PREFERENCE SHARE TERMS AND CONDITIONS

The following are the terms and conditions (the **Conditions**) of the Series 161 Index linked redeemable preference shares (the **Preference Shares**) issued by Eukairos Investments Ltd (the **Company**) on 11 June 2013. Terms not otherwise defined have the meanings given in Condition 1 (Definitions) below. References to a numbered Condition shall be to such numbered section of the Conditions.

In the event of any inconsistency between the Articles and the Conditions, the Conditions shall prevail.

1. DEFINITIONS

Adjustment Provisions means all relevant provisions of these Conditions which provide for any adjustment, delay, modification, cancellation or determination in relation to the Index, the valuation procedure for the Index or the Preference Shares. This shall include the provisions of Condition 11 (Calculation Agent Modifications) and all subsequent Conditions.

Affiliate means in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly the First Entity, or any entity directly or indirectly under common control with the First Entity. For these purposes **control** means ownership of the majority of the voting power of an entity.

Articles means the Memorandum of Association and Articles of Association of the Company, as may be amended, supplemented or otherwise modified from time to time.

Associated Costs means, in respect of each Preference Share, an amount (subject to a minimum of zero) equal to its *pro rata* share (calculated on the basis of the proportion of the aggregate number of Preference Shares outstanding as at the Early Preference Share Valuation Date) as determined by the Calculation Agent of:

(a) the total amount of any and all costs associated with or incurred by or to be incurred by the Company or the Calculation Agent in connection with or arising as a result of the redemption of the Preference Shares occurring on the Early Preference Share Redemption Date rather than the Final Preference Share Redemption Date, all as determined by the Calculation Agent;

(b) without duplication, an amount which the Calculation Agent determines is appropriate in the context of any Related Financial Product to take into account the total amount of any and all actual and anticipated costs associated with or expected to be incurred by the issuer and/or Hedging Counterparty in relation to any Related Financial Product, in each case in connection with or arising as a result of the redemption of the Preference Shares occurring on the Early Preference Share Redemption Date rather than the Final Preference Share Redemption Date, including, without limitation, any funding related costs and any costs associated with unwinding the Related Financial Product and/or any hedge positions relating to such Related Financial Product, all as determined by the Calculation Agent by reference to such source(s) as it determines appropriate; and

(c) without duplication, any other fees and expenses payable by the Company which are attributable to the Preference Shares, all as determined by the Calculation Agent.

Barrier Event means, an event that occurs if, in the determination of the Calculation Agent, the Final Index Level is less than the Barrier Level.

Barrier Level means 65 per cent. of the Initial Index Level.

Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

Calculation Agent means HSBC France.

Call and Put Period means the period commencing on and including the Issue Date to and including the day after 13 June 2013 or, if such date is not a Business Day, the next following Business Day.

Call and Put Redemption Amount means GBP 1 per Preference Share.

Clearing System Business Day means any day on which the principal domestic clearing systems customarily used for settling trades in securities comprising the Index is (or, but for the occurrence of an event beyond the control of the Company or the Hedging Counterparty as a result of which such clearing system cannot clear the transfer of such securities, would have been) open for the acceptance and execution of settlement instructions.

Disrupted Day means any Scheduled Trading Day on which the Exchange or the Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

Early Closure means the closure on any Exchange Business Day of the Exchange relating to securities that comprise 20 per cent. or more of the level of the Index or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange 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 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.

Early Preference Share Redemption Amount means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the Settlement Currency calculated by the Calculation Agent as the fair market value (calculated without taking into account the creditworthiness of the Company) of a Preference Share as of the Early Preference Share Valuation Date taking into account such factor(s) as the Calculation Agent determines appropriate, including, but not limited to, the relevant Early Preference Share Redemption Event after deducting any Associated Costs (to the extent not already reflected in such fair market value).

Early Preference Share Redemption Date means the day falling ten Business Days after the Early Preference Share Valuation Date.

Early Preference Share Redemption Event means the event that occurs if:

(a) the Calculation Agent determines that for reasons beyond the Company's control, the performance of the Company's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

(b) any event occurs in respect of which the Adjustment Provisions provide the Preference Shares may be cancelled or redeemed; or

(c) a change in applicable law or regulation occurs that in the determination of the Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Company being required to be regulated by any additional regulatory authority, or being

subject to any additional legal requirement or regulation or tax considered by the Company to be onerous to it; or

(d) the Company is notified by any issuer or obligor of a Related Financial Product that such Related Financial Product has become subject to early redemption.

Early Preference Share Redemption Notice means a notice of early redemption of some or all of the Preference Shares given by or on behalf of the Company in accordance with Condition 6 (Notices).

Early Preference Share Valuation Date means the date specified as such in the relevant Early Preference Share Redemption Notice which shall fall not less than one day and not more than 180 days following the day such Early Preference Share Redemption Notice is given. The Early Preference Share Redemption Notice may provide that such date is subject to adjustment in accordance with certain disruption or adjustment events, as determined by the Calculation Agent.

Exchange means the exchange or quotation system specified as such in the definition of Index below, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the components of the Index have temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such components as on the original Exchange).

Exchange Business Day means any Scheduled Trading Day on which the Exchange and the Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Exchange Disruption means 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) for securities that comprise 20 per cent. or more of the level of the Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

Final Index Level means subject to the Adjustment Provisions, the Index Level as determined by the Calculation Agent on the Final Valuation Date.

Final Preference Share Redemption Amount means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the Settlement Currency determined by the Calculation Agent equal to:

(a) If no Barrier Event has occurred, the product of (i) the Notional Amount and (ii) an amount calculated by the Calculation Agent in accordance with the below formula:

$$\left\{\left[100\% + 109\% \times \max\left[0; \frac{FinalIndexLevel}{InitialIndexLevel} - 1\right]\right]\right\}$$

(b) If a Barrier Event has occurred the product of (i) the Notional Amount and (ii) an amount calculated by the Calculation Agent in accordance with the below formula:

$$\left[\frac{FinalIndexLevel}{InitialIndexLevel}\right]$$

RESTRICTED
P51678

Final Preference Share Redemption Date means the date that falls twenty Business Days following the Final Valuation Date.

Final Valuation Date means, subject to the Adjustment Provisions, 30 May 2017 or, if such date is not a Scheduled Trading Day the next following Scheduled Trading Day thereafter.

Hedging Counterparty means HSBC Bank plc or any Affiliate of HSBC Bank plc or any other party (i) providing the Company directly or indirectly with hedging arrangements in relation to the Preference Shares and/or (ii) providing or entering into hedging arrangements in relation to any Related Financial Product (and which may, without limitation, be the principal obligor of a Related Financial Product).

Index means, subject to Adjustment Provisions, the following index:

Index	Exchange	Related Exchange	Initial Index Level
MSCI Emerging Markets Index	The regulated markets or quotation systems (or any substituting market or system) on which the shares which compose the Index are mainly traded	Each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures and options contracts relating to the Index	1016.02

Index Level means, in respect of any day and subject to the Adjustment Provisions, the official closing level of the Index at the Valuation Time on such day, all as determined by the Calculation Agent.

Initial Index Level means the level of the Index specified as such in the definition of Index above, being the Index Level on the Strike Date.

Index Sponsor means the 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 the Index and (ii) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day or any Successor Index Sponsor, as defined in Condition 13 (Adjustments).

Issue Date means 11 June 2013.

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

Notional Amount means GBP 1.00 per Preference Share.

Related Exchange means the exchange or quotation system specified as such in the definition of Index or 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 on such temporary substitute exchange or quotation system as on the original Related Exchange).

Related Financial Product means any financial product which references directly or indirectly the Preference Shares.

Scheduled Closing Time means, in respect of the 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 Trading Day means any day on which the Exchange and the Related Exchange are scheduled to be open for trading during their respective regular trading sessions.

Scheduled Valuation Date means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date or the Final Valuation Date, as the case may be.

Settlement Cycle means the period of Clearing System Business Days following a trade in the securities underlying the Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

Settlement Currency means Pounds sterling (**GBP**).

Shareholder means a holder of Preference Shares in accordance with the Articles.

Strike Date means, subject to the Adjustment Provisions 30 May 2013 or, if such date is not a Scheduled Trading Day the next following Scheduled Trading Day thereafter.

Trading Disruption means any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the 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 Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange.

Valuation Time means the Scheduled Closing Time on the Exchange on the Strike Date, the Final Valuation Date or such other day as determined by the Calculation Agent, as the case may be. If the 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.

2. REDEMPTION, PAYMENT AND TRANSFER

The Preference Shares shall not be redeemed except as provided for in the Conditions and Article 48(a) (Redemption of Redeemable Preference Shares) of the Articles shall not apply.

The method for determining the Final Preference Share Redemption Amount or the Early Preference Share Redemption Amount shall be as set out in the Conditions and Article 48(d) (Redemption of Redeemable Preference Shares) of the Articles shall not apply.

The Final Preference Share Redemption Amount or Early Preference Share Redemption Amount, as the case may be, may not be less than GBP 0.0001 and will be rounded to the nearest two decimal places in the Settlement Currency, 0.00005 being rounded downwards, provided that in the case of

Preference Shares redeemed at the same time by the same Shareholder, such rounding shall only occur following calculation of the aggregate amounts due in respect of such Preference Shares.

2.1 FINAL REDEMPTION

If the Preference Shares have not been previously redeemed in accordance with Condition 2.3 (Company Call), Condition 2.4 (Shareholder Put) or Condition 3 (Early Redemption if there is an Early Preference Share Redemption Event), each Shareholder shall have the right exercisable from and including the Final Valuation Date to and including the Final Preference Share Redemption Date, by giving notice to the Company, to require the Company immediately to pay or cause to be paid, and if that right is not exercised, the Company will pay or cause to be paid on the Final Preference Share Redemption Date, the Final Preference Share Redemption Amount in respect of each Preference Share in the Settlement Currency, subject to applicable laws, the Articles and the Conditions. The provisions of Article 48(a), (b) and (c) (Redemption of Redeemable Preference Shares) shall not apply to the Preference Shares.

2.2 PAYMENT ON A WINDING UP OR RETURN OF CAPITAL

The provisions of Articles 46(a) (Capital) and 46(b) (Capital) shall apply to the Preference Shares.

2.3 COMPANY CALL

The Company shall have the right exercisable during the Call and Put Period to redeem compulsorily all of the then outstanding Preference Shares at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

Upon the Company exercising its right in accordance with Condition 2.3, it shall give an Early Preference Share Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (Notices) of the early redemption of each of the then outstanding Preference Shares.

2.4 SHAREHOLDER PUT

If the Company has not given notice of its right to redeem compulsorily the Preference Shares in accordance with Condition 2.3 (Company Call), each Shareholder shall have the right exercisable during the Call and Put Period, by giving notice to the Company, to have all of its Preference Shares redeemed at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

Upon the occurrence of a Shareholder exercising its right in accordance with Condition 2.4, the Company shall give an Early Preference Share Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (Notices) of the early redemption of each of the then outstanding Preference Shares.

2.5 TRANSFER OF PREFERENCE SHARES

The Preference Shares may only be transferred if all Preference Shares in issue are transferred together to the same transferee.

3. EARLY REDEMPTION IF THERE IS AN EARLY PREFERENCE SHARE REDEMPTION EVENT

If the Company, or the Calculation Agent on behalf of the Company, determines that there is an Early Preference Share Redemption Event falling within paragraphs (a) to (c) of the definition of Early Preference Share Redemption Event, the Company, or the Calculation Agent on behalf of the

Company, may, but shall not be obliged to elect to redeem early the Preference Shares by giving an Early Preference Share Redemption Notice to Shareholders in accordance with Condition 6 (Notices) below, and if the Company, or the Calculation Agent on behalf of the Company, determines that there is an Early Preference Share Redemption Event falling within paragraph (d) of that definition then the Company, or the Calculation Agent on behalf of the Company, must redeem early the Preference Shares by giving an Early Preference Share Redemption Notice to Shareholders in accordance with Condition 6 (Notices) below.

For the purposes of this Condition 3 only, following the delivery of an Early Preference Share Redemption Notice, each Shareholder shall have the right exercisable from and including the Early Preference Share Valuation Date to and including the Early Preference Share Redemption Date to require the Company to redeem the Preference Shares immediately (and if that right is not exercised the Company will redeem all of the Preference Shares on the Early Preference Share Redemption Date) at the Early Preference Share Redemption Amount in respect of each Preference Share, subject to applicable laws, the Articles and the Conditions.

4. DIVIDENDS

In accordance with the Articles, no dividends will be paid in respect of the Preference Shares.

5. FURTHER PREFERENCE SHARES

The Company shall be entitled to issue further Preference Shares from time to time to be consolidated and form a single class with the Preference Shares provided that the rights conferred upon the Shareholders shall not be varied, amended or abrogated by the creation, allotment or issue of any further Preference Shares of the same class as the Preference Shares or any different class.

6. NOTICES

Notices to Shareholders shall be delivered to Shareholders at the address for each Shareholder set out in the register of members of the Company with a copy to the Calculation Agent. Any such notice will become effective on the first calendar day after such delivery to such address. Where a notice is being delivered in accordance with Condition 3 (Early Redemption if there is an Early Preference Share Redemption Event), such notice shall specify the relevant Early Preference Share Valuation Date. A copy of any Early Preference Share Redemption Notice shall also be delivered to any Hedging Counterparty.

Notices to the Company shall be delivered to the Company at the address of the registered office of the Company with a copy to the Calculation Agent. Any such notice will become effective on the first calendar day after such delivery to such address.

7. CALCULATIONS AND DETERMINATIONS

Any calculations, determinations and adjustments to be made in relation to the Conditions shall, unless otherwise specified, be made by the Calculation Agent and in such a manner as the Calculation Agent determines is appropriate acting in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Conditions and the hedging arrangements entered into with any Hedging Counterparty).

Notwithstanding that certain calculations, determinations and adjustments in the Conditions may be expressed to be on a certain date, the Calculation Agent may make such calculations, determinations and adjustments in respect of that date on a date after that date determined by it in its discretion.

Pursuant to the Conditions the Calculation Agent has a number of discretions. These are necessary since certain circumstances or the occurrence of certain events may materially affect the costs to the Company and/or a Hedging Counterparty (including in relation to any Related Financial Product) and/or any issuer or obligor of a Related Financial Product of maintaining the Preference Shares or a Related Financial Product or hedging arrangements for the Preference Shares or a Related Financial Product, in each case before and after the occurrence of such event in a way which has not been reflected in the pricing of the Preference Shares and/or the Related Financial Product. In addition, certain circumstances may arise where it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and in these circumstances the Calculation Agent also may exercise certain discretions.

8. SEVERABILITY

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

9. GOVERNING LAW AND JURISDICTION

The Conditions and all non-contractual obligations arising from or in connection with the Conditions shall be governed by and construed in accordance with English law. The English courts shall have exclusive jurisdiction to deal with any dispute and all non-contractual obligations arising from or in connection with the Conditions.

10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any rights to enforce any terms or conditions of the Preference Shares under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

11. CALCULATION AGENT MODIFICATIONS

The Calculation Agent will employ the methodology and comply with the provisions described in the Conditions to determine the amounts payable in respect of the Preference Shares. The Calculation Agent's determination in the application of such methodology and compliance with the provisions shall be final, conclusive and binding on the Company and Shareholders except in the case of manifest error.

The Calculation Agent shall be free to modify such methodology or provisions from time to time, acting in good faith and in a commercially reasonable manner, (1) as it deems appropriate in response to any market, regulatory, juridical, fiscal or other circumstances which may arise which, in the opinion of the Calculation Agent, necessitates or makes desirable (taking into account the interests of the Company and any obligor of a Related Financial Product) a modification or change of such methodology or provisions or (2) for the purposes of (i) preserving the intended economic terms of the Preference Shares or (ii) curing any ambiguity or correcting or supplementing any provision of the Conditions or (iii) accounting for any change in the basis on which any relevant values, levels or information is calculated or provided which would materially change the commercial effect of any provision or provisions of the Conditions or (iv) replacing any information provider or source or (v) making amendments to the provisions of a formal, minor or technical nature or (vi) correcting any manifest or proven errors or (vii) making such amendments to comply with mandatory provisions of any applicable laws, provided that no modification by the Calculation Agent constituting a variation (or deemed variation) of the rights of the Preference Shares (or any other class of shares of the Company) for the purposes of sections 630-640 of the Companies Act 2006 and/or the Articles shall have effect unless previously approved in accordance with the Companies Act 2006 and the Articles.

Other than with respect to payments, where the Company fails to exercise any discretion or take any action provided to it in the Conditions when the exercise of such discretion or action would be necessary or desirable (as determined by the Calculation Agent), the Calculation Agent may exercise such discretion on its behalf.

12. CONSEQUENCES OF DISRUPTED DAYS

If any Scheduled Valuation Date is a Disrupted Day, then the Strike Date, the Final Valuation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the relevant Scheduled Valuation Date is a Disrupted Day. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Final Valuation Date, as the case may be, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall determine the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to the Adjustment Provisions), the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

13. ADJUSTMENTS

(a) Successor Index

If the Index is (i) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the **Successor Index Sponsor**) acceptable to the Calculation Agent or (ii) 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 the Index, then in each case that Index (the **Successor Index**) will be deemed to be the Index.

(b) Index Adjustment Events.

If (i) on or prior to the Strike Date or the Final Valuation Date, as the case may be, the Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in the formula or method to maintain the Index in the event of changes in its constituent securities, capitalisation and other routine events) (an **Index Modification**) or permanently cancels the Index and no Successor Index exists (an **Index Cancellation**) or (ii) on the Strike Date or the Final Valuation Date, as the case may be, the Index Sponsor or, if applicable, the Successor Index Sponsor, fails to calculate and announce the Index Level (an **Index Disruption** and, together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**), then (A) in the case of an Index Modification or an Index Disruption, the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Preference Shares and, if so, shall calculate any relevant adjustment to the Conditions which may include, without limitation (i) an adjustment to any value, date, variable or other provision to take into account the relevant Index Adjustment Event, (ii) delaying the Strike Date or the Final Valuation Date, as the case may be, until the relevant Index Adjustment Event no longer exists or (iii) determining the Index Level for each date following such change, failure or cancellation on which the Index Level is required for the purposes of the Preference Shares, using, in lieu of a published level for the Index, the level for the Index on such date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index

last in effect prior to the change, failure or cancellation, but using only those securities that comprised the Index immediately prior to that Index Adjustment Event and (B) in the case of an Index Cancellation, the Company may, at any time thereafter, determine that all but not some only of the Preference Shares shall be redeemed in accordance with Condition 3 (Early Redemption if there is an Early Preference Share Redemption Event).

14. ADDITIONAL DISRUPTION EVENTS

(a) Following the occurrence of an Additional Disruption Event, the Company will determine whether or not the Preference Shares shall continue or be redeemed early.

(b) If the Company determines that the Preference Shares shall continue, the Calculation Agent may make such adjustment as the Calculation Agent considers appropriate, if any, to any one or more of the Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment.

(c) If the Company determines that the Preference Shares shall be redeemed early, then the Company shall redeem all but not some only of the Preference Shares in accordance with Condition 3 (Early Redemption if there is an Early Preference Share Redemption Event).

(d) Upon the occurrence of an Additional Disruption Event, the Company, or the Calculation Agent on behalf of the Company, shall give notice as soon as practicable to the Shareholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

Additional Disruption Event means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging.

Change in Law means that on or after the Issue Date, (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) 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 Company determines that (A) it has become illegal for the Company or the Hedging Counterparty to hold, acquire or dispose of any securities comprising the Index or it has become illegal for the Company or the Hedging Counterparty to hold, acquire, purchase, sell or maintain one or more (x) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to the Preference Shares, any Related Financial Product, or in relation to the Company's or the Hedging Counterparty's hedging activities in connection with the Preference Shares or any Related Financial Product, (y) stock loan transactions in relation to the Preference Shares or any Related Financial Product or (z) other instruments or arrangements (howsoever described) held by the Company or the Hedging Company in order to hedge, individually or on a portfolio basis, the Preference Shares or any Related Financial Product relating to the Index or (B) the Company or any Hedging Counterparty will incur a materially increased cost in performing its obligations in relation to the Preference Shares or any Related Financial Product (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any Hedging Counterparty).

Hedging Disruption means that the Company and/or any Hedging Counterparty is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with

respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

Increased Cost of Hedging means that the Company and/or any Hedging Counterparty would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Company and/or any Related Financial Product obligor shall not be deemed an Increased Cost of Hedging.

15. CORRECTION OF INDEX LEVELS

If the level of the 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 Preference Shares is subsequently corrected and the correction is published by the Index Sponsor within one Settlement Cycle 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 Preference Shares to account for such correction provided that if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable in respect of the Preference Shares and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Company shall be entitled to reimbursement of the relevant excess payment (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Shareholder, together with interest on that amount for the period from and including the day on which payment was originally made to (but excluding) the day of payment of reimbursement by the Shareholder (all as calculated by the Calculation Agent). Any such reimbursement shall be effected in such manner as the Company shall determine.

CALCULATION AGENT DISCLAIMERS

The Calculation Agent makes no express or implied representations or warranties as to (a) the advisability of investing in or obtaining exposure to the Preference Shares, (b) the value of the Preference Shares at any particular time on any particular date, or (c) any amounts that may become payable in respect of the Preference Shares. The Calculation Agent shall not act as agent or trustee for the holders of the Preference Shares or any Related Financial Product.

Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Shareholders or Related Financial Product investors for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

In addition, to providing calculation agency services to the Company, the Calculation Agent or any of its Affiliates, may perform further or alternative roles relating to the Company and any series of Preference Shares. Furthermore, the Calculation Agent or any of its Affiliates may contract with the Company and/or enter into transactions which relate to the Company, the Preference Shares or the Index and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, neither the Company nor the Calculation Agent in respect of the Preference Shares owes any duty or responsibility to any Shareholder or Related Financial Product investor to avoid any conflict or to act in the interest of any Shareholder or Related Financial Product investor.

INDEX DISCLAIMER

STATEMENTS REGARDING THE MSCI EMERGING MARKETS INDEX

The financial products described herein are linked to an MSCI Index.

The MSCI indexes are the exclusive property of Morgan Stanley Capital International Inc. ("MSCI"). MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by HSBC Bank plc. The financial securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such financial securities. The Base Prospectus contains a more detailed description of the limited relationship MSCI has with HSBC Bank plc and any related financial securities. No purchaser, seller or holder of this product, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this product without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

THIS FINANCIAL PRODUCT IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MORGAN STANLEY CAPITAL INTERNATIONAL INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY HSBC BANK PLC. THIS FINANCIAL PRODUCT HAS NOT BEEN PASSED ON BY ANY OF THE MSCI PARTIES AS TO ITS LEGALITY OR SUITABILITY WITH RESPECT TO ANY PERSON OR ENTITY AND NONE OF THE MSCI PARTIES MAKES ANY WARRANTIES OR BEARS ANY LIABILITY WITH RESPECT TO THIS FINANCIAL PRODUCT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS FINANCIAL PRODUCT OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FINANCIAL PRODUCTS GENERALLY OR IN THIS FINANCIAL PRODUCT PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS FINANCIAL PRODUCT OR THE ISSUER OR OWNER OF THIS FINANCIAL PRODUCT OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUERS OR OWNERS OF THIS FINANCIAL PRODUCT OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS FINANCIAL PRODUCT TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS FINANCIAL PRODUCT IS REDEEMABLE. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS FINANCIAL PRODUCT OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS FINANCIAL PRODUCT.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN OR THE RESULTS TO BE OBTAINED BY THE ISSUER OF THIS FINANCIAL PRODUCT, OWNERS OF THIS FINANCIAL PRODUCT, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN AND NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY TO ANY PERSON OR ENTITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES (INCLUDING, WITHOUT LIMITATION AND FOR PURPOSES OF EXAMPLE ONLY, ALL WARRANTIES OF TITLE, SEQUENCE, AVAILABILITY, ORIGINALITY, ACCURACY, COMPLETENESS, TIMELINESS, NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL IMPLIED WARRANTIES

ARISING FROM TRADE USAGE, COURSE OF DEALING AND COURSE OF PERFORMANCE) WITH RESPECT TO EACH MSCI INDEX AND ALL DATA INCLUDED THEREIN. WITHOUT LIMITING THE GENERALITY OF ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY TO ANY PERSON OR ENTITY FOR ANY DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, CONSEQUENTIAL (INCLUDING, WITHOUT LIMITATION, LOSS OF USE, LOSS OF PROFITS OR REVENUES OR OTHER ECONOMIC LOSS), AND WHETHER IN TORT (INCLUDING, WITHOUT LIMITATION, STRICT LIABILITY AND NEGLIGENCE) CONTRACT OR OTHERWISE, EVEN IF IT MIGHT HAVE ANTICIPATED, OR WAS ADVISED OF, THE POSSIBILITY OF SUCH DAMAGES.

RESTRICTED
P51678