in respect of any Warrant, the day on which an Exercise Notice relating to that Warrant is delivered in accordance with the provisions of Condition 5(a) (*Exercise Procedure – Exercise*

*Notice*) or if Automatic Exercise is specified in the relevant Final Terms the Expiry Date, in accordance with the provisions of Condition 4(d) (*Rights on Exercise - Automatic Exercise*) **provided, however, that:**

- (i) if the Exercise Notice is delivered (A) on any day which is not a Business Day or (B) after 10.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located) on any Business Day, then, in either such case, the Exercise Date shall be the next succeeding day which is a Business Day; and
- (ii) except as provided in (i) above, the Exercise Date may not be later than the Expiry Date;

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

**"Exercise Notice"** means any notice in the form Scheduled to the Warrant Agency Agreement or such other form as may from time to time be agreed by the Issuer and the Principal Warrant Agent which is delivered by a Warrantholder in accordance with Condition 5(a) (*Exercise Procedure – Exercise Notice*);

**"Expiry Date"** means the date specified as such in the relevant Final Terms; **provided, however, that if:**

- (X) Automatic Exercise is specified as "Not Applicable" in the relevant Final Terms, if the Scheduled Valuation Date on or immediately preceding the Expiry Date is postponed (x) pursuant to the provisions of Condition 17 (*Consequences of Disrupted Days*) and/or (y) as a result of it not being a Scheduled Trading Day, the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall one Exchange Business Day following the later of the postponed Scheduled Valuation Date and the Limit Valuation Date. In respect of a Warrant which relates to an Index Basket, the postponed Valuation Date or Limit Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date or Limit Valuation Date, as applicable, occurring in respect of such Scheduled Valuation Date; and
- (Y) Automatic Exercise is specified as "Applicable" in the relevant Final Terms, if the Scheduled Valuation Date on or immediately preceding the Expiry Date is postponed (x) pursuant to the provisions of Condition 17 (*Consequences of Disrupted Days*) and/or (y) as a result of it not being a Scheduled Trading Day, the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall on the later of the postponed Scheduled Valuation Date and the Limit Valuation Date. In respect of a Warrant which relates to an Index Basket, the postponed Valuation Date or Limit Valuation Date referred to in this paragraph will be deemed to be, in respect of a Scheduled Valuation Date, the latest postponed Valuation Date or Limit Valuation Date, as applicable, occurring in respect of such Scheduled Valuation Date;

**"Face Value"** means, in respect of a Warrant, the face value of such Warrant identified or specified as such in the relevant Final Terms;

**"Fair Market Value"** means, in relation to any Warrant which is to be terminated early, its fair market value immediately prior to the early termination date, as determined by the Issuer (acting in good faith and in a commercially reasonable manner) and/or the Calculation Agent, as applicable, and in respect only of Warrants that are not Italian Warrants, less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements, and any such calculation of the fair market value shall have the effect of preserving for the Warrantholders the economic equivalent of the obligations of the Issuer to make payments in respect of the Warrants which would, but for such early termination, have fallen due after the relevant early termination date;

**"Final Index Level"** means, with respect to an Index, (a) the level of such Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Final Valuation Date or (b) with respect to a Multiple Exchange Index, the official closing level of such Index on the Final Valuation

Date as calculated and published by the Index Sponsor, in each case, as rounded up to four decimal places (with 0.00005 being rounded up);

**"Final Index Performance"** means:

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

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

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

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

**"Final Valuation Date"** means:

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

in each case, subject to the provisions of Condition 17 (*Consequences of Disrupted Days*);

**"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 Settlement Currency (the **"FX Disruption Relevant Currency"**) which would make it unlawful or impractical in whole or in part (including without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial power) for the Issuer (or the Issuer's affiliate) to pay or receive amounts in the FX Disruption Relevant Currency under or in respect of any hedging arrangement relating to or connected with the FX Disruption Relevant Currency; or (ii) if Offshore RMB is specified as the applicable FX Disruption Relevant Currency, each of the events specified in (i) above, plus an Offshore RMB Disruption;

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

**"Hedging Disruption"** means that the Issuer or any of its designated affiliates is unable or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Issuer or any of its designated affiliates wholly or partially after using commercially reasonable efforts and acting in good faith, to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the equity or any other price risk (including, but not limited to, any currency risk) of entering into and performing the Issuer's obligations in respect of the Warrants or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s) or (C) without prejudice to (B) above, transfer amounts denominated in the Settlement Currency (1) from accounts inside the Settlement Currency Jurisdiction to accounts outside the Settlement Currency Jurisdiction (2) between accounts inside the Settlement Currency Jurisdiction or (3) to a party that is a non-resident of the Settlement Currency Jurisdiction or (D) without prejudice to (B) and (C) above, convert the Settlement Currency into an Alternative Payment Currency;



"**Holder**" has the meaning given to it in Condition 2 (*Form and Transfer*);

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

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

"**Increased Cost of Hedging**" means that the Issuer or any of its designated affiliates would incur materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge equity or any other relevant price risk (including without limitation, any currency risk) of entering into and performing the Issuer's obligations in respect of the Warrants or (B) realise, recover, receive, transfer or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or its designated affiliates, as applicable, shall not be deemed an Increased Cost of Hedging;

"**Index**" means, in relation to a Series of Warrants, the (or in the case of Index Basket Warrants, an) index to which such Warrant relates, as specified in the relevant Final Terms, subject to adjustment pursuant to Condition 18 (*Adjustments to Indices*) and "**Indices**" shall be construed accordingly;

"**Index Basket**" means, in relation to a Series of Warrants, the basket of indices to which such Warrants relate, as specified in the relevant Final Terms, subject to adjustment pursuant to Condition 18 (*Adjustments to Indices*) and "**Index Baskets**" shall be construed accordingly;

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

- (a) a public statement or publication of information by or on behalf of the administrator of the Relevant Benchmark announcing that it has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Relevant Benchmark; or
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Benchmark, the central bank for the currency of the Relevant Benchmark, an insolvency official with jurisdiction over the administrator for the Relevant Benchmark, a resolution authority with jurisdiction over the administrator for the Relevant Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Relevant Benchmark, which states that the administrator of the Relevant Benchmark has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to produce the Relevant Benchmark;

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

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

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

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

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

**"Italian Warrants"** means Warrants for which it is specified in the Final Terms that an application is expected to be made for the Warrants to be admitted to the official list of the Italian Stock Exchange;

**"Italian Stock Exchange"** means Borsa Italiana S.p.A.;

**"Limit Valuation Date"** has the meaning given to it in Condition 17 (*Consequences of Disrupted Days*);

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

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

- (i) (1) the occurrence or existence, in respect of any Component Security, of (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, OR (cc) an Early Closure; AND (2) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index of: (aa) a Trading Disruption, (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Related Exchange; or (cc) an Early Closure.

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

**"Minimum Exercise Number"** has the meaning given to it in Condition 6 (*Minimum Number of Warrants Exercisable*);

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

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

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

**"New Issuer"** has the meaning given to it in Condition 16 (*Substitution*);

**"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 Warrants;

**"Offshore RMB Centre"** means either Hong Kong, Singapore, Taiwan or any other jurisdiction specified as such in the relevant Final Terms;

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

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

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

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

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

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

**"Permitted Multiple"** has the meaning given to it in Condition 6 (*Minimum Number of Warrants Exercisable*);

**"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;

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

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

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

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

**"Relevant Banking Day"** means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located;

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

- (a) each interest rate, yield, cost of funds or similar rate specified in the relevant Final Terms as being applicable to such Warrants (or, if applicable, the index, benchmark or other price source that is referred to in such interest rate, yield, cost of funds or similar rate);
- (b) each Relevant Rate specified in the relevant Final Terms as being applicable to such Warrants (or, if applicable, the index, benchmark or other price source that is referred to in such Relevant Rate);
- (c) each Index specified in the relevant Final Terms as being applicable to such Warrants (or, if applicable, the index, benchmark or other price source that is referred to in such Index);
- (d) any other index, benchmark or price source specified in the relevant Final Terms as being applicable to such Warrants.

To the extent that any index, benchmark or price source constitutes an Alternative Pre-nominated Index or Replacement Index used pursuant to Condition 9A (*Consequences of a Benchmark Trigger Event*), such index, benchmark or price source, as applicable, shall be a "Relevant Benchmark" from the day on which it is first used;

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

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

**"Relevant Currency Business Day"** means, in relation to a Relevant Rate that is the Alternative Payment Currency Exchange Rate or Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate, an Alternative Payment Currency Fixing Date;

**"Relevant Final Performance"** means the Final Index Performance or the weighted arithmetic average of the Final Index Performance of each constituent Index in the Index Basket as is specified in the relevant Final Terms as being applicable in relation to the calculation of the Cash Settlement Amount;

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

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

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

**"Relevant Rate"** means the Alternative Payment Currency Exchange Rate, Alternative Payment Cross Currency Rate or Settlement Currency Exchange Rate (as applicable);

**"Relevant Reference Asset Fallback Provisions"** means:

- (a) in relation to a Series of Warrants where the Affected Relevant Benchmark is an Index, Condition 18(c) (*Index Cancellation*), as if the relevant Benchmark Trigger Event were an Index Cancellation; and
- (b) in relation to any Series of Warrants where the Affected Relevant Benchmark is a Relevant Rate, if "Price Source Disruption" is specified as being applicable in the relevant Final Terms, Condition 5(g) (*Price Source Disruption and FX Disruption*), as if the relevant Benchmark Trigger Event were a Price Source Disruption;

**"Replacement Index"** has the meaning given to it in Condition 9A(a)(ii)(A) (*Consequences of a Benchmark Trigger Event*);

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

**"Scheduled Closing Time"** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Scheduled Final Averaging Date"** means the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date;

**"Scheduled FX Fixing Date"** has the meaning specified in Condition 5(g) (*Exercise Procedure - Price Source Disruption and FX Disruption*);

**"Scheduled Trading Day"** means in respect of an Index (a) any day on which the relevant Exchange and the relevant Related Exchange for such Index are scheduled to be open for trading for their respective regular trading sessions; or (b) with respect to a Multiple Exchange Index, any day on which (i) the Index Sponsor for such Index is scheduled to publish the level of such Index and (ii) the Related Exchange for such Index is scheduled to be open for trading for its regular trading session or (c) any day on which the Index Sponsor for such Index is scheduled to publish the level of such Index;

**"Scheduled Valuation Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Final Valuation Date;

**"Securities Act"** means the United States Securities Act of 1933, as amended;

**"Settlement Currency"** means the currency specified as such in the relevant Final Terms;

**"Settlement Currency 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 Final Terms;

"**Specified Maximum Number of Disrupted Days**" means the eighth Scheduled Trading Day or such other number of Scheduled Trading Days specified as such in the relevant Final Terms;

"**Strike Date**" means,

- (a) in respect of a Warrant relating to a single Index, the date specified as such in the relevant Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day); or
- (b) in respect of a Warrant relating to an Index Basket, the date specified as such in the relevant Final Terms (or, if any such date is not a Scheduled Trading Day in respect of any Index comprising the Index Basket the Strike Date in respect of such Index shall be the next date which is a Scheduled Trading Day in respect of such Index),

in each case, subject to the provisions of Condition 17 (*Consequences of Disrupted Days*), which shall apply as if such Strike Date were the Final Valuation Date;

"**Substitute Index**" means in respect of an Index a successor index identified by the Calculation Agent using commercially reasonable efforts, with characteristics, objectives and rules similar to such Index in effect immediately prior to the occurrence of the Index Cancellation;

"**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;

"**Taxes**" has the meaning given to it in Condition 5(a)(E) (*Exercise Procedure – Exercise Notice*);

"**Trading Disruption**" means (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component Security on the Exchange in respect of such Component Security, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**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 Final Terms) immediately preceding the Scheduled FX Fixing Date;

"**Valid Date**" means, in respect of an Index, a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Final Valuation Date does not or is not deemed to occur;

"**Valuation Time**" means (a) in relation to an Index the level of which falls to be determined on any date, the time on such date specified as such in the relevant Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on such date in relation to such Index; if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or (b) in relation to a Multiple Exchange Index (i) for the purposes of determining whether a Market Disruption Event in respect of such Index has occurred, in respect of any options contracts or future contracts on such Index, the close of trading on the Related Exchange for such Index; and (c) in all other circumstances, the

time at which the official closing level of such Index is calculated and published by the Index Sponsor for such Index and/or set out in the Index Rules for such Index (as applicable);

"**Warrantholder**" has the meaning given to it in Condition 2 (*Form and Transfer*); and

"**Weighting**" means, in respect of each Index comprised in the relevant Basket, the percentage weighting assigned to such Index and specified as such in the relevant Final Terms.

## 2. **Form and Transfer**

### (a) **Form**

Each Tranche of Warrants will (as specified in the relevant Final Terms) either:

- (i) be offered in reliance on Regulation S under the Securities Act ("**Regulation S**") in uncertificated registered form ("**Uncertificated Registered Warrants**"); or
- (ii) be in registered form ("**Registered Warrants**") offered in reliance on Regulation S, and represented by a Regulation S global registered warrant (the "**Regulation S Global Registered Warrant**").

References in these Conditions to "**Global Registered Warrants**" are to the Regulation S Global Registered Warrant.

Warrants may also be issued in definitive registered form and be represented by definitive registered warrants ("**Definitive Registered Warrants**").

### (b) **Registered Warrants**

#### (i) *General; Title*

In the case of Registered Warrants, a certificate will be issued to each Warrantholder in respect of its registered holding. Each such certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") maintained by the Warrant Registrar in respect of the Registered Warrants. In the case of the Registered Warrants, the person for the time being in whose name such Registered Warrant is so registered in the Register shall be the "**Warrantholder**" or "**Holder**" of the Warrants represented thereby and shall be treated by the Issuer, the Warrant Agent, the relevant Clearing System(s) and all other persons dealing with such person as the holder thereof, **provided however that**, for all purposes other than payment, the persons for the time being appearing in the books of the relevant Clearing System shall be treated as the Warrantholders and these Conditions shall be construed accordingly.

#### (ii) *Transfer of Registered Warrants*

Title to Registered Warrants passes by registration in the Register.

#### (iii) *Regulations concerning transfer and registration of Registered Warrants*

All transfers of Registered Warrants and entries on the Register will be made subject to the detailed regulations (the "**Regulations**") concerning exchange and transfer of Registered Warrants scheduled to the Warrant Agency Agreement. The Regulations may be amended, supplemented or replaced by the Issuer with the prior written approval of the Warrant Registrar but without the consent of the Holders of any Warrants. A copy of the current Regulations are available for inspection during usual business hours at the specified office of the Warrant Registrar and the Warrant Transfer Agents.

### (c) **Uncertificated Registered Warrants**

The Uncertificated Registered Warrants shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any

modification or re-enactment thereof for the time being in force (the "**Uncertificated Securities Regulations**"). The Uncertificated Registered Warrants are participating securities for the purposes of the Uncertificated Securities Regulations. Title to the Uncertificated Registered Warrants is recorded on the relevant Operator (as defined below) register of corporate securities. The CREST Registrar on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to the Uncertificated Registered Warrants and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Registered Warrants shall be treated by the Issuer and the CREST Registrar as the holder of such number of Uncertificated Registered Warrants for all purposes (and the expressions "**Warrantholder**" and "**Holder**" and related expressions shall be construed accordingly), and (ii) none of the Issuer and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Warrants.

Title to Uncertificated Registered Warrants will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Uncertificated Registered Warrants (including transfers of Uncertificated Registered Warrants) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

No provision of these Conditions as amended in accordance with the relevant Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Warrants in uncertificated form, (II) the transfer of title to Uncertificated Registered Warrants by means of a relevant system or (III) the Uncertificated Securities Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the relevant Final Terms, so long as the Uncertificated Registered Warrants are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Warrants shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Warrants may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Securities Regulations, and (C) for the avoidance of doubt, the Conditions and the relevant Final Terms in relation to any Uncertificated Registered Warrant shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Warrant.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Uncertificated Securities Regulations and the relevant Operator (as such term is used in the Uncertificated Securities Regulations) is CREST or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Warrants and in accordance with the Uncertificated Securities Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Warrants in accordance with Condition 12 (*Notices*).

If at any time:

- (A) a Warrantholder ceases for any reason to be a member of CREST; or
- (B) the Uncertificated Registered Warrants cease for any reason to be participating securities capable of being held in CREST,

then the Issuer shall, in accordance with the rules and procedures governing CREST, ensure that Registered Warrants are issued in exchange for the Uncertificated Registered



Warrants and that such Registered Warrants are registered in such names as the Operator shall notify to the Issuer.

3. **Status of the Warrants**

The Warrants of each Series constitute direct, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and, at their date of issue, (save for certain obligations required to be preferred by law) with all other unsecured and unsubordinated obligations of the Issuer for the time being outstanding.

4. **Rights on Exercise**

(a) ***"European Style" Exercise***

If the Warrants are specified in the relevant Final Terms as being European Style Warrants, then this Condition 4(a) (*Rights on Exercise – "European Style" Exercise*) is applicable and the Warrants are exercisable only on the Expiry Date, prior to termination of the Warrants as provided in the Conditions, **provided that** and subject to Condition 4(d) (*Rights on Exercise – Automatic Exercise*) below, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5(a) (*Exercise Procedure – Exercise Notice*) shall become void in accordance with Condition 4(c) (*Rights on Exercise – Warrants Void on Expiry*).

(b) ***Cash Settlement***

Subject to Condition 5(f) (*Exercise Procedure – Payment of Alternative Payment Currency Equivalent*), each Warrant, upon exercise, entitles the Holder thereof to receive from the Issuer on the Cash Settlement Payment Date (as specified in the relevant Final Terms) a Cash Settlement Amount (as defined in Condition 7 (*Cash Settlement Amount*)) in the Settlement Currency specified in the relevant Final Terms. The Cash Settlement Amount will be rounded down to the nearest minimum unit of the Settlement Currency, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amount payable in respect of such Warrants.

(c) ***Warrants Void on Expiry***

Warrants which are not deemed automatically exercised in accordance with Condition 4(d) (*Rights on Exercise – Automatic Exercise*) below and with respect to which an Exercise Notice has not been duly completed and delivered to the relevant Clearing System and to the Principal Warrant Agent, in the manner set out in Condition 5 (*Exercise Procedure*), before 10.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located) on the Expiry Date, shall become void.

(d) ***Automatic Exercise***

Notwithstanding Condition 4(c) (*Rights on Exercise – Warrants Void on Expiry*) unless Automatic Exercise is specified as "Not Applicable" in the relevant Final Terms, any Warrant which in the determination of the Calculation Agent is "in-the-money" and with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5 (*Exercise Procedure*) by the Expiry Date shall be automatically exercised by the Principal Warrant Agent on behalf of the Warrantholders on the Expiry Date and the provisions of Condition 5(h) (*Exercise Procedure – Exercise Risk*) shall apply and in these Conditions the expression "**exercise**" and any related expressions shall be construed to apply to any such Warrants which are automatically exercised in accordance with this Condition 4(d) (*Rights on Exercise – Automatic Exercise*).

5. **Exercise Procedure**

(a) ***Exercise Notice***

Subject to prior termination of the Warrants as provided in the Conditions, Warrants may be exercised on the Exercise Date by the sending of a fax or email (such email to be sent to [ctla.payingagency@hsbc.com](mailto:ctla.payingagency@hsbc.com), or such other email address as notified to the Warrantholders by the Principal Warrant Agent from time to time), confirmed in writing, of a duly completed Exercise Notice (copies of which may be obtained from the relevant Clearing System or the Principal Warrant Agent) to the Principal Warrant Agent, not later than 10.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located) on the Expiry Date, subject to Condition 4(a) (*Rights on Exercise – "European Style" Exercise*).

Subject to Condition 4(c) (*Rights on Exercise – Warrants Void on Expiry*), any Exercise Notice delivered after 10.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised) shall be null and void.

Each Exercise Notice shall:

- (A) specify the name, address, telephone and facsimile details of the Warrantholder in respect of the Warrants being exercised;
- (B) specify the number of Warrants of each Tranche being exercised (which must be not less than the Minimum Exercise Number (as defined in Condition 6 (*Minimum Number of Warrants Exercisable*)));
- (C) specify the number of the Warrantholder's account at the relevant Clearing System to be debited with the Warrants being exercised and irrevocably instruct, or, as the case may be, confirm that the Warrantholder has irrevocably instructed, the relevant Clearing System to debit the Warrantholder's account with the Warrants being exercised and to credit the same to the account of the Principal Warrant Agent;
- (D) where applicable, specify the number of the Warrantholder's account at the relevant Clearing System to be credited with the Cash Settlement Amount for the Warrants being exercised; and
- (E) include an irrevocable undertaking to pay any applicable stamp duty, stamp duty reserve tax and/or other taxes or duties ("**Taxes**") due by reason of the exercise of the Warrants and an authority to the Issuer and the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder or otherwise (on, or at any time after, the Cash Settlement Payment Date) to debit a specified account of the Warrantholder at the relevant Clearing System with an amount or amounts in respect thereof, all as provided in the Warrant Agency Agreement.

(b) ***Verification of Warrantholder***

To exercise Warrants, the Holder must duly complete an Exercise Notice and must have Warrants in the amount being exercised in its securities account with the relevant Clearing System on the Exercise Date. The relevant Clearing System will, in accordance with its normal operating procedures, verify that each person exercising such Warrants is the Holder thereof according to the records of such Clearing System and that such Holder has an account at the relevant Clearing System which contains an amount equal to the number of Warrants being exercised. If the Exercise Notice is, in the determination of the relevant Clearing System, improperly completed or sufficient Warrants or sufficient funds equal to the number of Warrants being exercised are not available in the specified account(s) with the relevant Clearing System on the Exercise Date, the Exercise Notice will be treated as null and void and a new duly completed Exercise Notice must be submitted if exercise of the Holder's Warrants is still desired.

On or prior to the Cash Settlement Payment Date, as the case may be, the relevant Clearing System will debit the Warrantholder's account with the Warrants being exercised.

(c) ***Notification to Principal Warrant Agent***

The relevant Clearing System shall notify the Principal Warrant Agent in writing (with a copy to the Issuer) not later than 11.00 a.m. (local time in the place where the Clearing System through which such Warrants are exercised is located) on the Business Day immediately following the Exercise Date of the number of the account with such Clearing System to which the Cash Settlement Amount is to be credited for the benefit of the Warrantholder.

(d) ***Debit of Warrantholder's Account***

The relevant Clearing System will on or before the Cash Settlement Payment Date debit the relevant account of the Warrantholder and credit the relevant account of the Principal Warrant Agent (in favour of the Issuer) with the Warrants being exercised.

(e) ***Payment***

In respect of Warrants which have been exercised, the Calculation Agent shall by close of business or such other time as is specified in the relevant Final Terms on the date specified therefor in the relevant Final Terms determine the Cash Settlement Amount (if any) to be paid on the relevant Cash Settlement Payment Date in respect of the relevant Warrants **provided that** the Calculation Agent has received notification from the relevant Clearing System specifying the number of Warrants which have been exercised in accordance with Condition 5(a) (*Exercise Procedure – Exercise Notice*) and, shall notify the Issuer and the Principal Warrant Agent of such amounts on the Business Day following the date so specified.

The Issuer will transfer to the Principal Warrant Agent the Cash Settlement Amount in respect of the Warrants being exercised, less any amount in respect of Taxes which the Issuer is authorised to deduct therefrom, for value on the Cash Settlement Payment Date, and the Principal Warrant Agent will cause the Warrantholder's account with the relevant Clearing System to be credited with such amount for value on the Cash Settlement Payment Date.

The Issuer shall pay or cause to be paid when due payments in respect of Uncertificated Registered Warrants to the relevant Warrantholder's cash memorandum account (as shown in the records of the Operator), such payment to be made in accordance with the rules of the Operator. Each of the persons shown in the Operator register of corporate securities as holder of a particular principal amount of Uncertificated Registered Warrants must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

(f) ***Payment of Alternative Payment Currency Equivalent***

If "Payment of Alternative Payment Currency Equivalent" is specified as applicable in the relevant Final Terms, then if by reason of a FX Disruption Event or a Clearing System Currency Eligibility Event, the Issuer is not able to satisfy payments in respect of the Warrants when due in the Settlement Currency, the Issuer may settle any such payment in U.S. dollars or any other currency specified as the Alternative Payment Currency in the relevant Final Terms on the due date at the Alternative Payment Currency Equivalent of any such amount due.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(f) (*Exercise Procedure – 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 Warrant Agents and all Warrantholders. By acceptance thereof, purchasers of the Warrants will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may

arise as a result of the calculation of the Alternative Payment Currency Equivalent by the Calculation Agent.

(g) **Price Source Disruption and FX Disruption**

(X) If "Price Source Disruption" is specified as being applicable in the relevant Final Terms, then, if on any day on which the Calculation Agent is required to determine a Relevant Rate (a "**Scheduled FX Fixing Date**"):

(A) a Price Source Disruption occurs, (other than as a result of an Unscheduled Holiday), 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) on the Scheduled FX Fixing Date (the "**Fall-Back Reference Price**"); or

(2) unless the Final Terms specify Dealer Poll as not applicable, in the event that the Calculation Agent is unable to determine a Fall-Back Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fall-Back Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market, the Calculation Agent will on the Scheduled FX Fixing Date request four Reference Dealers to provide a quotation of their rate for the Relevant Rate on such day. If at least two quotations are provided, the Relevant Rate will be the arithmetic mean of such quotations; and

(3) if (i) the Final Terms specify Dealer Poll as not applicable and the Calculation Agent is unable to determine a Fall-Back Reference Price in accordance with paragraph (1) above or the Calculation Agent determines that the Fall-Back Reference Price so determined does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; (ii) the Calculation Agent determines that the Relevant Rate determined in accordance with paragraph (2) above does not accurately represent the rate which the Calculation Agent determines that the Issuer would be able to obtain in the general foreign exchange market; or (iii) fewer than 2 quotations are provided by Reference Dealers following the Calculation Agent's request pursuant to paragraph (2) above, the Calculation Agent will determine the Relevant Rate on the first succeeding Business Day on which the Price Source Disruption ceases to exist; **provided, however, that** if the Price Source Disruption continues for thirty consecutive calendar days (or such other number of calendar days as may be specified in the relevant Final Terms) 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 Day**"), and if the Postponed FX Fixing Day 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 Final Terms) 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 Day and the Calculation Agent shall determine its good faith estimate of the Relevant Rate on that Postponed FX Fixing Day.

- (Y) If at any time, a FX Disruption Event occurs, the Issuer, in its sole and absolute discretion, may elect to either:
- (A) unless Termination following FX Disruption Event is specified as being not applicable in the relevant Final Terms, having given not less than five days' notice to the Warrantholders in accordance with Condition 12 (*Notices*), terminate all, but not some only, of the Warrants at their Early Termination Amount (and, if the FX Disruption Event occurs on a Scheduled FX Fixing Date on which there is a Price Source Disruption or Unscheduled Holiday, and the Early Termination Amount is specified as being Fair Market Value in the relevant Final Terms, for the purposes of determining such Fair Market Value the Calculation Agent shall first determine any Relevant Rate (A) in accordance with sub-paragraph (X)(A) or (X)(B) above, as applicable, of Condition 5(g) (*Exercise Procedure - Price Source Disruption and FX Disruption*) if "Price Source Disruption" is specified as applicable in the relevant Final Terms or, otherwise (B) in good faith and in a commercially reasonable manner) on the date notified to the Warrantholders; or
  - (B) instruct the Calculation Agent to make such adjustment(s) to the Conditions as it determines to be necessary or desirable to reflect or account for any market practice that develops in respect of the FX Disruption Event,

**provided, however that** in relation to sub-paragraphs (Y)(A) and (Y)(B) above, if as a result of the FX Disruption Event the Issuer is not able to satisfy payments in respect of the Warrants when due in the Settlement Currency, the Issuer may settle any such payment pursuant to the provisions of Condition 5(f) (*Exercise Procedure - Payment of Alternative Payment Currency Equivalent*).

If a Scheduled FX Fixing Date is postponed in accordance with this Condition 5(g) (*Exercise Procedure – Price Source Disruption and FX Disruption*), any Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of local banking days as may be specified in the applicable Final Terms) following the postponed Scheduled FX Fixing Date or, if later, the FX Cut-off Date or Postponed FX Fixing Day, as applicable.

(h) ***Exercise Risk***

Exercise of the Warrants and in payment by the Issuer and the Principal Warrant Agent will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at the relevant time (including, without limitation, any relevant exchange control laws or regulations and the rules and procedures of the relevant Clearing System) and neither the Issuer nor the Principal Warrant Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations and practices. Neither the Issuer nor the Principal Warrant Agent shall under any circumstances be liable for any acts or defaults of any Clearing System in the performance of its duties in relation to the Warrants.

(i) ***Determinations***

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the relevant Clearing System, and shall be conclusive and binding on the Issuer, the Warrant Agents and the relevant Warrantholder. Any Exercise Notice so determined to be incomplete or not in proper form or which is not copied to the Principal Warrant Agent immediately after being sent to the relevant Clearing System, shall be null and void. If such Exercise Notice is subsequently corrected to the satisfaction of the relevant Clearing System, it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to the relevant Clearing System.

(j) ***Effect of Exercise Notice***

Delivery of an Exercise Notice shall constitute an irrevocable election and undertaking by the Warrantholder to exercise the Warrants specified therein, **provided that** the person exercising and delivering such Exercise Notice is the person then appearing in the books of the relevant Clearing System as the Holder of the relevant Warrants. If the person exercising and delivering the Exercise Notice is not the person so appearing, such Exercise Notice shall for all purposes become null and void and shall be deemed not to have been so delivered.

After the delivery of an Exercise Notice (other than an Exercise Notice which shall become void pursuant to Condition 5(a) (*Exercise Procedure – Exercise Notice*), the Warrantholder specified in such Exercise Notice may not otherwise transfer such Warrants. Notwithstanding this, if any Warrantholder does so transfer or attempt to transfer such Warrants, the Warrantholder will be liable to the Issuer for any losses, costs and expenses suffered or incurred by the Issuer including those suffered or incurred as a consequence of it having terminated any related hedging operations in reliance on the relevant Exercise Notice and subsequently (i) entering into replacement hedging operations in respect of such Warrants or (ii) paying any amount on the subsequent exercise of such Warrants without having entered into any replacement hedging operations.

6. **Minimum Number of Warrants Exercisable**

The Warrants are exercisable in the minimum number (the "**Minimum Exercise Number**") specified in the relevant Final Terms and integral multiples thereof (or, if a "**Permitted Multiple**" is specified in the relevant Final Terms, integral multiples of the Permitted Multiple) on any particular occasion or such lesser Minimum Exercise Number or other Permitted Multiple as the Issuer may from time to time notify to the Warrantholders in accordance with Condition 12 (*Notices*).

7. **Cash Settlement Amount**

Subject to Condition 5(f) (*Exercise Procedure – Payment of Alternative Currency Equivalent*), the amount payable by the Issuer to the Holder pursuant to Condition 4(b) (*Rights on Exercise - Cash Settlement*) (the "**Cash Settlement Amount**") means a cash amount calculated in accordance with this Condition.

(a) ***Protection Cash Settlement Put Warrant***

If Protection Cash Settlement Put Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) the product of the following formula:

$$\frac{1}{90} \% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]]$$

(b) ***Growth Cash Settlement Call Warrant***

If Growth Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ + \text{Participation} \\ \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]$$

(c) ***Capped Growth Cash Settlement Call Warrant***

If Capped Growth Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ + \text{MIN} [\text{Cap}; \text{Participation}] \\ \times \text{MAX} [0; \text{Relevant Final Performance} - 100\%]$$

(d) ***Partially Protected Cash Settlement Put Warrant***

If Partially Protected Cash Settlement Put Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ - \text{MIN} [100\% \\ - \text{Protection Level}; \text{MAX} [0; 100\% \\ - \text{Relevant Final Performance}]]$$

(e) ***Conditional Growth Cash Settlement Call Warrant***

If Conditional Growth Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and
- (ii) either:
  - (A) if the Relevant Final Performance is equal to or greater than 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ + \text{Participation} \\ \times [\text{Relevant Final Performance} - 100\%]; \text{ or}$$

- (B) if the Relevant Final Performance is less than 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]]$$

(f) ***Conditional Capped Growth Cash Settlement Call Warrant***

If Conditional Capped Growth Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and

- (ii) either:

- (A) if the Relevant Final Performance is equal to or greater than 100%, the product of the following formula:

$$\begin{aligned} &\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ &+ \text{MIN} [\text{Cap}; \text{Participation} \times [\text{Relevant Final Performance} \\ &- 100\%]]; \text{ or} \end{aligned}$$

- (B) if the Relevant Final Performance is less than 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]].$$

(g) ***Digital Cash Settlement Put Warrant***

If Digital Cash Settlement Put Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and

- (ii) the product of the following formula:

$$\begin{aligned} &\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; 100\% - \text{Relevant Final Performance}]] \\ &- \text{MIN} [100\% \\ &- \text{Protection Level}; \text{MAX} [0; 100\% \\ &- \text{Relevant Final Performance}]]. \end{aligned}$$

(h) ***Digital Cash Settlement Call Warrant***

If Digital Cash Settlement Call Warrant is specified in relation to the Cash Settlement Amount in the relevant Final Terms, the Cash Settlement Amount shall be an amount equal to the product of:

- (i) the Face Value; and

- (ii) either:

- (A) if the Relevant Final Performance is equal to or greater 100%, the product of the following formula:

$$\begin{aligned} &\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]] \\ &+ \text{Digital Amount}; \text{ or} \end{aligned}$$



- (B) if the Relevant Final Performance is less than 100%, the product of the following formula:

$$\frac{1}{90}\% \times \text{MIN} [90\%; \text{MAX} [0; \text{Relevant Final Performance} - 10\%]].$$

#### 8. **Effects of European Economic and Monetary Union**

- (a) Following the occurrence of an EMU Event, the Calculation Agent may make such adjustment (and determine the effective date of such adjustment) as it determines appropriate, if any, to the formula for the Cash Settlement Amount and any other variable relevant to the exercise, settlement or payment terms of the relevant Warrants which in the discretion of the Calculation Agent have been or may be affected by such EMU Event.
- (b) Following the occurrence of an EMU Event, without prejudice to the generality of the foregoing, the Issuer shall be entitled to: (i) make such conversions between amounts denominated in the National Currency Units of the member states of the European Union that have adopted the single currency in accordance with the Treaty and the euro, and the euro and the National Currency Units, in each case, in accordance with the conversion rates and rounding rules established by the Council of the European Union pursuant to the Treaty as it, acting in good faith and a commercially reasonable manner, considers appropriate; (ii) make all payments in respect of the Warrants solely in euro as though references in the Warrants to the relevant National Currency Units were to euro and (iii) make such adjustments as it, acting in good faith and a commercially reasonable manner considers necessary to the formula for the Cash Settlement Amount and any other amount as it determines, acting in good faith and a commercially reasonable manner, to be appropriate.
- (c) None of the Issuer, a Warrant Agent or the Calculation Agent will be liable to any Warrantholder or other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection therewith.

#### 9. **Warrant Agents and Calculation Agent**

(a) ***Appointment of Agents***

The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Warrant Agent or the Calculation Agent or the Authentication Agent or the Warrant Registrar or the Warrant Transfer Agent and to appoint another Principal Warrant Agent or a substitute Calculation Agent or a substitute Authentication Agent or a substitute Warrant Registrar or a substitute Warrant Transfer Agent, **provided that** so long as any Warrant is outstanding, the Issuer will maintain a Principal Warrant Agent and a Calculation Agent and an Authentication Agent. Notice of any termination of appointment and of any change in the specified office of the Principal Warrant Agent or a Calculation Agent or an Authentication Agent or a Warrant Registrar or a Warrant Transfer Agent and of any appointment of a Warrant Agent or a Calculation Agent or an Authentication Agent or a Warrant Registrar or a Warrant Transfer Agent will be given to Warrantholders in accordance with Condition 12 (*Notices*). In acting under the Warrant Agency Agreement, the Principal Warrant Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantholders.

(b) ***Calculation Agent***

The Warrant Agent, the Authentication Agent, the Warrant Transfer Agent, the Warrant Registrar and the Calculation Agent shall not act as an agent for the Warrantholders but shall be the agent of the Issuer. All calculation functions required of the Calculation Agent under these Conditions may be delegated to any such person as the Calculation Agent, in its absolute discretion, may decide.

Neither the Issuer nor the Calculation Agent shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables used in any calculation made pursuant to these Conditions or in the calculation of any Cash Settlement Amount.

All calculations and determinations made by the Calculation Agent pursuant to the Conditions for the purposes of the Warrants (including any determinations as to the exercise or non-exercise by it of its powers, duties and discretions for such purposes) shall be made in good faith and in a commercially reasonable manner.

(c) ***Notifications***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Warrants by the Principal Warrant Agent or the Calculation Agent shall (in the absence of manifest error or wilful misconduct) be binding on the Issuer and the Warranholders and (subject as aforesaid) no liability to the Warranholders (or any of them) shall attach to the Principal Warrant Agent or the Calculation Agent in connection with the exercise or non-exercise by either of them of their powers, duties and discretions for such purposes.

**9A Consequences of a Benchmark Trigger Event**

(a) 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 Warrants, then:

(i) if an Alternative Pre-nominated Index has been specified in relation to such Relevant Benchmark in the relevant Final Terms:

(A) unless the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Relevant Benchmark shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from the Benchmark Trigger Event Determination Date; and

(B) the Issuer shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Warrants of referencing the Alternative Pre-nominated Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Warrants; and

(ii) if an Alternative Pre-nominated Index has not been specified in relation to such Relevant Benchmark in the relevant Final Terms or the Issuer determines that replacing the Relevant Benchmark with the Alternative Pre-nominated Index would not produce a commercially reasonable result, the Issuer shall do any of the following:

(A) determine that references to such Relevant Benchmark shall be deemed to be replaced by references to such index, benchmark or price source as the Issuer determines would have the effect of placing the Issuer in an economically equivalent position to that which it would have been in had the 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 Warrants of referencing the Replacement Index in place of such Relevant Benchmark including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Warrants; or
- (B) follow the steps for determining the relevant rate or level set out in the Relevant Reference Asset Fallback Provisions (if any); or
  - (C) determine that the Warrants shall be terminated, in which case the Issuer's obligations under the Warrants shall be satisfied in full upon payment in respect of each Warrant of an amount equal to the Early Termination Amount specified in the relevant Final Terms on the date selected by the Issuer and give notice of such termination to the Warrantholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*);

**provided, however, that** if (1) it is or would be unlawful at any time under applicable law or regulation or (2) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Warrants, then such provision shall not apply and the Issuer shall not make such determination (as the case may be) and the Issuer shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements.

- (b) In making any determination under this Condition 9A, the Issuer shall take account of such facts and circumstances as it considers relevant, including, without limitation, any determinations made in respect of any of the Issuer's hedging arrangements in relation to the Warrants (including in respect of any termination or re-establishment of hedging arrangements) and the Issuer's funding costs; **provided, however, that**, in the case of a Series of Italian Warrants, it shall not take account of any such determinations made in respect of such hedging arrangements and/or the Issuer's funding costs.
- (c) If the Issuer is not able to determine the Relevant Benchmark in accordance with the provisions of this Condition 9A on any Relevant Benchmark Determination Date, then the Relevant Benchmark Determination Date shall be postponed to such date as it is able to make such determination and any Relevant Benchmark Related Payment Date will also be postponed, if needed, such that the Related Payment Date shall fall at least three (3) local banking days (or such other number of days as may be specified in the applicable Final Terms) following the postponed Relevant Benchmark Determination Date.
- (d) The Issuer shall promptly following the determination of any replacement for a Relevant Benchmark pursuant to paragraph (a)(i)(A) or (a)(ii)(A) above give notice thereof and of any changes pursuant to paragraph (a)(i)(B) or (a)(ii)(A)(2) (as applicable) to the Principal Paying Agent, the Calculation Agent and the Warrantholders (in accordance with Condition 12 (*Notices*)).
- (e) Without prejudice to Condition 18(b) (*Index Modification*), if the definition, methodology or formula for a Relevant Benchmark in respect of a Series of Warrants, or other means of calculating the Relevant Benchmark in respect of a Series of Warrants, is changed, then references to such Relevant Benchmark shall be to such Relevant Benchmark as so changed.

10. **Taxes**

A Warrantholder subscribing for, purchasing or exercising a Warrant shall pay all Taxes and securities transfer taxes and any other charges, if any, payable in connection with the subscription, purchase or exercise of such Warrant and the delivery of the Cash Settlement Amount as a result of such exercise. The Issuer shall have the right, but not the duty (unless required by law), to withhold or deduct from any amounts otherwise payable to a Warrantholder such amount as is necessary for the payment of any such taxes, duties or charges or for effecting reimbursement in accordance with the next sentence.

In any case where the Issuer is obliged to pay any such tax, duty or charge referred to in the previous paragraph, the relevant Warrantholder shall promptly reimburse the Issuer therefor.

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or exercise of any Warrants.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986, as amended, Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Warrant Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

11. **Illegality**

The Issuer shall have the right to terminate its obligations under the Warrants, if the Calculation Agent shall have determined that the performance of such obligations under any Warrants (or the Issuer's or the Issuer's designated affiliates' obligations under any hedging or funding arrangement established in connection therewith) shall,

- (a) have become unlawful; or
- (b) impracticable

in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power, **provided, however, that** if the Calculation Agent determines that the relevant obligations have become unlawful, the Issuer may obtain an opinion of an independent legal adviser to that effect prior to terminating its obligations under the Warrants, and any such opinion shall be sufficient to establish the circumstances required by this Condition 11 (*Illegality*). In such circumstances the Issuer will pay to each Warrantholder in respect of each Warrant held by it an amount determined by the Calculation Agent representing the Fair Market Value of such Warrant immediately prior to such termination. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 12 (*Notices*).

12. **Notices**

All notices to Warrantholders will be deemed to have been duly given (a) in the case of Registered Warrants if notified to the relevant Clearing System or (b) in the case of Uncertificated Registered Warrants, if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Uncertificated Registered Warrants are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange. Any

such notice shall be deemed to have been given on the date of such notification or, in the case of any of Warrants listed on any other listing authority, stock exchange and/or quotation system, the date of such publication or delivery or, if notified or published more than once or on different dates, on the date of the first such notification or publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

13. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Holders of the Warrants of any Series to create and issue further warrants ranking equally in all respects with the Warrants of such Series so that the same shall be consolidated and form a single series with such Warrants for the time being outstanding.

14. **Purchase by the Issuer**

Each of the Issuer and any person directly or indirectly connected with the Issuer may at any time purchase Warrants at any price in the open market or otherwise, and such Warrants may be held, reissued, resold or, provided such Warrants are held by the Issuer, at the option of the Issuer, reissued or cancelled.

15. **Modification**

Subject in case of the Warrant Agency Agreement and the Master Warrant Issuance Agreement (as applicable) to the agreement of the other parties thereto, the Issuer may agree, without consent of the Warrantheolders, to:

- (a) any modification (except as mentioned above) of the Warrant Agency Agreement or the Master Warrant Issuance Agreement or the Conditions which is not materially prejudicial to the interests of the Warrantheolders as a whole;
- (b) any modification of the Conditions or the Warrant Agency Agreement or the Master Warrant Issuance Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (c) any modification of the Warrants which is made to correct an inconsistency between the final terms and the conditions of the Warrant issue (comprising these Conditions as completed by the relevant Final Terms) and the relevant termsheet relating to the Warrants.

Any such modification shall be binding on the Warrantheolders and any such modification shall be notified to the Warrantheolders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

16. **Substitution**

The Issuer may also agree, without the consent of the Warrantheolders, to the substitution of a subsidiary or holding company of the Issuer or any subsidiary of any such holding company (the "**New Issuer**") in place of the Issuer as principal debtor under the Warrants of any Series, **provided that** such Warrants are irrevocably guaranteed by the Issuer. In the event of any such substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer. Any such substitution shall be promptly notified to the relevant Warrantheolders in accordance with Condition 12 (*Notices*). In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Warrantheolders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Warrantheolder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Warrantheolder.

17. **Consequences of Disrupted Days**

For the purposes of this Condition 17 (*Consequences of Disrupted Days*) "**Limit Valuation Date**" shall mean, if any Scheduled Valuation Date in respect of a Warrant is a Disrupted Day, the Specified Maximum Number of Disrupted Days following such Scheduled Valuation Date, notwithstanding the fact that such day is a Disrupted Day.

- (a) If any Scheduled Valuation Date is a Disrupted Day, then:
- (i) in the case of a Warrant which relates to a single Index, the Final Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, **provided that** the Scheduled Valuation Date shall not fall after the Limit Valuation Date. In that case the Limit Valuation Date will be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and the Calculation Agent shall determine the level of the Index as of the Valuation Time on the Limit Valuation Date determined in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security or other property on the Limit Valuation Date, its estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and
  - (ii) in the case of a Warrant which relates to a basket of Indices, the Final Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Final Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index, unless each of the succeeding Scheduled Trading Days (up to and including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, the Limit Valuation Date shall be deemed to be the Final Valuation Date for the relevant Index notwithstanding the fact that such day is a Disrupted Day relating to that Index, and the Calculation Agent shall determine the level of that Index, as of the Valuation Time on the Limit Valuation Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect to the relevant security or other property on the Limit Valuation Date, its estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date).
- (b) If Averaging Dates are specified in the relevant Final Terms, then notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index:
- (i) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Final Terms in relation to "**Averaging Date Market Disruption**" is:
    - (A) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Cash Settlement Amount **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Index, then Condition 17(a) (*Consequences of Disrupted Days*) will apply for purposes of determining the relevant level on the final Averaging Date as if such final Averaging Date were a Scheduled Final Averaging Date that was a Disrupted Day. If any Averaging Dates occur after that Scheduled Final Averaging Date as a result of the occurrence of a Disrupted Day, then the calculation of such Cash Settlement Amount

shall be made on the last such Averaging Date as though it were a Scheduled Final Averaging Date and the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall at least one Exchange Business Day following such Averaging Date;

(B) "**Postponement**", then Condition 17(a) (*Consequences of Disrupted Days*) will apply for purposes of determining the Relevant Level on that Averaging Date as if such Averaging Date were a Scheduled Averaging Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Warrants. If any Averaging Dates occur after the relevant Scheduled Final Averaging Date as a result of the occurrence of a Disrupted Day, then the calculation of the Cash Settlement Amount shall be made on the last such Averaging Date as though it were a Scheduled Final Averaging Date and the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall at least one Exchange Business Day following such Averaging Date; or

(C) "**Modified Postponement**", then:

(aa) in the case of a Warrant which relates to a single Index, such Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging Date in relation to the relevant Scheduled Averaging Date, then the Limit Valuation Date shall be deemed to be the Averaging Date, notwithstanding the fact that such day is a Disrupted Day (irrespective of whether that Limit Valuation Date is already an Averaging Date) and the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 17(a)(i) (*Consequences of Disrupted Days*); and

(bb) in the case of a Warrant which relates to a basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging Date, then the Limit Valuation Date shall be deemed to be the Averaging Date, notwithstanding the fact that such day is a Disrupted Day (irrespective of whether that Limit Valuation Date is already an Averaging Date) and the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 17(a)(ii) (*Consequences of Disrupted Days*).

If any Averaging Dates occur after a Scheduled Final Averaging Date as a result of the occurrence of a Disrupted Day, then the calculation of the Cash Settlement Amount shall be made on the last such Averaging Date as though it were a Scheduled Final Averaging Date and the Expiry Date will be postponed, if needed, such that the Expiry Date shall fall at least one Exchange Business Day following such Averaging Date.

For the purposes of this Condition 17(b)(C), "**Limit Valuation Date**" shall mean, if any Averaging Date in respect of a Warrant is a Disrupted Day, the Specified Maximum Number of

Disrupted Days following the Scheduled Final Averaging Date, notwithstanding the fact that such day is a Disrupted Day.

18. **Adjustments to Indices**

(a) *Successor Index*

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that Index (the "**Successor Index**") will be deemed to be the Index.

(b) *Index Modification*

If on or prior to any Final Valuation Date or Averaging Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or other routine events) (an "**Index Modification**"), then the Calculation Agent shall determine whether such Index Modification has a material effect on the Warrants, and if so, shall make such adjustment(s) (if any) as it determines appropriate to account for the economic effect of the Index Modification, and determine the effective date of any such modification or adjustment.

(c) *Index Cancellation*

If on or prior to the Final Valuation Date or Averaging Date (A) the Index Sponsor fails to calculate and announce a relevant Index, (B) the Index Sponsor announces that it suspends the calculation and publication of the level of a relevant Index, or (C) the Index Sponsor permanently cancels the Index and no Successor Index exists (each, an "**Index Cancellation**"), then:

- (i) the Issuer shall as soon as is reasonably practicable after determining the same give notice (an "**Index Cancellation Notice**") of such Index Cancellation to the Warranholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*);
- (ii) if "Index Substitution" is specified as being applicable in the relevant Final Terms, the Issuer shall, acting in good faith and a commercially reasonable manner, determine whether or not and the date as of which the Index is to be substituted with a Substitute Index and, if it so determines, it shall give an Index Substitution Notice to the Warranholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*) and, with effect from the date so determined, the Substitute Index shall be deemed to be the Index; and
- (iii) if no Substitute Index has been identified within 10 Business Days of the giving of such Index Cancellation Notice or if "Index Substitution" has not been specified as being applicable in the relevant Final Terms, the Issuer shall, in its sole and absolute discretion, determine whether or not the relevant Warrants shall continue and:
  - (A) if it determines that the Warrants shall continue, then the Calculation Agent shall determine the Relevant Level for such Final Valuation Date or Averaging Date using, in lieu of a published level of that Index, the level for that Index as at that Final Valuation Date or Averaging Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the Index Cancellation, but using only those components that comprised that Index immediately prior to that Index Cancellation; and



- (B) if it determines that the Warrants shall not continue, the Issuer shall terminate the relevant Warrants as of the date selected by the Issuer and give notice thereof to the Warrantholders (with a copy to the Calculation Agent) in accordance with Condition 12 (*Notices*), specifying the early termination amount and early termination date, and the entitlements of the relevant Warrantholders to receive the Cash Settlement Amount (or any other payment to be made by the Issuer, as the case may be) shall cease and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of such amount as is determined by the Calculation Agent to be the Fair Market Value of the Warrants immediately prior to such early termination.

(d) *Correction of Index Levels*

If the level of an Index published by the Index Sponsor at any time and used or to be used by the Calculation Agent for any calculation or determination under the Warrants is subsequently corrected and the correction is published by the Index Sponsor after the original publication, the Calculation Agent will make such adjustment as it determines to be appropriate, if any, to the settlement or payment terms of the Warrants to account for such correction.

19. **Additional Disruption Events**

Following the occurrence of any Additional Disruption Event, the Issuer will determine whether or not the Warrants shall continue and, if so, shall determine any adjustments to be made. If the Issuer determines that the relevant Warrants shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Cash Settlement Amount and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent. If the Issuer determines that the relevant Warrants shall be terminated, then the Warrants shall cease to be exercisable (or, in the case of Warrants which have been exercised, the entitlements of the respective exercising Warrantholders to receive the Cash Settlement Amount pursuant to such exercise shall cease) and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of the Fair Market Value of the Warrants.

20. **Third Party Rights**

No person shall have any right to enforce any term or condition of the Warrants under the Contracts (Rights of Third Parties) Act 1999.

21. **Governing Law**

(a) ***Governing law***

The Warrants and any non-contractual obligations arising out of or in connection with the Warrants are governed by and shall be construed in accordance with English law.

(b) ***English courts***

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with the Warrants (including any Dispute regarding the existence, validity or termination of the Warrants or the consequences of their nullity).

## SECTION III.5 – FORM OF FINAL TERMS FOR WARRANTS

Set out below is the template of the "Final Terms", a document which will be filled out for each issue of Warrants and which will complete the terms and conditions in respect of each such issue of Warrants.

Final Terms dated: [•]

**HSBC Bank plc**

**Programme for the Issuance of Notes and Warrants**

**[Further] Issue of**

**[Aggregate Number of Tranche] [Title of Warrants]**

**[(to be consolidated and form a single series with the existing Tranche[s] [ ]]**

### PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Warrants described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants (the "**Conditions**") set forth in the Base Prospectus dated on or about 1 July 2019 relating to Index-Linked Warrants issued under the above Programme, together with each supplemental prospectus relating to the Programme published by the Issuer after 1 July 2019 but before the issue date or listing date of the Warrants to which these Final Terms relate, whichever is later, which together constitute a base prospectus ("**Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"). This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. [A summary of the issue of the Warrants is annexed to these Final Terms.]

*[The following alternative paragraph to be included instead of the above paragraph where the Offer Period for the Warrants is expected to span the update of the Base Prospectus (so long as the updated Base Prospectus is approved and published before the expiry of this Base Prospectus):*

This document constitutes the Final Terms for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**") relating to the issue of the Tranche of Warrants described herein and must be read in conjunction with (i) in relation to the period to and including 30 June 2020 (the "**2019 Prospectus Expiry Date**"), the Base Prospectus dated 1 July 2019 relating to Index-Linked Warrants issued under the above Programme, which together with each supplemental prospectus relating to the Programme published by the Issuer after 1 July 2019 but before the 2019 Prospectus Expiry Date, issue date or listing date of the Warrants, whichever is later, to which these Final Terms relate constitutes a base prospectus (the "**2019 Prospectus**") for the purposes of the Prospectus Directive, and (ii) from but excluding the 2019 Prospectus Expiry Date, such base prospectus relating to Index-Linked Warrants issued under the above Programme as is published by the Issuer in replacement of the 2019 Prospectus, which together with each supplemental prospectus relating to the Programme published by the Issuer after such publication but before the issue date or listing date of the Warrants, whichever is later, to which these Final Terms relate constitutes a base prospectus (the "**2020 Prospectus**") for the purposes of the Prospectus Directive. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants set forth in the 2019 Prospectus (the "**Conditions**") and which are or will be incorporated by reference into the 2020 Prospectus. [A summary of the issue of the Warrants is annexed to these Final Terms.]]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering document with an earlier date.*

This document constitutes the Final Terms relating to the issue of the Tranche of Warrants described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants (the "**Conditions**") set forth in the Base Prospectus dated on or about [ ] which are incorporated by reference in the Base Prospectus dated on or about 1 July 2019 and are applicable to the Warrants. This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC, (as amended or superseded, the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated on or about 1 July 2019 together

with each supplemental prospectus relating to the Programme published by the Issuer after 1 July 2019 but before the issue date or listing date of the Warrants to which the Final Terms relate, whichever is later, which together constitute a base prospectus ("**Prospectus**") for the purposes of the Prospectus Directive. [A summary of the issue of the Warrants is annexed to these Final Terms.]

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

***[The following alternative paragraph to be included instead of the above paragraph where the Offer Period for the Warrants is expected to span the update of the Base Prospectus (so long as the updated Base Prospectus is approved and published before the expiry of this Base Prospectus):***

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and (i) in relation to the period to and including the 2019 Prospectus Expiry Date, the 2019 Prospectus, and (ii) from but excluding the 2019 Prospectus Expiry Date, the 2020 Prospectus. Each of the 2019 Prospectus and the 2020 Prospectus are available for viewing from their respective dates of publication during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.]

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Warrants are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]

1. Issuer: HSBC Bank plc
2. Tranche Number: [ ] [The Warrants issued under these Final Terms are to be consolidated and form a single series with [ ] (the "**Original Issue**") issued on [ ] [(ISIN)]: [ ]]
3. Settlement Currency: [ ]
4. Aggregate Number of Warrants in the:  
    (i) Series: [ ]

- [(ii) Tranche: [ ]]
5. Face Value: [ ] per Warrant
6. Issue Price: [ ] [ ] per Warrant
7. (i) Issue Date: [ ]
- (ii) Trade Date: [ ]
8. Expiry Date: [ ] [(or if such date is not a Business Day the immediately following day that is a Business Day)]
9. Type of Warrants: [Index] [Index Basket]
10. Series represented by: [Global Registered Warrant] [Not Applicable] [Warrants in definitive form [will/will not] be issued.]
11. Form of Warrant: [Uncertificated Registered Warrants]  
[Regulation S Global Registered Warrants] [Definitive Registered Warrants]
12. Style of Warrants: The Warrants are European Style [Call] [Put] Warrants. Condition 4(a) is applicable.
13. (i) Automatic Exercise: [Applicable] [Not Applicable]
- (ii) Minimum Exercise Number: [ ] Warrants
- (iii) Permitted Multiple: [ ] Warrants

**PROVISIONS RELATING TO CASH SETTLEMENT**

14. Method for determining the Cash Settlement Amount of each Warrant: [Protection Cash Settlement Put Warrant] [Growth Cash Settlement Call Warrant] [Capped Growth Cash Settlement Call Warrant] [Partially Protected Cash Settlement Put Warrant] [Conditional Growth Cash Settlement Call Warrant] [Conditional Capped Growth Cash Settlement Call Warrant] [Digital Cash Settlement Put Warrant] [Digital Cash Settlement Call Warrant]
15. Cash Settlement Payment Date: [ ] [or, if later, the fifth Business Day following the Exercise Date]
16. Provisions relating to the calculation of the Cash Settlement Amount:
- (i) [Index]/[Index Basket]: [ ] [The Index is a Multiple Exchange Index]

[Each of the indices specified in the table below:]

<i>Index</i>	<i>Multiple Exchange Index</i>
[ ]	[Yes] [No]

[(each, an "Index" and together, the "Indices")]

(ii) Weighting: [Applicable] [Not Applicable]

Weighting	Index
[ ]	[ ]

(iii) Cap: [[ ] per cent.] [Not Applicable]

(iv) Digital Amount: [[ ] per cent.] [Not Applicable]

(v) Participation: [[ ] per cent.] [Not Applicable]

(vi) Protection Level: [[ ] per cent.] [Not Applicable]

(vii) Relevant Final Performance: [Final Index Performance] [the weighted arithmetic average of the Final Index Performance of each constituent Index in the Basket]

(viii) Relevant Level: [Final Index Level] [Average Index Level] [Not Applicable]

(ix) Averaging Dates: [ ] [Not Applicable]

(x) Averaging Date Market Disruption: [ ] [Omission] [Postponement] [Modified Postponement] [Not Applicable]

17. Further provisions relating to the underlying Ind[ex] [ices]:

(i) Index Sponsor(s): [ ]

(ii) Index Rules<sup>3</sup>: [ ] [Not Applicable]

(iii) Exchange(s): [ ]

(iv) Related Exchange(s): [ ] [All Exchanges]

(v) Initial Index Level: [ ] [The definition in Condition 1 applies]

(vi) Strike Date: [ ]

(vii) Final Valuation Date: [ ] [Not Applicable]

(viii) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]] [Not Applicable]

(ix) Index Substitution: [Applicable] [Not Applicable]

(x) Alternative Pre-nominated Index: [Applicable] [Not Applicable]

Underlying Index(ices)	Alternative Pre-nominated Index	Index Sponsor	Exchanges	Related Exchanges	Multiple Exchange Index
[ ]	[ ]	[ ]	[ ]	[All Exchanges]	[ ]

<sup>3</sup> Not including proprietary indices

- (xi) Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 9A(c): [3] [ ]
18. Business Day: [ ]
19. Business Centre(s): [ ]
20. Valuation Time: [ ] [The definition in Condition 1 applies]
21. Payments:
- (i) Payment of Alternative Payment Currency Equivalent: [Applicable] [Not Applicable]
- Settlement Currency Jurisdiction: [ ]
  - Cross Currency: [ ]
  - Cross 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 [ ]]
  - Offshore RMB Centre: [Hong Kong] [Singapore] [Taiwan] [ ] [Not Applicable]

- Alternative Pre-nominated Index: [ ] [Not Applicable]
  - Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 9A(c): [3] [ ]
- (ii) Price Source Disruption: [Applicable] [Not Applicable]
- FX Cut-off Date: [ ] [Condition 1 applies]
  - Number of local banking days for the purpose of postponing Related Payment Dates pursuant to Condition 55(g): [3] [ ]
  - Dealer Poll: [Applicable] [Not Applicable]
  - Unscheduled Holiday and Deferral Period: The number of Relevant Currency Business Days for the purpose of the definition of Unscheduled Holiday in Condition 1 is [ ] [and the number of calendar days for the purposes of the Deferral Period is [ ] [as per Condition 1]]
- (iii) Specified Maximum Number of Disrupted Days: [ ] [Not Applicable] [The definition in Condition 1 applies]
- (iv) Termination following FX Disruption Event: [Applicable] [Not Applicable]  
(Condition 5(g)(Y))
- (v) Early Termination Amount following FX Disruption Event or Benchmark Trigger Event: [[ ] per cent. of the Calculation Amount][Fair Market Value][Not Applicable]  
(Condition 5(g)(Y) or 9A)

**CONFIRMED**

**HSBC BANK plc**

By: .....  
*Authorised Signatory*

Date: .....



## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: [Application [will be] [has been] made to admit the Warrants to listing on [the Official List of Euronext Dublin][and][the official list of the Borsa Italiana S.p.A.]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not Applicable]
- (ii) Admission to trading: [The Original Issue was admitted to trading on the regulated market of Euronext Dublin on [ ].] [Application [will be] [has been] made for the Warrants to be admitted to trading on [the regulated market of Euronext Dublin][and][the Electronic Bond Market, being the regulated market of the Borsa Italiana S.p.A. ("MOT")]. No assurance can be given as to whether or not, or when, such application will be granted.] [Not Applicable]

### 2. [REASONS FOR THE OFFER AND USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer and use [ ] [Not Applicable] of proceeds:
- (ii) Estimated net proceeds: [ ] [Not Applicable]
- (iii) Estimated total expenses: [ ] [Not Applicable]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE] [OFFER]

[The Warrants may be on-sold by the Manager(s) to the Initial Authorised Offerors at a discount to the Issue Price of [up to] [%]. Such discount (the "**re-offer spread**") will be retained by the Initial Authorised Offerors.]

[Save for any fees payable to the Manager(s)[ and ][[S/s]ave for the re-offer spread retained by the Initial Authorised Offerors], no person involved in the issue of the Warrants has, so far as the Issuer is aware, an interest material to the [issue/offer]. The Manager(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.] [Not Applicable]

### 4. INFORMATION ABOUT THE UNDERLYING

Information on the past and future performance and volatility of the [Index] [Indices comprised in the basket] can be obtained from [the following display pages on [ ] [Bloomberg (source: Bloomberg Financial Markets Service)]] [the following website [ ] [(Source: [ ])]].

### 5. DISTRIBUTION

- (i) If syndicated, name[s] of [ ] Manager[s] [and underwriting commitments]:
- (ii) Date of subscription agreement: [ ]

- (iii) Indication of the overall amount of the underwriting commission and of the placing commission:  [Not Applicable]
6. If non-syndicated, name and address of Manager:  [ ]
7. Public Offer:  [Applicable]  [Not Applicable]
- (i) Details of the Public Offer: A public offer of this Tranche of Warrants may be made by the Managers [and  ] ([together with the Managers,] the "**Initial Authorised Offeror[s]**") and any other Authorised Offerors published on the Issuer's website www.hsbc.com (*following links to 'Investors', 'Fixed income investors', 'Issuance programmes'*) in [the United Kingdom] [France] [Italy] (the "**Public Offer Jurisdiction**") during the period from and including  until but excluding  (the "**Offer Period**").
- (ii) Conditions attached to the consent to use the Prospectus:  [Not Applicable]
8. Prohibition of Sales to EEA Retail Investors:  [Applicable/Not Applicable ]
9. Additional U.S. federal income tax considerations:  [Not Applicable/give details]
- The Warrants are not Section 871(m) Warrants for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986.
10. Selling restrictions, United States of America: 40-day Distribution Compliance Period:  [Applicable]  [Not Applicable]

#### OPERATIONAL INFORMATION

11. ISIN Code:  [Not Applicable]
12. Common Code:  [Not Applicable]
13. Valoren Number:  [Not Applicable]
14. SEDOL:  [Not Applicable]
15. Other identifier / code:  [Not Applicable]
16. Clearing System:  [Euroclear]  [Clearstream, Luxembourg]  [CREST]
17. Delivery: Delivery [against] [free of] payment
- (i) Authentication Agent/Warrant Registrar/Warrant Transfer Agent:  [HSBC Bank plc]
- (ii) Additional Warrant Agent(s) (if any):  [None]
18. Common Depository:  [HSBC Bank plc]  [Not Applicable]
19. Principal Warrant Agent:  [HSBC Bank plc]  [ ]

20. Calculation Agent: [HSBC Bank plc] [HSBC France] [ ]
21. Warrant Agent: [HSBC Bank plc] [ ]

**[TERMS AND CONDITIONS OF THE OFFER**

22. Offer Price: [Issue Price] [ ]
23. Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [ ] [Not Applicable]
24. The time period, including any possible amendments, during which the offer will be open: [ ] [Not Applicable]
25. Conditions to which the offer is subject: [ ] [Not Applicable]
26. Description of the application process: [ ] [Not Applicable]
27. Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [ ] [Not Applicable]
28. Details of the minimum and/or maximum amount of application: [ ] [Not Applicable]
29. Details of the method and time limits for paying up and delivering of the securities: [ ] [Not Applicable]
30. Manner in and date on which results of the offer are to be made public: [ ] [Not Applicable]
31. Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [ ] [Not Applicable]
32. Whether tranche(s) have been reserved for certain countries: [ ] [Not Applicable]
33. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [ ] [Not Applicable]
34. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [ ] [Not Applicable]

35. Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [ ] [Not Applicable]
36. Name and address of any paying agents and depositary agents in each country: [ ] [Not Applicable]
37. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [ ] [Not Applicable]

#### **BENCHMARKS**

38. Details of benchmarks administrators and registration under Benchmarks Regulation: [*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[Not Applicable]

**ANNEX**

**ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO THE UNDERLYING**

**[The following Index disclaimer is applicable in respect of the [ ] Index, as agreed between the Index Sponsor and the Issuer: [ ]].**

## **PART IV – INFORMATION RELATING TO UNDERLYING INDICES**

### **SECTION IV.1 – INDEX DISCLAIMERS**

*This section sets out disclaimers which may be applicable in respect of an issue of Notes or Warrants which are linked to the performance of an Index.*

Where a Series of Notes or Warrants relates to any of the indices specified below, a statement regarding such index will be included in an annex to the relevant Final Terms in or substantially in the form for such index set out below:

#### **STATEMENTS REGARDING THE CAC-40 INDEX**

Euronext N.V. or its subsidiaries holds all (intellectual) proprietary rights with respect to the CAC-40 Index. Euronext N.V. or its subsidiaries do not sponsor, endorse or have any other involvement in the issue and offering of the Notes or the Warrants. Euronext N.V. and its subsidiaries disclaim any liability for any inaccuracy in the data on which the CAC-40 Index is based, for any mistakes, errors, or omissions in the calculation and/or dissemination of the CAC-40 Index, or for the manner in which it is applied in connection with the issue and offering thereof.

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#### **STATEMENTS REGARDING THE DAX® INDEX**

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particular investment decision. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

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#### **STATEMENTS REGARDING THE EURO STOXX 50® INDEX AND STOXX INDEX**

STOXX Limited, Deutsche Börse Group and their licensors, research partners or data providers have no relationship to the Issuer, other than the licensing of the EURO STOXX 50® Index or STOXX Index and the related trademarks for use in connection with the Notes or Warrants.

STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not:

- sponsor, endorse, sell or promote the Notes or Warrants;
- recommend that any person invest in the Notes or Warrants or any other securities;
- have any responsibility or liability for or make any decisions about the timing, amount or pricing of the Notes or Warrants;
- have any responsibility or liability for the administration, management or marketing of the Notes or Warrants; or
- consider the needs of the Notes or Warrants or the owners of the Notes or Warrants in determining, composing or calculating the EURO STOXX 50® Index or STOXX Index or have any obligation to do so.

STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty, and exclude any liability (whether in negligence or otherwise), in connection with the Notes or Warrants or their performance.

STOXX does not assume any contractual relationship with the purchasers of the Notes or Warrants or any other third parties.

#### **Specifically:**

- STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not give any warranty, express or implied, and exclude any liability about:
  - the results to be obtained by the Notes or Warrants, the owner of the Notes or Warrants or any other person in connection with the use of the EURO STOXX 50® Index or STOXX Index and the data included in the EURO STOXX 50® Index or the STOXX Index;

- the accuracy, timeliness and completeness of the EURO STOXX 50® Index or the STOXX Index and its data;
  - the merchantability and the fitness for a particular purpose or use of the EURO STOXX 50® Index or the STOXX Index and its data; or
  - the performance of the Notes or Warrants generally.
- STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty and exclude any liability, for any errors, omissions or interruptions in the EURO STOXX 50® Index or the STOXX Index or its data.
  - Under no circumstances will STOXX, Deutsche Börse Group or their licensors, research partners or data providers be liable (whether in negligence or otherwise) for any lost profits or indirect, punitive, special or consequential damages or losses, arising as a result of such errors, omissions or interruptions in the EURO STOXX 50® Index or the STOXX Index or its data or generally in relation to the Notes or Warrants, even in circumstances where STOXX, Deutsche Börse Group or their licensors, research partners or data providers are aware that such loss or damage may occur.

The licensing agreement between the Issuer and STOXX is solely for their benefit and not for the benefit of the owners of the Notes or Warrants or any other third parties.

#### **STATEMENTS REGARDING THE FTSE® 100 INDEX**

The Notes and Warrants have been developed solely by the Issuer. The Notes and Warrants are not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "**LSE Group**"). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the FTSE® 100 Index (the "**Index**") vest in the relevant LSE Group company which owns the Index. FTSE®, Russell® and FTSE Russell® are trade marks of the relevant LSE Group company and are used by any other LSE Group company under license.

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