BASE PROSPECTUS

HSBC BANK PLC

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

as Issuer

PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS

Preference Share-Linked Notes

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

This document (which expression includes all documents incorporated by reference herein) (as from time to time supplemented, the "**Base Prospectus**") has been prepared for the purpose of providing disclosure information with regard to certain types of notes issued under the Programme, namely notes ("**Notes**" or "**Preference Share-Linked Notes**") which have a redemption amount payable at maturity which is linked to the performance of underlying preference shares.

The value of and return on the Notes is linked to the performance of one or more preference shares issued by UKSED3P Investments Limited (the "**Preference Shares**"), a company incorporated in England and independent of the Issuer, whose business consists of the issuance of Preference Shares in connection with the Programme. The performance of such Preference Shares is in turn linked to the performance of an underlying index (an "**Underlying**") or basket of indices (a "**Basket**") thereby providing investors in the Notes with a return linked to the Underlying.

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**") as a base prospectus in compliance with the FCA Handbook Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**") made in accordance with the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the rules in PRM. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. This Base Prospectus is valid for a period of twelve months from the date of approval.

This Base Prospectus has been prepared for the purpose of providing disclosure in relation to Notes only (and not warrants), and only Preference Share-Linked Notes may be issued under this Base Prospectus.

Applications have been made to admit Notes to listing on the Official List of the FCA and to trading on the main market (the "**Main Market**") of the London Stock Exchange plc (the "**London Stock Exchange**"). The Main Market is a United Kingdom ("**UK**") regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("**EUWA**") (the "**UK MiFIR**").

An offer of Notes made in reliance on the exception from the prohibition on offers to the public in paragraph 6(a) of Part 1 of Schedule 1 of the POATRs is conditional on the Notes being admitted to the Main Market of the London Stock Exchange on or around the relevant issue date of the relevant Notes. The offer of such Notes may be withdrawn by the Issuer if the Notes are not admitted to the Main Market of the London Stock Exchange.

Where an offer of Notes is made in reliance on the exception from the prohibition on offers to the public in paragraph 6(a) of Part 1 of Schedule 1 of the POATRs, the relevant Final Terms will indicate that such offer is conditional on the Notes being admitted to trading on the Main Market of the London Stock Exchange. The offer of such Notes may be withdrawn without liability to the Issuer if the Notes are not admitted to the Main Market of the London Stock Exchange on or around the relevant issue date.

Information on how to use this Base Prospectus is set out on pages i to iii and a table of contents is set out on page vi.

EU PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In relation to any Notes, this Base Prospectus must be read as a whole and together also with the relevant final terms (the "**Final Terms**"). Any Notes 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 already in issue or any Notes issued under any other base prospectus published in connection with the Programme.

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.

The Issuer has been assigned the following long term credit ratings: A+ by S&P Global Ratings UK Limited ("**S&P**"); A1 by Moody's Investors Service Limited ("**Moody's**"); and AA by Fitch Ratings Limited ("**Fitch**"). Each of S&P, Moody's and Fitch is established in the United Kingdom and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the "**UK CRA Regulation**"). As such, each of S&P, Moody's and Fitch appears on the latest update of the list of registered credit rating agencies (as of the date of this Base Prospectus) on the UK FCA's Financial Services Register. The ratings each of S&P, Moody's and Fitch have given to the Issuer are endorsed by S&P Global Ratings Europe Limited, Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**EU CRA Regulation**").

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

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

Programme Arranger and Dealer

HSBC Bank plc

12 June 2026

HOW TO USE THIS BASE PROSPECTUS

INTRODUCTION – WHO IS THE ISSUER?

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

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

TYPES OF NOTES

This Base Prospectus provides information about certain Notes that may be issued under the Programme, the return of which will be linked to the performance of Preference Shares issued by UKSED3P Investments Limited, a private company limited by shares incorporated in England. The performance of each Preference Share will in turn be linked to the performance of a single index (an "**Index**" or "**Underlying**") or a basket of indices (each an Index or Underlying and together a "**Basket**").

The following types of Notes may be issued under this Base Prospectus:

(i) Booster Redemption Notes;

(ii) Airbag Redemption Notes;

(iii) Capped Airbag Redemption Notes;

(iv) Bonus Redemption Notes;

(v) Autocallable Redemption Notes; and

(vi) Autocallable Redemption Notes with Additional Digital Amount.

The Notes 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. 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, together with this Base Prospectus.

WHAT INFORMATION IS INCLUDED IN THE FINAL TERMS?

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

(i) a reference to the terms and conditions that are applicable to the particular issuance of Notes;

(ii) the issue date;

(iii) the scheduled redemption date; and

(iv) any other information needed to complete the terms included in this Base Prospectus for the particular Notes (identified by the words 'as specified in the relevant Final Terms' or other equivalent wording).

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

ROADMAP FOR THE BASE PROSPECTUS

This Base Prospectus is split up into a number of sections, each of which is briefly described below. The sections referred to below are relevant for all investors.

FUNGIBLE ISSUANCES

It is possible for Notes to be issued which consolidate and form a single Series with an existing Series of Notes, 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 will not be the terms and conditions contained in the section of this Base Prospectus entitled "*Terms and Conditions of the Notes*". Instead, the terms and conditions applicable to such Notes will either be the 2025 Conditions, the 2024 Conditions, 2023 Conditions, 2022 Conditions, the 2021 Conditions, the 2020 Conditions, the 2019 Conditions, the 2018 Conditions, the 2017 Conditions, the 2016 Conditions, the 2014 Conditions or the 2013 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.

Responsibility for information in the Base Prospectus

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

The Notes may be issued in any denominations.

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

None of the Programme Arranger nor any dealer for an issue of Notes (each such dealer, 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 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 should be considered as a recommendation or as constituting an invitation or offer by the Issuer, the Programme Arranger or any Dealer to any recipient of this Base Prospectus to subscribe for or purchase any Notes. Each investor contemplating purchasing any Notes 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 constitutes an offer by or on behalf of the Issuer, the Programme Arranger or any Dealer to subscribe for or purchase any Notes.

The Notes entitle holders to cash payments and do not entitle an investor to physical delivery of Preference Shares.

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.

Risk Warnings relating to offers of Notes

The Issuer has only authorised the financial intermediary or intermediaries identified in the relevant Final Terms in respect of a particular Tranche of Note (each an "**Authorised Offeror**"), subject to the relevant conditions specified in the relevant Final Terms being satisfied and only for so long as such Authorised Offeror is authorised to make such offers under UK MiFIR and any other applicable laws, to offer such Notes during a specified offer period and has not authorised any other person to offer any Notes pursuant to this Base Prospectus. Any such unauthorised offers are not made by or on behalf of the Issuer, the Programme Arranger, any Dealer or 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 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.

Except as may be required by PRM 10.1, the Issuer does not have any obligation to keep the information contained in this Base Prospectus up-to-date, or to supplement the information contained herein, in connection with any Tranche of Notes following the later of: (1) the closing of the offer period for such Tranche of Notes by the Issuer or any financial intermediary or underwriter appointed by the Issuer, and (2) the time when such Tranche of Notes is admitted to trading.

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.

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

It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in 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.

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

The distribution of this Base Prospectus and the offer, distribution or sale of Notes 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 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 a distribution of this Base Prospectus in any jurisdiction. Accordingly, no Notes 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 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 in the European Economic Area, Gibraltar, Guernsey, Isle of Man, Jersey, the United Kingdom and the United States of America, see the "*Subscription and Sale of Notes*" section of this Base Prospectus.

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United States

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

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United Kingdom

All applicable provisions of the FSMA must be complied with in respect of anything done in relation to any Notes in, from or otherwise involving, the United Kingdom. Any document received in connection with an issue of Notes may only be distributed in circumstances in which the restriction in section 21(1) of the FSMA does not apply.

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European Economic Area

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

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The treatment for taxation purposes of the acquisition, holding or disposal of, or other dealings with, Notes 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 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, and all references to "**Euro**", "**euro**", "**EUR**" and "**€**" refer to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended. Any other currency referred to in any Final Terms will have the meaning specified in the relevant Final Terms.

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In this Base Prospectus, "**Conditions**" means the terms and conditions of the Notes. 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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GENERAL DESCRIPTION OF THE PROGRAMME

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

Issuer:	HSBC Bank plc
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.
Arranger:	HSBC Bank plc
Dealers:	HSBC Bank plc and any other Dealer appointed from time to time by the Issuer generally in respect of the Programme or in relation to a particular Tranche of Notes.
Principal Paying Agent, Registrar and Transfer Agent:	HSBC Bank plc
Admission to Listing and Trading:	Applications have been made to admit Notes issued under the Programme to listing on the Official List of the FCA and to trading on the Main Market of the London Stock Exchange. Any Tranche of Notes intended to be admitted to listing on the Official List of the FCA and admitted to trading on the Main Market will be so admitted to listing and trading upon submission to the FCA (if required) and the London Stock Exchange of the relevant Final Terms and any other information required by the FCA and the London Stock Exchange, subject in each case to the issue of the relevant Notes.
Clearing Systems:	Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or Euroclear UK & International Limited ("**CREST**"), and/or in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Issuance in Series:	All Notes will be issued in Series and each Series may comprise one or more Tranches of Notes. Subject as set out in the relevant Final Terms, all Notes issued pursuant to the Programme on the same date, denominated in the same currency, having the same maturity date and issued on identical terms will constitute one Tranche of Notes only.
Final Terms:	Each Tranche of Notes will be issued on the terms set out in the applicable Conditions as completed by the relevant Final Terms.
Forms of Notes:	Notes may be issued in bearer form, registered form or in uncertificated registered form.
Currencies:	Notes may be denominated in any currency, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Status:	The Notes of each Series constitute direct, unsubordinated and unsecured obligations of the Issuer, ranking *pari passu* without any preference among

themselves and, at their Issue Date, ranking *pari passu* with all other unsecured and unsubordinated obligations of the Issuer other than any such obligations preferred by law.

Issue Price:.......................... Notes may be issued at any price, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Specified Denominations: .. The Notes may be issued in any denominations.

Interest:............................... The Notes will not bear interest.

Maturity .... Notes may have any maturity, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Payments of Principal:....... Payments of principal in respect of Notes will in all cases be calculated by reference to the percentage change in value of one or more Preference Shares issued by UKSED3P Investments Limited (the "**Preference Share Issuer**") in respect of the relevant Series of Notes. The terms of each Series of Preference Shares will be contained in the Articles of the Preference Share Issuer and the Preference Share terms and conditions relating to such Series, which will be annexed to the Final Terms. The redemption price of each class of Preference Shares will be calculated by reference to an index (an "**Index**" or "**Underlying**") or a basket of indices (each an "**Index**" or "**Underlying**" and together a "**Basket**").

Final Redemption Amount: .... On their Maturity Date, Noteholders will be entitled to receive a Final Redemption Amount linked to the percentage change in the value of the relevant Preference Shares, which will be linked to the performance of the relevant Underlying(s).

Events of Default:.............. 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) the Issuer fails to remedy a default in the repayment of any principal due on the Notes within 14 days of notice of such default having been given to the Principal Paying Agent or other Paying Agent or the Registrar (as the case may be) by any Noteholder in accordance with Condition 11(b) (*Notices from Noteholders*), provided that it shall not be such a default to withhold or refuse any such payment (1) if the Issuer determines, acting in good faith, that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability; or (ii) 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 its Early Redemption Amount.

Early redemption/ termination for illegality:...	If the Calculation Agent determines that the performance of the Issuer's obligations has become unlawful or impracticable in whole or in part for any reason, the Issuer will be entitled to redeem the Notes early and pay the relevant investor an amount per Note equal to its Early Redemption Amount.
Early redemption for taxation reasons:................	If the Issuer were required under the terms and conditions of the Notes (the "**Conditions**") to pay additional amounts in respect of tax, the Issuer may, subject to prior notice to the holders of such Notes, redeem all, but not some only, of such Notes and pay the relevant investor an amount per Note equal to its Early Redemption Amount.
Early redemption for a Preference Share Early Redemption Event:............	Following the receipt by the Issuer or any of its affiliates of a notice from the Preference Share Issuer that the relevant series of Preference Shares issued by the Preference Share Issuer are to be redeemed early.
Early redemption for an Extraordinary Event and/or Additional Disruption Event:	The Notes may be redeemed at the option of the Issuer at their Early Redemption Amount if the Calculation Agent determines that a merger event, tender offer or insolvency (each, an "**Extraordinary Event**") and/or change in law or insolvency filing (each, an "**Additional Disruption Event**") has occurred in relation to the Preference Shares and/or the Preference Share Issuer.
Early Redemption Amount:	The "**Early Redemption Amount**" of the Notes is an amount calculated by reference to the percentage change in value of the relevant Preference Shares. In circumstances in which the Notes become redeemable early by reason of an Event of Default or for illegality or taxation reasons, the relevant Preference Shares will become redeemable at their fair market value.
Taxation:............................	Unless Condition 5B is specified as being applicable in relation to a Series of Notes, all payments by the Issuer in respect of the Notes will be made without deduction of any taxes, duties and other similar charges, 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. 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 and, accordingly, Noteholders will be liable for and/or subject to such taxes so withheld or deducted in respect of the Notes. If Condition 5B is specified as being applicable in relation to a Series of Notes, then if the Issuer is required by law to withhold or deduct on account of such United Kingdom taxes, it will, subject to certain exceptions as outlined in Condition 5B, pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction.
Governing Law:.................	English law
Ratings:	The Issuer is rated by S&P, Moody's and Fitch. Series of Notes will not be individually rated.

Selling Restrictions:........... For a description of certain restrictions on offers, sales and deliveries of Notes, see "*Subscription and Sale of Notes*".

RISK FACTORS

Guidance on this Risk Factors section

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

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, investors should carefully consider risk factors associated with any investment in the Notes, 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 below) incorporated by reference herein. 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/or risk factors that are material for the purposes of assessing the market risk associated with the Notes. 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. Each section is relevant for all Notes.

	Name of sub-section	*Page*	*Explanation*
(1)	*Risks relating to the Issuer*	5	*This sub-section will be relevant for all issues of Notes, as it details the risk factors which the Issuer deems to be material in respect of itself as issuer of Notes and its ability to perform the obligations owed to holders of any Notes.*
(2)	*General risks relating to the Notes*	5	*This sub-section will be relevant for all issues of Notes, as it details the risk factors which the Issuer deems to be material in respect of all Notes.*
(3)	*Risks relating to taxation of the Notes*	19	*This sub-section sets out certain withholding tax risks which may apply to issues of Notes.*

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes. Additional risks and uncertainties relating to the Issuer or the Notes 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 or the value of the security or index underlying the Notes or the Notes themselves, and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

(1) Risks relating to the Issuer

The section entitled "*Risk Factors*" on pages 1 to 22 of the Registration Document (available at: https://www.hsbc.com/-/files/hsbc/investors/fixed-income-investors/issuance-programmes/hsbc-bank-plc/2026/260515-hsbc-bank-plc-registration-document-dated-15-may-2026.pdf), as incorporated by reference herein on page 25 (as supplemented, replaced or superseded from time to time pursuant to any information incorporated by reference), sets out a description of the risk factors that may affect the ability of the Issuer to fulfil its obligations to investors in relation to the Notes.

Risks relating to the Notes

(2) General Risks relating to the Notes

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

Credit risk

The Notes 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 (the Issuer's credit risk). If the Issuer becomes insolvent or defaults on its obligations under the Notes, in the worst case scenario, investors in the Notes could lose all of their invested amounts. Unlike a savings account or similar investment an investment in the Notes 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 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 as the Notes are not secured. If the Issuer became unable to pay amounts owed to the investor under the Notes, such investor will not have recourse to the securities comprising any underlying index (the "**Index**") or basket of indices ("**Indices**") or any other security or collateral and, in a worst case scenario, may not receive any payments under the Notes.

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

An investment in the Notes is not an equivalent to an investment in a time deposit. The terms of the Notes differ from those of ordinary debt securities because the Notes do not pay interest and on redemption, depending on the performance of the related Preference Share and the underlying Index or basket of Indices, the Notes may return less than the amount invested or nothing.

The repayment of any amount invested in the Notes 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 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 are linked to the relevant Preference Shares which may be linked to the level of an underlying Index or a number of underlying Indices (as applicable) and payment at maturity (and/or payment on early redemption in certain circumstances) depend on the performance of the Index or Indices (as applicable). Investors should therefore be prepared to be exposed to the risks related to the Index or Indices (as applicable). The level of an Index can alter sharply because they reflect the performance of the securities underlying such Index. Therefore, there is a risk that, if the level of the Index or Indices (as applicable) does not move in the anticipated direction, the Notes 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 at maturity. The total return of the Notes 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 to other available investments before deciding to purchase the Notes.

Past performance of the Index or Indices

Past performance of the Index or Indices (as applicable) or the securities underlying an Index, if provided, should not be taken as an indication of future performance of the Index or Indices (as applicable) or the securities underlying an Index. The Issuer cannot provide any assurance that the performance of the Index or Indices (as applicable) or the securities underlying an Index, will result in a positive return on any investment.

Capital risks relating to Notes

The Notes are not principal protected and accordingly, the repayment of any amount invested in Notes and any return on investment is not guaranteed. As a result, the investors' capital can fall below the amount initially invested in such Notes.

Risks if an Index includes a "decrement" feature

The value of, and return on, the Notes may be linked to Preference Shares which are in turn linked to an Index which is a "total return index" with a "decrement" or a "fixed dividend" feature. In such a case, all dividends paid by the constituent shares in the Index are notionally re-invested in the Index, which then makes a fractional deduction to the relevant Index on a daily basis, equivalent to the removal of a pre-defined annual dividend (a "**Synthetic Dividend**"). The Synthetic Dividend may either be defined as a percentage of the relevant Index level or as a fixed number of index points. A number of factors may adversely affect the value of and return on Notes where the Preference Shares are linked to a "decrement" index. An index with a "decrement" feature typically:

(i) may underperform an equivalent "total return index" with the same underlying components as the latter may not reflect the deduction of a Synthetic Dividend;

(ii) may underperform a "price return index" with the same components if the aggregate dividends paid by the underlying components is less than the Synthetic Dividend;

(iii) where the Synthetic Dividend is a fixed number of index points (rather than a percentage of the relevant Index), the Synthetic Dividend yield (i.e. the ratio of the fixed index point decrement to the decrement index level) may increase in a falling market as the Synthetic Dividend is a fixed amount. In that case, the fixed deduction may have a greater negative impact on the relevant Index level than if the Synthetic Dividend were a percentage of such Index level. In a steeply falling market, the Index level could become negative depending on the applicable index methodology.

Market Disruption Events

Investors in the Notes are subject to the risk that a Market Disruption Event will occur in relation to one or more Index. A Market Disruption Event may occur in respect of an Index 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, any consequential postponement of or adjustment of valuation provided in any Preference Share may have an adverse effect on the value of such Notes. The closing level of the Index may be calculated by reference to the remaining securities comprised in the relevant Index.

Extraordinary Event

Investors in the Notes are subject to the risk that a Merger Event (as defined in the Conditions) or Tender Offer (as defined in the Conditions) will occur in respect of the Preference Shares or an Insolvency (as defined in the Conditions) will occur in respect of the Company. If any such event occurs the Issuer may redeem the Notes.

Should the Issuer elect to redeem the Notes, the holders thereof may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Index or Indices that may occur following such redemption.

Additional Disruption Events in relation to the Notes

Investors intending to purchase Notes should note that Additional Disruption Events may occur in relation to the relevant Notes in certain circumstances described in the Conditions. If any Additional Disruption Event occurs in relation to the relevant Notes, the Issuer may, at its sole and absolute discretion, declare a valuation date and designate an early redemption date in respect of the Notes and the Noteholders will receive an early redemption amount 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, amongst other things, the Issuer determines that due to change in law or regulation (i) it will or has become illegal for it or its affiliates to hedge its obligations under the Notes or (ii) the Issuer or its affiliates will incur materially increased costs in performing its obligations under the Notes;

- "**Insolvency Filing**" may occur if the Preference Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by creditors and not consented to by the Preference Share Issuer shall not be deemed an Insolvency Filing.

Upon the occurrence of such an early redemption prior to the originally scheduled Maturity Date of the relevant Notes, Noteholders may suffer a loss of some or of all of their investment and will forgo any future appreciation in the relevant Index or Indices that may occur following such redemption.

Additional Disruption Events in relation to the Preference Shares

Investors should note that Additional Disruption Events may occur in relation to the relevant Preference Shares underlying the Notes in certain circumstances described in the Conditions. If any Additional Disruption Event occurs in relation to the relevant Preference Shares, UKSED3P Investments Limited (the "**Company**") will determine whether or not the Preference Shares shall continue or be redeemed early. 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. Any such adjustment having an effect on the value of the Preferences Shares, will affect the value of the Notes. 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. If the Preference Shares are redeemed the Issuer will redeem all, but not some only, of the Notes.

The following Additional Disruption Events may apply to the relevant Conditions of the Preference Shares:

- "**Change in Law**" may occur where 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 any Index or it has become illegal for HSBC Bank plc or any Affiliate of HSBC Bank plc or any other party (the "**Hedging Counterparty**") or the Company 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 Counterparty in order to hedge, individually or on a portfolio basis, the Preference Shares or any Related Financial Product relating to any 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**" may occur if the Company and/or any Hedging Counterparty is unable or it is not reasonably practicable or is undesirable for the Company and/or any Hedging Counterparty to, amongst other things, conduct any hedging transactions in relation to the Preference Shares and/or a Related Financial Product; and

- "**Increased Cost of Hedging**" may occur where the Company and/or any Hedging Counterparty would incur a materially increased cost, other than as a consequence of a deterioration in its own creditworthiness, in connection with hedging its obligations with respect to the Preference Shares or Related Financial Product (as applicable).

Upon the occurrence of an early redemption of the Preference Shares or the effective date of any adjustment to the Conditions of the Preference Shares, Noteholders may suffer a loss of some or all of the investment and, in the case of a redemption, will forego any future performance in the relevant Index or Indices that may occur following such redemption.

Successor Index, Index Modification, Index Cancellation

In certain circumstances, certain adjustments may be made to the Index, which may result in a loss to the Noteholders. 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 (including any adjustments made in respect of the underlying components thereof); and

(iii) the cancellation of the relevant Index by the relevant index sponsor, or an Administrator/Benchmark Event occurs where an event or circumstance which has the effect that the Index Sponsor of the relevant Index is not or will not be permitted under any applicable law or regulation to use such Index in relation to the relevant Notes which may result in either (A) the termination of the relevant Preference Shares (and therefore of the Notes) or (B) the continuation of the Preference Shares, in which case the relevant level of the Index will be determined by the Calculation Agent.

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

The methodology of an Index may rely on information from third-party sponsors of such data and other external and internal sources to obtain certain inputs necessary to compute the level of such Index. The inability of the relevant index administrator to source such necessary data to calculate the relevant formulae of the relevant Index may affect the level of such Index.

Notes may be exposed to more or less risk, or perform better or worse, based upon the inputs received from the above suppliers or sources, than an actual investment in or linked to one or more of the components of the relevant Index.

Performance Risk

On redemption, Notes will be redeemed by payment of an amount determined by reference to the performance of the relevant Preference Shares, which depends on the performance of the Index or Indices to which the Preference Shares are linked. If the performance of the Index or Indices is negative, the performance of the Preference Shares will be negative and thus the value of the Notes will be adversely affected. Purchasers of Notes risk losing all or a part of their investment if the value of the Preference Shares does not move in the anticipated direction. **If the value of the Preference Shares becomes zero, the value of the Notes will also become zero.**

Credit Risk of Preference Share Issuer

The value of the Notes is dependent not only on the value of the Preference Share, but also on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Notes. The Preference Share Issuer is not an operating company. Its sole business activity is the issue of redeemable Preference Shares. The Preference Share Issuer does not have any trading assets and does not generate any significant net income. As its funds are limited any misappropriation of funds or other fraudulent action by the Preference Share Issuer or person acting on its behalf would have a significant effect on the value of the Preference Shares and will affect the value of the Notes.

Calculation and administration of the Hang Seng Tech Index, the Hang Seng China Enterprises Index and/or the Hang Seng Index by Hang Seng Indexes Company Limited

With respect to Notes linked to Preference Shares which are linked to the Hang Seng Tech Index, the Hang Seng China Enterprises Index and/or the Hang Seng Index, investors should understand that such Indices are calculated by Hang Seng Indexes Company Limited ("**HSIL**"). HSIL is responsible for the calculation, administration and publication of the Hang Seng Tech Index, the Hang Seng China Enterprises Index and/or the Hang Seng Index and is a wholly-owned subsidiary of Hang Seng Bank Limited, which is part of the group of companies under HSBC Holdings plc. As such, the Issuer is not responsible for the calculation or administration of the Hang Seng Tech Index, the Hang Seng China Enterprises Index and/or the Hang Seng

Index and the Issuer is not the index sponsor for the purpose of Notes linked to Preference Shares which are linked to such Indices. In respect of the Hang Seng Tech Index, the Hang Seng China Enterprises Index and the Hang Seng Index, HSIL will make determinations of the level of the Indices, and of any adjustments that need to be made to the Indices, without considering the interests of investors in the Notes.

HSIL, acting as index sponsor, will not act as fiduciary for or an adviser to the Noteholder in respect of any determination or judgement or otherwise. HSIL may have economic interests adverse to those of the Noteholders, including with respect to certain determinations and judgements that HSIL may be required to make pursuant to the terms of the Hang Seng Tech Index, the Hang Seng China Enterprises Index and/or the Hang Seng Index, as the case may be, any of which may affect payments in respect of the Notes. HSIL may act in its own interests in such capacities and need not have regard to the interests of the Noteholders.

The Issuer does not have any responsibility for the calculation of the Hang Seng Tech Index, the Hang Seng China Enterprises Index and/or the Hang Seng Index, which is performed by HSIL, and does not guarantee or represent or warrant the accuracy or completeness of the Hang Seng Tech Index, the Hang Seng China Enterprises Index and/or the Hang Seng Index, or the data comprised therein. Furthermore, the Issuer does not have any responsibility in relation to the administration by HSIL of the Hang Seng Tech Index, the Hang Seng China Enterprises Index and/or the Hang Seng Index.

Details on the Hang Seng Tech Index, the Hang Seng China Enterprises Index and the Hang Seng Index, are as set out under "*Information relating to the Hang Seng Tech Index*", "*Information Relating to the Hang Seng China Enterprises Index*" and "*Information Relating to the Hang Seng Index*", respectively, in this Base Prospectus.

Excess return indices may substantially underperform "total return indices" or "price return indices"

The value of and return on the Notes may be linked to an Index comprised of shares and which is an "excess return" index. An excess return index is calculated in a similar manner to a total return index, except that each day the "excess return index" is reduced by a cash rate determined by reference to the currency of the relevant Index and the borrowing costs in that currency. Thus, the performance of an excess return index may often be less than the performance of the equivalent total return index. In the event of high interest rates, an "excess return index" may substantially underperform both a "total return index" and a "price return index" comprising the same share index components.

Additionally, although an Index may be calculated on a "total return" basis, it may include underlying components which are calculated on an "excess return" basis. In such case, even though the relevant Index is calculated on a total return basis, it may exhibit characteristics of an excess return index and investors may receive a significantly lower return as compared with what they would have received with either a total return index or price return index comprising the same underlying components but which do not reflect the deduction of the aforementioned cash rate.

An Index may be subject to dilution, which may limit the gains under the Notes

An Index may be subject to dilution, such that investors in any Notes may not benefit fully from increases or decreases (depending on whether the exposure is long or short) in the value of an underlying component. Dilution means that the return or loss on an investment is subject to a multiplier decreasing exposure to such investment and reducing the volatility and risk of loss should the value of such investment decline, but reducing the potential gain should the value of such investment increase. Investors in Notes should be aware that if the value of an underlying component increases or decreases, then the Notes may not have the same magnitude of increased or decreased value as such underlying component.

The administrator of an Index may have certain discretionary rights under the rules of such Index that may affect the performance of such Index

The administrator of an Index may have the right to make determinations, calculations, adjustments and modifications in relation to the relevant Index and related matters, which involve, in certain circumstances, a degree of discretion in order to ensure that the relevant Index can, where reasonably practicable, continue to be calculated and determined notwithstanding the relevant circumstances or, to allow a delay or a cancellation of the relevant Index (including, without limitation, upon the occurrence of certain adjustment events, certain dilutive or concentrative events or other market disruption events in relation to such Index and the components thereof). Such adjustments may include, without limitation, adjusting the composition of the relevant Index which exposes investors in Notes to the risk that any component thereof may perform differently from the original underlying components, which may have an adverse effect on the performance of the relevant Index.

Unless otherwise specified in the rules of the relevant Index, the administrator of such Index may, as far as reasonably practicable, choose to exercise any such discretion with the aim of ensuring that such Index continues to reflect, as closely as possible, the underlying economic interest it is designed to represent. The exercise of these discretions may have a significant effect on the relevant Index and the relevant Notes. Investors in such Notes should note that they are exposed to the exercise by the administrator of the relevant Index of such discretions and in exercising such discretions, the administrator of such Index has no obligation to consider the interests of any other person including (but not limited to) investors in such Notes. The administrator of the relevant Index may be required to act using reasonable discretion, however, there can be no assurance that the exercise of any such discretion (or the absence of exercise, as the case may be) may not increase or decrease the level of the relevant Index and/or alter the volatility of such Index, which may have an adverse effect on the performance of such Index.

In the case of the Hang Seng Tech Index, the Hang Seng China Enterprises Index and the Hang Seng Index, the administrator of the Index will be an affiliate of the Issuer. In addition to the risks described in this risk factor, investors should also have regard to the risks described in the risk factor entitled "*Potential conflicts of interest*" below. Details on the Hang Seng Tech Index are as set out under "*Information relating to the Hang Seng Tech Index*" below, details on the Hang Seng China Enterprises Index are as set out under "*Information relating to the Hang Seng China Enterprises Index*", and details on the Hang Seng Index are as set out under "*Information relating to the Hang Seng Index*" below.

The level of an Index references foreign currency exchange rates

The calculation of the level of an Index may be made by reference to certain foreign currency exchange rates. Such currency exchange rates may be highly volatile and determined by and influenced by a number of factors, including supply and demand for currencies in the international foreign exchange markets, economic factors including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions, currency devaluations, currency convertibility, safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks, government policies. Furthermore, certain relevant information relating to relevant jurisdictions may not be as well-known or as rapidly or thoroughly reported worldwide. It is possible that there would be a lack of availability of important information that can affect the value of the one currency against another in respect of the relevant Index and/or its components, and special efforts may be required to obtain such information on a timely basis.

Any such circumstance (or a combination of them) may cause unexpected volatility or illiquidity in the foreign currency markets. This may affect the level of the relevant Index and/or any underlying components, which may in turn have an adverse effect on the performance of the relevant Notes.

Different methods for calculating volatility may give different results

There are different methods for calculating volatility of an Index. Using a different method from the method used for the purposes of the relevant Index may give a different result. The volatility targeting methodology (if any) specified in the rules of the relevant Index may not succeed in achieving its object. This may have an adverse impact on the relevant Notes.

Volatility and index risk

An Index may have a daily volatility adjustment feature, aiming to provide a volatility-controlled exposure to the components of such Index. This may have an impact on the level of such Index (for example, an increase in the realised volatility of an index component may decrease the exposure of the relevant Index to such component). Potential investors in Notes should note that such an Index may not reflect the return that could be realised from a direct investment in the components thereof.

The Issuer's hedging activity may affect the level of an Index

By issuing investments linked to an Index or its underlying components (including, but not limited to, Notes), the Issuer or its affiliates may have an exposure to such Index or its underlying components. The

Issuer or its affiliates may take risk positions to hedge this exposure in its sole discretion and in a principal capacity. Investors in products linked to an Index may not have any rights in respect of the Issuer's or its affiliates' hedge positions, including without limitation, any shares, futures, options, commodities or currencies. The Issuer or its affiliates may execute its hedging activity by trading in the components of any Index at any time and this may have an adverse impact on the performance of such Index. The Issuer's (or its affiliates') hedging activity, and hence the size of such impact, may be linked to the amount of new and outstanding products (including any Notes) linked to the relevant Index at the relevant time. The Issuer or its affiliates may generate revenues if hedging activities are executed at different levels from those used to determine the value of the relevant Index. The relevant hedging activity could generate significant returns to the Issuer and its affiliates that may not be passed on to investors in the Notes.

Any of these activities could potentially affect the level of the relevant Index or the value of securities underlying such relevant Index, and accordingly, the value of the Notes.

No ownership rights

An investment in Notes relating to an underlying Index or basket of Indices is not the same as an investment in the securities underlying the relevant Index or Indices. The Notes neither confer any legal or beneficial interest in any security underlying an Index nor provide a Noteholder 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

Any Series of Notes 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 are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, 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. In addition, the ability of the Dealers to make a market in the Notes (if applicable) may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes. Accordingly, the investor is subject to the risk that its investment in the Notes 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 will develop or, if it does, the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. If any Notes are not traded on any exchange, pricing information for the Notes may be more difficult to obtain and the liquidity of the Notes may be adversely affected. Also, to the extent that Notes are redeemed or purchased and cancelled, the number of Notes outstanding will decrease, resulting in a lessening of the liquidity of the Notes. A lessening of the liquidity of the Notes may cause, in turn, an increase in the volatility associated with the price of the Notes. An investor in the Notes is subject to the risk, therefore, that to the extent that there is no liquid market in the Notes, an investor may have to wait until redemption of such Notes in order to realise the value of its investment and, as such, an investor should proceed on the assumption that it may have to bear the economic risk of an investment in the Notes until the maturity date of the Notes.

The Issuer and any person directly or indirectly connected with the Issuer may, but is not obliged to, at any time purchase Notes at any price in the open market or otherwise.

Illegality

Investors in the Notes are subject to the risk that the Issuer may terminate its obligations under the Notes 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 the Issuer's or the Issuer's designated affiliates' obligations under any hedging or funding arrangement established in connection therewith) shall have become unlawful or impracticable in whole or in part. Following such a determination of illegality, the Issuer may redeem Notes against payment of an amount determined by the Calculation Agent which will be the Early Redemption Amount of such Note. Noteholders may suffer a loss of some or all of their investment as a result of such early redemption, and will forgo any future appreciation in the securities underlying the relevant Index.

The Conditions provide that it shall not be a default for the Issuer to withhold or refuse any payment of principal under the Notes (1) if the Issuer determines, acting in good faith that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability. So long as such circumstances are continuing, investors in the Notes may not receive any such payments in respect of them and will not be entitled to any additional payments of interest or otherwise as a result of such withholding or refusal, and in some circumstances Noteholders may suffer a loss of some or all of their investment.

Notes may be redeemed prior to maturity

In the event that Condition 5B (*Taxation – Gross-up*) is applicable in respect of a Series of Notes and the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of United Kingdom taxes, the Issuer may redeem all outstanding Notes in accordance with the Conditions. The amount payable by the Issuer in such circumstances will be the Early Redemption Amount which may be less than the amount invested in the Notes or what would have been received under the Notes if the Notes had not been so redeemed. The Noteholder may not benefit from any performance in the value of the securities underlying the relevant Index or Indices that may occur following such redemption.

Certain factors affecting the value and trading price of Notes

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

(a) *Fluctuations in the level of an Index*

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

(b) *Interest rates*

Rising interest rates may lower the level of an Index, and thus, the value of the Notes. 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.

(c) *Volatility of an Index*

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

(d) *Time remaining to maturity*

The Notes 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. Any such difference will reflect a "time premium" resulting from expectations concerning the Index or Indices during the period prior to the maturity of the Notes. An investor in the Notes should be aware of the risk that, as the time remaining to the redemption of the Notes decreases, this time premium would likely decrease, which would adversely affect the value of the Notes.

(e) *Dividend rates*

An investor in the Notes 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. If the dividend or other income rates on the securities underlying an Index increase, the trading value of the Notes are likely to decrease as the Notes generally do not reflect such distributions by way of increase in amounts payable on redemption, or pass-through payments of such distributions.

Pricing

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

As part of the valuation mechanism, Preference Shares may specify a time and an exchange or other venue in which the level of the Index is, or Indices are, to be observed. Depending on how the level of an Index is calculated, the level of such Index may fluctuate as securities underlying the Index do throughout the trading day, and they may change rapidly. As a result, investors should note that return on any Preference Shares and therefore Notes which reference such Preference Shares 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 Preference Shares and therefore the Notes which reference such Preference Shares. 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.

The offer price of the Notes may not reflect the market implied credit risk of the Issuer

The offer price of the Notes may be determined based on various factors including the Issuer's appetite for funding at the relevant time which may not reflect the market implied credit risk of the Issuer. In highly volatile market conditions, the credit spreads of the Issuer may be substantially higher than usual. In such a case, taking into account the Issuer's credit spreads, the offer price of the Notes may be substantially higher than (i) the Issuer's internal valuation and market implied value of the Notes as at the trade date of such Notes and (ii) the price of the Notes in the secondary market (if any). As a result, (a) the price at which a Noteholder purchases the Notes may be substantially higher than the market implied value of the Notes, and (b) the price at which a Noteholder may be able to sell the Notes in the secondary market (if any) may be substantially less than the amount invested in the Notes.

Potential conflicts of interest

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

In addition, the conditions of the Notes may provide for (a) the early redemption of the Notes, or (b) a lesser amount being payable in respect of the Notes, if the level of any Index exceeds, falls below, is equal to or does not stay within pre-determined reference levels ("**Threshold Events**"). The activities described in the preceding paragraph may cause such Threshold Events to be triggered, which could potentially have a negative impact on the value of any Notes 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; (ii) be the Calculation Agent responsible for making determinations and calculations in connection with the Notes; or (iii) publish research reports which express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes 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.

Furthermore, HSBC Bank plc or HSBC Continental Europe is the calculation agent in respect of Notes and also acts as calculation agent in respect of the Preference Shares. As a result of this relationship, potential conflicts of interest may arise for HSBC Bank plc and HSBC Continental Europe in acting in their respective capacities. HSBC Continental Europe or HSBC Bank plc may contract with the Preference Share Issuer and/or enter into transactions, including hedging transactions, which relate to the Preference Share Issuer or the Preference Shares. In respect of any of these roles HSBC Bank plc and HSBC Continental Europe may have interests that conflict with the interests of Noteholders.

Fees, commission and cost of hedging

The original issue price of the Notes 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 (if any). Accordingly, there is a risk that, upon issue, the price, if any, of the Notes in any secondary market (including the price (if any) at which the Issuer or its affiliates would be willing to purchase Notes 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. 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

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 that economic and market conditions will not have any other adverse effect.

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.

Calculation Agent's discretion and valuation

Calculation of the amount payable in respect of redemption may be by reference to certain specified screen rate(s), level(s) or value(s) published on an exchange or other quotation system, or if any such rate(s), level(s) or value(s) is not displayed at the relevant time, a rate(s), level(s) or value(s) (as applicable) determined by the Calculation Agent acting in good faith and a commercially reasonable manner, or otherwise, an exercise of its discretion in accordance with and pursuant to the applicable terms and conditions. The Calculation Agent may also have other discretionary powers (including without limitation, powers to (i) adjust terms and conditions; (ii) in certain circumstances, substitute the Index or Indices (as applicable); (iii) postpone payment; (iv) redeem or terminate the relevant securities prior to their scheduled maturity or expiry, as applicable; or (v) apply any combination of the foregoing). Accordingly, an investor in the Notes is subject to the risk that the calculation of payments and other determinations under the Notes and/or Preference Shares 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 are legitimate and consistent with the terms of an issue of Notes without expertise in applying valuation models.

All calculations and determinations made by the Calculation Agent in relation to the relevant securities 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. The Calculation Agent shall have no obligations to the holders of Notes, and shall only have the obligations expressed to be binding on it pursuant to the relevant terms and conditions. The Calculation Agent may delegate to an affiliate some or all of its functions, powers and obligations as it deems appropriate without the prior consent of the holders of the Notes.

Exchange rate risks

The Issuer will generally pay amounts in respect of the Notes 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 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 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 amount payable to the investor and (ii) the market value of the Notes, 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, 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.

Preference Share Early Redemption Event

If the Preference Shares are redeemed early Investors should note that a Preference Share Early Redemption Event shall occur in respect of the Notes. If a Preference Share Early Redemption Event occurs the Issuer will redeem all of the Notes. In such circumstances the Noteholders will not be entitled to receive the Final Redemption Amount (as defined in the Conditions) and the Issuer shall pay the Early Redemption Amount (as defined in the Conditions) to the Noteholders. Consequently, the Noteholders may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Index or Indices that may occur following such redemption.

Certain considerations regarding hedging

Investors intending to purchase Notes 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 may not correlate with the level of the Index or Indices to which they relate. In addition, the formula for redemption may be subject to a cap. For these reasons, among others, it may not be possible to purchase or liquidate assets in a portfolio at the prices used to calculate the level of any relevant Index or the value of securities underlying an Index. Accordingly, investors who invest in Notes 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 relate may be affected by the number and type of Indices or securities underlying the Index or Indices included in such Basket.

If a particular Index or 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.

Investors in the Notes are subject to the risk that other risks relating to the Indices which adversely affect the value of the Notes will be exacerbated due to the number of and/or type of securities underlying an Index or Indices in a Basket.

Regulation of benchmarks may lead to future reforms or discontinuation

The Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also to the use of a benchmark rate. In the EU, for example, Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU. Similarly, the UK Benchmarks Regulation applies to the provision of, contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the EU Benchmarks Regulation or the UK Benchmarks Regulation, if applicable, could have a material impact on any Preference Shares linked to a benchmark rate or index, for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined by a regulator to be "no longer representative". Such factors could (amongst other things) have the effect of reducing or increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks", or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the Euro Short Term Rate ("**€STR**") or an alternative benchmark.

An Administrator/Benchmark Event could occur in relation to the relevant Preference Shares

An "**Administrator/Benchmark Event**" (as defined in the Conditions of the Preference Shares) may occur in relation to the relevant Preference Shares linked to a "benchmark" in a number of scenarios, including where there is an event or circumstance which has the effect that the Company, the Calculation Agent or any Hedging Counterparty is not or will not be, permitted under any applicable law or regulation to use the relevant Underlying to perform its or their obligations under the relevant Preference Shares.

Determination of an Administrator/Benchmark Event

The circumstances with respect to the relevant Underlying that may lead to the occurrence of an Administrator/Benchmark Event are beyond the Issuer's and the Company's control. However, in all cases, the Calculation Agent will make a determination as to whether the relevant circumstances have arisen.

In making a determination as to whether the occurrence of the relevant circumstances constitute an Administrator/Benchmark Event, the Calculation Agent may take into consideration any factors the Calculation Agent considers relevant to such determination (including prevailing market practice and the impact of such circumstances on any related hedging arrangement of the Company, the Issuer and/or its affiliates) and may exercise its discretion and make subjective judgements. The Calculation Agent is under no obligation to act in the best interests of the holders of the Notes in making such determination, and there is no guarantee that the determinations made by the Calculation Agent will lead to the best possible outcome for investors.

Consequences of the occurrence of an Administrator/Benchmark Event

The occurrence of an Administrator/Benchmark Event in relation to an Underlying to which the relevant Preference Shares (and, therefore, the Notes) are linked could result in such Underlying being deemed replaced (for the purposes of the Preference Shares to which the Notes relate) with an alternative benchmark (a "**Replacement Index**") selected by the Calculation Agent (or any Alternative Pre-nominated Index specified in the Final Terms as applicable), adjustment to the terms and conditions pursuant to the relevant Condition 13 (*Consequences of an Administrator/Benchmark Event*) of the Preference Shares, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequences in relation to the relevant Preference Shares.

There can be no assurance that the amounts payable to investors in relation to any Preference Shares, and therefore the Notes, following the application of a Replacement Index or the Alternative Pre-nominated Index pursuant to the Condition 13 (*Consequences of an Administrator/Benchmark Event*) of the Preference Shares, and any related adjustments to the relevant terms and conditions of the relevant Preference Shares, will correspond with the amounts that investors would have received if the original underlying had continued to apply, and investors may accordingly receive less than they would otherwise have received.

The determination and use of a Replacement Index or the Alternative Pre-nominated Index following the occurrence of an Administrator/Benchmark Event may result in changes to the relevant terms and conditions and/or payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on the relevant Preference Shares (and therefore the relevant Notes) if the relevant Underlying remained available in its current form. Any such consequence could have a material adverse effect on the value of and return on any relevant Preference Shares and therefore the related Notes.

Early Redemption upon the occurrence of an Event of Default

If the Calculation Agent determines that the Notes have become immediately due and payable following an Event of Default (as defined in the Conditions) with respect to the Notes, investors may not be entitled to the entire principal amount of the Notes.

Notes with multiple denominations

Where the Notes are specified as having a denomination consisting of a minimum denomination *plus* a higher integral multiple of another smaller amount, it is possible that such Notes may be traded in the clearing systems in amounts in excess of such minimum denomination that are not integral multiples of the minimum denomination. In such a case, should Definitive Notes be required to be issued, Noteholders who, as 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.

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.

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.

Clearing systems

As the Notes may be held by or on behalf of the relevant clearing system as specified in the Final Terms, investors will be able to trade their interests only through Euroclear and/or Clearstream, Luxembourg. In addition, Notes may be issued as Uncertificated Registered Notes, in which case CREST will maintain records of the interests in such Notes and investors will be able to trade their interests only through CREST. Investors in the Notes will have to rely on procedures of such clearing systems for transfer, payment and communication with the Issuer to receive payments under the Notes. 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.

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

Modification, waiver and substitution

Investors in the Notes are subject to the risk that the Conditions may be modified without the consent of any Noteholders where the Issuer determines that:

- the modification is not materially prejudicial to the interests of the Noteholders as a whole;
- the modification of the Notes 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 Issuer's jurisdiction of incorporation; or
- the modification is to correct an inconsistency between the termsheet relating to the relevant Notes and the Conditions.

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

Applicable Bank Resolution Powers

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

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 His Majesty's Treasury ("**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 Notes 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' 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) of a failing financial institution or its holding company, to convert certain debt claims (which could be amounts payable under the Notes) into another security, including ordinary shares of the surviving entity or its holding company, if any and/or to amend or alter the terms of such claims, including the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period. The Banking Act requires the relevant UKRA to apply the bail-in power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant UKRA must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) certain senior claims. The claims of some creditors whose claims would rank equally with those of the Noteholders may be excluded from bail-in. The more of such creditors there are, the greater the impact of bail-in will be on the Noteholders. The bail-in power is subject to the "no creditor worse off" safeguard, under which any shareholder or creditor which receives less favourable treatment following the exercise of the bail-in power than they would have had the institution entered into insolvency may be entitled to compensation.

Moreover, pursuant to the exercise of the bail-in power, any securities that may be issued to Noteholders upon conversion of the Notes may not meet the listing requirements of any securities exchange, and the Issuer's outstanding listed securities may be delisted from the securities exchanges on which they are listed. Any securities that Noteholders receive upon conversion of such Notes (whether debt or equity) may not be listed for at least an extended period of time, if at all, or may be on the verge of being delisted by the relevant exchange. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the issuer (which may be an entity other than the Issuer) of any securities issued upon conversion of such Notes, or the disclosure with respect to any existing issuer may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the bail-in power.

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

Although the exercise of bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Issuer or not directly related to the Issuer) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the Issuer and its securities (including the Notes). Moreover, as the relevant UKRA may have considerable discretion in relation to how and when it may exercise such power, holders of the Issuer's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of power and consequently its potential effect on the Issuer and its securities. In some circumstances, the relevant UKRA may decide to apply a deferred bail-in, where liabilities are not written down at the start of the resolution but are transferred to a depositary to hold during the bail-in period, with the terms of the write-down being determined at a later point in the bail-in period. Accordingly, it is not yet possible to assess the full impact of the exercise of the bail-in power pursuant to the Banking Act or otherwise on the Issuer.

Powers to direct restructuring of the 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 and/or any interest payment date of debt instruments, securities or other eligible liabilities of the relevant financial institution, impose a temporary suspension of payments, discontinue the listing and admission to trading of debt instruments 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 and the exercise of any such powers (including especially the bail-in power) could lead to the holders of the Notes losing some or all of their investment.

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

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

Capped Return

The terms and conditions of Preference Shares may provide that the return payable on such Preference Shares 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 forego a return that could have been made had they invested in a product without a similar cap.

An investment in the Notes is subject to reinvestment risk

If the Notes are subject to an early redemption prior to their stated maturity date, there is no guarantee that investors will be able to reinvest the proceeds from the Notes at a comparable return for a similar level of risk.

Further and other issues of Notes

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

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

UK Taxation – General

The United Kingdom tax treatment of the Notes for Noteholders depends on their individual circumstances, the particular terms of the relevant Series of Notes and the views of His Majesty's Revenue and Customs ("**HMRC**") in respect of the proper application of tax law, regulations and practice to the Notes. Prospective noteholders should seek their own professional advice.

In particular, potential noteholders are referred to the section "*United Kingdom Taxation – Qualification of the Notes as "Excluded Indexed Securities"*". Any potential holder who purchases any Notes on the basis that they will be treated as “excluded indexed securities” should be aware that HMRC have not approved that treatment or otherwise represented in any way that the Notes will be treated as "excluded indexed securities". It is therefore possible that HMRC may not agree with this treatment.

The United Kingdom tax treatment of the Notes may also change during the period between their issue and the date on which they are sold, redeem or otherwise realise value. Such change may be in the form of new legislation or amendments to existing legislation, decisions of the tribunals or courts or changes in HMRC practice, and in each case may affect Notes already in issue and can otherwise be with retrospective effect.

Accordingly, the United Kingdom tax treatment of the Notes for Noteholders may be more onerous than was envisaged at the time when a decision to subscribe for the Notes was taken and, as a consequence, the proceeds received and retained by investors after the application of applicable taxes may be less than Noteholders envisage at the time of purchasing the Notes.

UK stamp duty and stamp duty reserve tax in relation to Notes

Transactions involving Notes 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 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.

No gross-up

Unless Condition 5B (*Taxation - Gross-up*) is specified in the relevant Final Terms as applying to a Series of Notes, 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 United Kingdom 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.

France - French Financial Transactions Tax

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 EUR1 billion ("**French Qualifying Securities**"), are subject to the French financial transactions tax ("**French FTT**"), levied at the rate of 0.4 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 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 are subject to the risk that any Early Redemption Amount payable in respect of the Notes, payable upon the occurrence of a Preference Share Early Redemption Event may be adversely affected by the French FTT, where applicable, as this tax may be deducted from the Early Preference Share Redemption Amount as Associated Costs.

Italy – Italian Financial Transactions Tax

Italian financial transactions tax may apply to Notes 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, paragraphs 491 – 500, of 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 and by Law No. 199 of 30 December 2025. 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% 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 Preference Shares relating to the Notes or of a security underlying an Index is an Italian resident. The residence and nationality of the Issuer and any Noteholder and the place of execution of the Note would be irrelevant as the application of the Italian FTT on Derivatives is exclusively dependent on the tax residence of the issuer of the underlying Preference Share or securities underlying an Index.

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

- Notes linked (through the Preference Shares) to a single Index if more than 50% of the market value of the securities that form part of such Index consists of securities issued by Italian-resident companies: from EUR 0.01875 to EUR 15, depending on the notional value of the contract; and

- Notes linked (through the Preference Shares) to a basket of Indices if more than 50% of the market value of the securities that form part of such Index or Indices consists of securities issued by an Italian-resident companies: from EUR 0.25 to EUR 200 depending on the notional value of the contract.

The above amounts are reduced by 80% where the transaction is implemented in a regulated market or in a multilateral trading facility. An investor in the Notes is subject to the risk that any Early Redemption Amount payable in respect of the Notes, payable upon the occurrence of a Preference Share Early Redemption Event may be adversely affected by the Italian FTT, where applicable, as this tax may be deducted from the Early Preference Share Redemption Amount as Associated Costs.

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 notes 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 the Indices to hedge their exposure under the Notes 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 to be levied at the following rates, which would be due from the Issuer and/or its Affiliates on acquisition of the shares:

- 0.2% of the acquisition price on transfers transacted on a Qualifying Market (as defined below); and

- 0.4% 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 is subject to the risk that any Early Redemption Amount payable in respect of the Notes, payable upon the occurrence of a Preference Share Early Redemption Event may be adversely affected by the Italian FTT, where applicable, as this tax may be deducted from the Early Preference Share Redemption Amount as Associated Costs.

Spain – Spanish Financial Transactions Tax

The Law 5/2020, of 15 October, on the Tax on Financial Transactions ("**Spanish FTT Law**") is an indirect tax levied on the acquisitions for consideration of shares issued by Spanish companies regardless of the residency of the parties involved in the transaction, or of the jurisdiction where the shares are traded, provided that they comply with the following conditions: (i) the shares should be admitted to trading on a regulated market under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (or in a foreign market declared equivalent by the European Commission), and (ii) the stock market capitalisation value of the company should exceed €1,000,000,000 (the "**Qualifying Shares**").

The taxable base of the Spanish FTT is the total consideration paid excluding certain items such as transaction costs and intermediary fees. The applicable rate is 0.2 per cent.

In principle, Spanish FTT does not apply to the acquisition of financial instruments (including derivatives) different from Qualifying Shares or certificates of deposit representing such Qualifying Shares (the "**Qualifying Certificates of Deposit**") such as the Notes. Spanish FTT could however be triggered if the Issuer and/or its affiliates acquire Qualifying Shares or Qualifying Certificates of Deposit to hedge their exposure under the Notes unless any of the exemptions (such as the exemption for market making activities) provided in Article 3 of the Spanish FTT Law applies. Therefore, Noteholders are subject to the risk that any Early Redemption Amount payable in respect of the Notes, payable upon the occurrence of a Preference Share Early Redemption Event may be adversely affected by the Spanish FTT, where applicable, as this tax may be deducted from the Early Preference Share Redemption Amount as Associated Costs.

INCORPORATION BY REFERENCE

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

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

(a) the annual report and accounts of the Issuer for the year ended 31 December 2025 published on 25 February 2026 (the "**2025 Annual Report and Accounts**") submitted to and filed with the FCA;

(b) the audited consolidated financial statements of the Issuer, the independent auditor's report thereon and the notes thereto, in respect of the financial year ended 31 December 2024, as set out on pages 107 to 198 of the Issuer's annual report and accounts for the year ended 31 December 2024 published on 19 February 2025 (the "**2024 Annual Report and Accounts**") submitted to and filed with the FCA, and the notes to such audited consolidated financial statements of the Issuer that are identified as '(Audited)' and are presented within the section of the 2024 Annual Report and Accounts entitled "Risk", which section is set out on pages 21 to 93 of the 2024 Annual Report and Accounts;

(c) the registration document of the Issuer dated 15 May 2026 submitted to and filed with the FCA (the "**Registration Document**");

(d) the Terms and Conditions of the Notes contained on pages 38 to 54 and the Terms and Conditions of the Preference Shares contained on pages 71 to 93 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 24 June 2013 (the "**2013 Conditions**");

(e) the Terms and Conditions of the Notes contained on pages 40 to 56 and the Terms and Conditions of the Preference Shares contained on pages 74 to 97 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 24 June 2014 (the "**2014 Conditions**");

(f) the Terms and Conditions of the Notes contained on pages 43 to 59 and the Terms and Conditions of the Preference Shares contained on pages 77 to 100 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 22 June 2016 (the "**2016 Conditions**"); and

(g) the Terms and Conditions of the Notes contained on pages 49 to 65 and the Terms and Conditions of the Preference Shares contained on pages 83 to 108 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 21 June 2017 (the "**2017 Conditions**");

(h) the Terms and Conditions of the Notes contained on pages 60 to 76 and the Terms and Conditions of the Preference Shares contained on pages 95 to 127 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 19 June 2018 (the "**2018 Conditions**");

(i) the Terms and Conditions of the Notes contained on pages 62 to 78 and the Terms and Conditions of the Preference Shares contained on pages 97 to 127 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 19 June 2019 (the "**2019 Conditions**");

(j) the Terms and Conditions of the Notes contained on pages 37 to 53 and the Terms and Conditions of the Preference Shares contained on pages 72 to 102 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 18 June 2020 (the "**2020 Conditions**");

(k) the Terms and Conditions of the Notes contained on pages 40 to 56 and the Terms and Conditions of the Preference Shares contained on pages 75 to 105 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 17 June 2021 (the "**2021 Conditions**");

(l) the Terms and Conditions of the Notes contained on pages 40 to 56 and the Terms and Conditions of the Preference Shares contained on pages 75 to 105 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 16 June 2022 (the "**2022 Conditions**");

(m) the form of Final Terms for Notes contained on pages 61 to 69 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 16 June 2022 (the "**2022 Final Terms**");

(n) the Terms and Conditions of the Notes contained on pages 41 to 57 and the Terms and Conditions of the Preference Shares contained on pages 76 to 106 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 15 June 2023 (the "**2023 Conditions**");

(o) the form of Final Terms for Notes contained on pages 62 to 70 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 15 June 2023 (the "**2023 Final Terms**");

(p) the Terms and Conditions of the Notes contained on pages 46 to 62 and the Terms and Conditions of the Preference Shares contained on pages 81 to 111 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 14 June 2024 (the "**2024 Conditions**"); and

(q) the form of Final Terms for Notes contained on pages 67 to 75 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 14 June 2024 (the "**2024 Final Terms**");

(r) the Terms and Conditions of the Notes contained on pages 46 to 62 and the Terms and Conditions of the Preference Shares contained on pages 81 to 111 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 13 June 2025 (the "**2025 Conditions**"); and

(s) the form of Final Terms for Notes contained on pages 67 to 75 of the base prospectus relating to Preference Share-Linked Notes issued under the Programme dated 13 June 2025 (the "**2025 Final Terms**");

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

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

The Issuer will at its registered office and at the offices of the Principal Paying Agent 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. Additionally, this Base Prospectus and all the documents incorporated by reference herein will be available for viewing at www.hsbc.com (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes' or, in the case of items listed at (a) to (b) above, 'Investors', 'Results and announcements', 'All reporting'). For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, any websites referred to in this Base Prospectus or any information appearing on such websites and pages do not form part of this Base Prospectus.

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, and explains that the Notes are linked to the performance of Preference Shares, which are linked to the performance of an underlying index or basket of indices, in accordance with the type of Preference Shares issued.

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

(1) Introduction

The Notes are investments which are linked to certain preference shares ("**Preference Shares**") which are themselves linked to the performance of one of the following:

- an equities index (an "**Index**" or "**Underlying**"); or
- a basket of equities indices (each an Index or an Underlying and together a "**Basket**").

The Final Terms relating to each issue of Notes will give further details of the Preference Shares to which the Notes are linked, including details of the relevant Index or Basket, and details of how payments in respect of the Notes will be calculated.

(2) Amounts due under the Notes

Unless they have been redeemed early, Notes will be redeemed on their stated maturity date (the amount payable on such date is referred to as the "**Final Redemption Amount**").

However, if the Notes are Autocallable Redemption Notes or Autocallable Redemption Notes with Additional Digital Amount, then they may also be redeemed prior to their stated maturity date in the circumstances described below depending on the performance of the relevant Underlying or Basket (the amounts payable to investors on such dates are referred to as "**Early Redemption Amounts**").

No interest is payable on any of the Notes.

The redemption amount of each Note will in all cases reflect the percentage change in the value of the Preference Share to which it is linked from the issue date of the relevant Note until its redemption.

The Preference Shares will be issued by UKSED3P Investments Limited, a company which is independent from the Issuer. Each issue of Notes will be linked to a different Preference Share which will have a maturity matching the relevant Notes and be linked to a particular Index or Basket.

The change in the value of a Preference Share (and accordingly the redemption amount of the related Notes) will depend on the performance of the relevant Underlying or Basket and on the particular terms and conditions ("**Preference Share Terms and Conditions**") that apply to such Preference Share. These determine the amount payable upon redemption of the Preference Share. There are different types of Preference Shares with particular Preference Share Terms and Conditions for the following types of Note:

- Booster Redemption Notes;
- Airbag Redemption Notes;
- Capped Airbag Redemption Notes;

- Bonus Redemption Notes;
- Autocallable Redemption Notes; and
- Autocallable Redemption Notes with Additional Digital Amount.

Details of the amounts which will be payable depending on which Preference Share Terms and Conditions apply are set out below, together with some worked examples illustrating how calculations are made in practice.

The Notes are designed so that the return on the Notes matches in percentage terms the change in value of the Preference Share to which they are linked according to the relevant Preference Share Terms and Conditions. However, the Notes are not secured on or backed by the Preference Shares and the Issuer is not dependent on receiving any amounts on the Preference Shares in order to make payments on the Notes.

(3) **Ascertaining the Reference Value**

Each Final Redemption Amount or Early Redemption Amount which may be payable in respect of a Note will be determined by reference to the performance of the Underlying or Basket to which the Preference Share is linked. Details of how to ascertain the performance of an Underlying or Basket are set out below, together with worked examples illustrating how the calculations are made in practice.

In order to make calculations with respect to the Notes, the Calculation Agent will first be required to determine the level of the relevant Underlying or, with respect to a Basket, each Underlying comprising such Basket.

In order to determine the level of an Underlying, the Calculation Agent will need to determine the "**Reference Value**" with respect to such Underlying.

The Calculation Agent will determine the "Reference Value" of an Underlying by reference to (a) the level of the Underlying on a single valuation date, (b) the arithmetic average of the levels over multiple averaging dates specified in respect of a valuation date, or (c) the level of the Underlying at any time (observed continuously on an intraday basis) during each relevant valuation date (as specified in the relevant Preference Share Terms and Conditions).

Each of the potential valuation methods (together with a worked example) is described below.

(a) Where averaging dates and intraday valuation are not applicable in respect of a valuation date, the Reference Value of an Underlying with respect to the relevant date for determination shall be (i) in the case of an Underlying other than a Multiple Exchange Index, the level of the Underlying determined by the calculation agent or (ii) in the case of an Underlying which is a Multiple Exchange Index, the level of the Underlying as calculated by an index sponsor, in each case as of a particular valuation time on a particular valuation date (in each case, the "**Closing Value**").

Valuation Date (with no Averaging Dates specified) - 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.
- The Final Valuation Date specified in the Preference Share Terms and Conditions with respect to the relevant determination is 30 June 2028.
- The Valuation Time specified in the Preference Share Terms and Conditions is 5.00 p.m. (London time).
- The level of the FTSE®100 Index on 30 June 2028 at 5.00 p.m. (London time) is 6,000.

What is the Reference Value?

The Reference Value of the FTSE®100 Index will be the level of the FTSE®100 Index at the Valuation Time on the Valuation Date.

The level of the FTSE®100 Index on 30 June 2028 at 5.00 pm (London time) is 6,000, thus the Reference Value in respect of the Final Valuation Date will be 6,000.

(b) Where averaging dates are specified to apply in respect of a Valuation Date, the Reference Value of such Underlying with respect to the relevant date for determination shall be the arithmetic average of the Closing Values observed with respect such Underlying over such averaging dates.

Averaging Dates are specified in respect of a Valuation Dates - 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.
- The Final Valuation Date specified in the Preference Share Terms and Conditions with respect to the relevant determination is 30 June 2028.
- In respect of the Final Valuation Date, three Averaging Dates are specified in the Preference Share Terms and Conditions with respect to the relevant determination: 28 June 2028, 29 June 2028 and 30 June 2028.
- The Valuation Time specified in the Preference Share Terms and Conditions is 5.00 p.m. (London time).
- The level of the FTSE®100 Index on:
  - 28 June 2028 at 5.00 p.m. (London time) is 5,800.
  - 29 June 2028 at 5.00 p.m. (London time) is 6,200.
  - 30 June 2028 at 5.00 p.m. (London time) is 6,000.

What is the Reference Value?

The Reference Value of the FTSE®100 Index will be the arithmetic average of the levels of the FTSE®100 Index recorded at the Valuation Time on the three Averaging Dates.

In order to calculate the Reference Value in respect of the Final Valuation Date, the Calculation Agent will calculate the arithmetic average of the levels of the FTSE®100 Index over each of the three Averaging Dates.

The Reference Value is therefore 6,000, being (5,800 + 6,200 + 6,000) divided by 3.

(c) Where Intraday Value is specified to apply in respect of a valuation date, the Reference Value shall be (i) with respect to an Underlying other than a Multiple Exchange Index, the level of such Underlying as of any time as determined by the calculation agent or (ii) in the case of an Underlying which is a Multiple Exchange Index, the level of such Underlying as of any time as calculated and published by an index sponsor, in each case during a particular valuation date.

Intraday Value 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.
- The Barrier Event occurrence is specified as "less than" and is to be determined on an intraday basis.
- 'Intraday Value' is specified to be applicable with respect to each Barrier Valuation Date.
- The Barrier Valuation Period is specified to include each scheduled trading day with respect to the FTSE®100 Index from and including the Strike Date (being 24 June 2026) to and including the final valuation date (being 30 June 2027) (each a "**Barrier Valuation Date**").

What is the Reference Value?

The Reference Value of the FTSE®100 Index will be the continuously observed level on each Barrier Valuation Date.

(4) Ascertaining the performance of the Underlying (or each Underlying in the Basket)

Following determination of the Reference Value of an Underlying, in order to determine Final Redemption Amount or Early Redemption Amount payable with respect to the Notes, the Calculation Agent will need to determine the relevant "**Reference Performance**", representing the appreciation or depreciation in the performance of the Underlying or Basket with respect to the relevant valuation date specified in relation to such determination.

The Calculation Agent will determine the Reference Performance of the relevant Underlying or Basket in accordance with the provisions specified in the relevant Preference Share Terms and Conditions.

(a) *Determining Performance of an Underlying*

In order to ascertain the relevant Reference Performance, the Calculation Agent must first determine the "**Performance**" of the Underlying or, in respect of a Basket, each Underlying in a Basket. The Performance is a percentage representing any appreciation or depreciation in the Reference Value of an Underlying, in comparison to the initial level of such Underlying.

Performance worked example:

The hypothetical scenario

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

- An investor purchases a Note linked to the EURO STOXX 50® Index.
- The initial level of EURO STOXX 50® Index is specified in the Preference Share Terms and Conditions to be 4,600.
- No Averaging Dates are specified in respect of the Final Valuation Date and the Reference Value of the EURO STOXX 50® Index on such Final Valuation Date is 4,700, as determined by the Calculation Agent by reference to the Closing Value on such Final Valuation Date.

What is the Performance of the Underlying (EURO STOXX 50® Index)?

In order to determine the Performance of the Underlying, the Reference Value with respect to the Underlying is divided by its initial level to produce a percentage representing the appreciation or depreciation of such Underlying against its initial level.

- EURO STOXX 50® Index: 4,700 divided by 4,600 = 102.17%

Thus, the Performance of the Underlying is 102.17%.

(b) *Determining Reference Performance*

In the case of Notes which relate to a single Underlying, the relevant Reference Performance will be equal to the relevant Performance determined with respect to the Underlying and the relevant valuation dates(s).

Where Notes relates to a Basket, the Performance for each Underlying comprising such Basket will be determined in accordance with these foregoing provisions, and the Reference Performance will be the lowest Performance amongst the Underlyings in such Basket.

Reference Performance – Worst Performing Underlying

The hypothetical scenario

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

- An investor purchases a Note linked to a Basket consisting of the FTSE®100 Index and the S&P 500® Index.
- Reference Performance is specified as being determined by reference to the Worst Performing Underlying.
- The initial index level of the FTSE®100 Index is specified in the Preference Share Terms and Conditions to be 6,000. The initial index level of the S&P 500® Index is specified in the Preference Share Terms and Conditions to be 2,000.
- No Averaging Dates are specified in respect of the Final Valuation Date and:
  - the Reference Value of the FTSE®100 Index on such Final Valuation Date is 6,120, as determined by the Calculation Agent by reference to the Closing Value on such Final Valuation Date; and
  - the Reference Value of the S&P 500® Index on such Final Valuation Date is 2,500, as determined by the Calculation Agent by reference to the Closing Value on such Final Valuation Date.

What is the Performance of each Underlying in the Basket?

In order to determine which is the worst performing Underlying, the Performance with respect to each Underlying in the Basket must first be determined by dividing the Reference Value of each such Underlying by its initial index level to produce a percentage representing the appreciation or depreciation of such Underlying as against its initial level.

- FTSE®100 Index: 6,120 divided by 6,000 = 102%
- S&P 500® Index: 2,500 divided by 2,000 = 125%

Which is the "Worst Performing Underlying" and what is the Reference Performance in respect of the Basket?

The level of the FTSE®100 Index has risen less in percentage terms than the level of the S&P 500® Index, thus the FTSE®100 Index is the "Worst Performing Underlying".

The Reference Performance of the Basket will thus be the Performance of the FTSE®100 Index (being the Worst Performing Underlying): 102%.

The Reference Performance will be calculated in relation to:

- the Final Valuation Date(s) (such Reference Performance being referred to as the "**Final Performance**") in order to determine the Final Redemption Amount;
- where Barrier Valuation Dates are specified, each Barrier Valuation Date(s) (which may include a constant determination on an intraday basis in respect of each Barrier Valuation Date);
- where Autocall Valuation Date(s) are specified, each Autocall Valuation Date;
- where Observation Date(s) are specified, each Observation Date; and
- where Digital Valuation Date(s) are specified, each Digital Valuation Date.

(5) Ascertaining the occurrence of a Barrier Event

If "Barrier Event" is specified as applicable, the Calculation Agent will need to ascertain whether a Barrier Event has occurred (as well as determining the Reference Performance) in order to determine the final redemption amount.

In order to ascertain whether a Barrier Event has occurred, the Calculation Agent will determine whether:

- the Final Performance (in the case of a 'European' observation method for determining whether a Barrier Event has occurred);
- the Reference Performance on any Barrier Valuation Date during a specified valuation period (in the case of a 'daily' observation method for determining whether a Barrier Event has occurred); and
- the Reference Performance at any time (determined on an intraday basis) during any Barrier Valuation Date during a specified valuation period (in the case of an 'American' observation method for determining whether a Barrier Event has occurred),

has breached a specified percentage threshold (the "**Barrier Level**"). Such breach will occur if the Reference Performance is (a) less than or (b) less than or equal to (as specified in the Preference Share Terms and Conditions) such Barrier Level.

Has a Barrier Event occurred? – single Underlying 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.
- Barrier Event is specified as applicable in the Preference Share Terms and Conditions and the Barrier Event occurrence is specified as "less than or equal to".
- The barrier observation method is 'European', so will be determined by reference to the Final Performance measured against the Barrier Level.
- The initial index level of the FTSE®100 Index is specified in the Preference Share Terms and Conditions to be 6,000.
- The Final Valuation Date is 30 June 2026.
- Reference Value is specified to be determined by reference to "Closing Value" with respect to the Final Valuation Date and the Reference Value of the FTSE®100 is 6,120, as determined by the Calculation Agent using such valuation method.
- The Barrier Level is 60%.

What is the Reference Performance?

The Reference Performance is the Performance of the FTSE®100 Index, which is determined by dividing the Reference Value of the Underlying determined in respect of the Final Valuation Date (6,120) by the initial index level (6,000), which is equal to 1.02 and, when expressed as a percentage, is 102%. Therefore, the Reference Performance with respect to the Final Valuation Date is 102%.

Has a Barrier Event occurred?

As the Barrier Event occurrence is specified as "less than or equal to", a Barrier Event will occur if the Reference Performance in respect of the Final Valuation Date is less than or equal to the Barrier Level.

The Reference Performance (102%) is greater than the Barrier Level (60%), so a Barrier Event has not occurred.

Further worked examples in relation to the determination of whether a Barrier Event has occurred are set out below.

Explanations of the amounts payable under different types of Notes

Set out below are explanations of how the payments of the various types of Notes work, together with worked examples.

As described above, the redemption amount of each Note will in all cases reflect the percentage change in the value of the Preference Share(s) to which it relates. However, for ease of explanation, the following overviews and worked examples do not set out the Preference Share Terms and Conditions and instead set out only the amounts payable in respect of the Notes. In addition, in this section, for ease of explanation, rather than refer to the Notes being linked to the value of the Preference Share which is in turn linked to the Underlying, the Notes (including the return on the Notes) are described as being linked to the Underlying and the payout formulae in respect of the Preference Shares applying directly in respect of the Notes. The overviews and worked examples also assume that each Note is linked to a Preference Share which is redeemed in full.

The calculation of the amount payable on redemption of each Note depends on the method specified for determining the Final Redemption Amount in the relevant Preference Share Terms and Conditions annexed to the relevant Final Terms. An investor in the Notes should refer to the corresponding paragraphs below to understand how the redemption amount is calculated for any particular Note.

The relevant Final Terms will specify the Notes as being one of the following:

- Booster Redemption Notes
- Airbag Redemption Notes
- Capped Airbag Redemption Notes
- Bonus Redemption Notes
- Autocallable Redemption Notes
- Autocallable Redemption Notes with Additional Digital Amount

(a) ***Booster Redemption Notes***

If the Notes are specified as being "**Booster Redemption Notes**" in the relevant Final Terms, then the Final Redemption Amount will be calculated as follows.

- If the (x) Final Performance or (y) Reference Performance determined with respect to (or, as applicable, at any time during) any relevant barrier valuation date (as applicable) is not (a) less than or (b) less than or equal to (in each case as specified in the Preference Share

Terms and Conditions with respect to the Barrier Event) a specified barrier threshold (the "**Barrier Level**") (i.e. a "**Barrier Event**" has not occurred), then an investor will be entitled on redemption to the specified calculation amount of the Note multiplied by:

(i) 100%; *plus*

(A) if the Final Performance is greater than 100%, an amount equal to the positive performance of the Underlying or basket of Underlyings (as applicable) multiplied by a factor expressed as a percentage (the "**Participation**") and subject to a maximum of a "**Cap**"; or

(B) if the Final Performance is equal to or less than 100%, zero.

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

$$100\% + \mathrm{Min}[\mathrm{Cap}, \mathrm{Participation} \times \mathrm{Max}[0, (\mathrm{Final\ Performance} - 100\%)]]$$

OR

- If a Barrier Event has occurred, then an investor will be entitled to an amount on redemption equal to the specified calculation amount of each Note multiplied by the Final Performance.

Booster Redemption Notes 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.
- The specified calculation amount of the Note is GBP 100.
- The initial index level of the FTSE®100 Index is specified in the relevant Preference Share Terms and Conditions to be 3,400.
- No Averaging Dates are specified in respect of the Final Valuation Date and the Reference Value of the FTSE®100 Index determined by the Calculation Agent by reference to the Closing Value of the FTSE®100 Index on such Final Valuation Date is 3,450.
- The Participation is 120%.
- The Cap is 25%.
- The observation method for the Barrier Event is 'American'.
- The Barrier Valuation Period includes each scheduled trading day with respect to the FTSE®100 Index from and including the Strike Date (being 30 June 2026) to and including the Final Valuation Date (being 30 June 2027) (each a "**Barrier Valuation Date**").
- 'Intraday Value' is specified to apply with respect to each Barrier Valuation Date and so the level of the FTSE®100 Index will be observed at all times during each Barrier Valuation Date during the Barrier Valuation Period.
- Barrier Event occurrence is specified as "less than".
- The Barrier Level is 50%.

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

The Reference Value (3,450) determined with respect to the Final Valuation Date divided by the initial index level (3,400) is equal to 1.014706 and, when expressed as a percentage, is 101.4706%. Therefore, the Final Performance is 101.4706%.

(2) ***What is the Reference Performance in respect of each Barrier Valuation Date?***

The Calculation Agent will continuously determine the Reference Performance on each Barrier Valuation Date. The Calculation Agent will do so by dividing the Reference Value of the Underlying (observed continuously throughout each Barrier Valuation Date) by its initial index level.

(3) ***Has a Barrier Event occurred?***

As the Barrier Event occurrence is specified as "less than" and the observation method is 'American', a Barrier Event will occur if the Reference Performance is, at any time, during any Barrier Valuation Date less than the Barrier Level.

The intraday level of the Underlying during the Barrier Valuation Period (as observed by the Calculation Agent) does not fall below the Barrier Level (being 50% of the initial index level), so a Barrier Event has not occurred in respect of any Barrier Valuation Dates during the Barrier Valuation Period.

Therefore, the following formula will apply for the purposes of determining the redemption amount:

$$100\% + \mathrm{Min}[\mathrm{Cap}, \mathrm{Participation} \times \mathrm{Max}[0, (\mathrm{Final\ Performance} - 100\%)]]$$

(4) ***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.

$$100\% + \mathrm{Min}[\mathrm{Cap}, \mathrm{Participation} \times \mathrm{Max}[0, (\mathrm{Final\ Performance} - 100\%)]]$$

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

- The Final Performance (101.4706%) less 100% (101.4706% less 100% is equal to 1.4706%) is greater than 0, so 1.4706% is used in the second part of the formula.
- The Participation (120%) multiplied by 1.4706% equals 1.7647% which is less than the Cap (25%) and so 1.7647% is used in the first part of the formula rather than 25%.

Once these variables are re-inserted into the formula, the calculation is 100% + 1.7647%, which is equal to 101.7647%.

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

The Final Redemption Amount per specified calculation amount will be:

GBP	100	x	(The specified calculation amount of the Note)
	101.7647%		(The percentage ascertained from the formula)
GBP	**101.7647**		**The Final Redemption Amount per specified calculation amount of the Note**

(b) ***Airbag Redemption Notes***

If the Notes are specified as being "**Airbag Redemption Notes**" in the relevant Final Terms, then the Final Redemption Amount will be calculated as follows.

- If the (x) Final Performance or (y) Reference Performance determined with respect to (or, if applicable, at any time during) any relevant barrier valuation date (as applicable) is not (a) less than or (b) less than or equal to (in each case as specified in the Preference Share Terms and Conditions with respect to the Barrier Event) a specified barrier threshold (the "**Barrier Level**") (i.e. a "**Barrier Event**" has not occurred), then an investor will be entitled on redemption to the specified calculation amount of the Note multiplied by:

  (i) 100%; *plus*

  (A) if the Final Performance is greater than 100%, an amount equal to the positive performance of the Underlying or Basket (as applicable) multiplied by a factor expressed in percentages (the "**Participation**"); or

  (B) if the Final Performance is equal to or less than 100%, zero.

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

$$100\% + [\text{Participation} \times \text{MAX}\,[0, (\text{Final Performance} - 100\%)]]$$

- If a Barrier Event has occurred, then an investor will be entitled to an amount on redemption equal to the specified calculation amount of each Note multiplied by the Final Performance.

Airbag Redemption Notes 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 Basket comprised of the FTSE®100 Index AND the S&P 500® Index and which specifies Airbag Redemption.
- The specified calculation amount of the Note is GBP 50.
- The initial index level of the FTSE®100 Index is specified in the relevant Preference Share Terms and Conditions to be 5,700 and the initial index level of the S&P 500® Index is specified in the relevant Preference Share Terms and Conditions to be 1,500.
- Reference Performance is specified to be determined by reference to the Worst Performing Underlying.
- Two Averaging Dates are specified in respect of the Final Valuation Dates in the relevant Preference Share Terms and Conditions.
- In respect of the Reference Values relating to the Final Valuation Date, the levels of the FTSE®100 Index and of the S&P 500® Index are determined by the Calculation Agent by reference to the Closing Value of the relevant indices on such Averaging Dates as:

  (a) 5,300 and 5,700 for the FTSE®100 Index; and

  (b) 1,600 and 1,800 for the S&P 500® Index.

  Therefore, the Reference Value in respect of the Final Valuation Date of:

- the FTSE®100 Index is 5500 (being (5300 + 5700) *divided by* 2); and
- the S&P 500® Index is 1700 (being (1600 + 1800) *divided by* 2).

- The Participation is 120%.
- The observation method for the Barrier Event is 'Daily'.
- The Barrier Valuation Period includes each scheduled trading day with respect to each of the FTSE®100 Index and the S&P 500® Index from and including the Strike Date (being 30 June 2026) to and including the Final Valuation Date (being 30 June 2027) (each a "**Barrier Valuation Date**").
- Barrier Event occurrence is specified as "less than".
- The Barrier Level is 70%.

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

The Performance of each Underlying with respect to the Final Valuation Dates is determined by *dividing* the Reference Value of such Underlying determined with respect to the Final Valuation Dates by its initial index level.

(a) The Reference Value of the FTSE®100 Index (5,500) *divided by* the initial index level (5,700) is equal to 0.964912, which, when expressed as a percentage, is 96.4912%. Therefore, the Performance of the FTSE®100 Index is 96.4912%.

(b) The Reference Value of the S&P 500® Index (1,700) *divided by* the initial index level (1,500) is equal to 1.133333, which, when expressed as a percentage, is 113.3333%. Therefore, the Performance of S&P 500® Index is 113.3333%.

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

Reference Performance is specified to be determined with reference to the Worst Performing Underlying. This means that the Final Performance of the Basket will be the Performance of the worst performing Underlying in the Basket determined with respect to the Final Valuation Date.

Comparing the Performance of the FTSE®100 Index and the S&P 500® Index, the FTSE®100 Index has decreased while the S&P 500® Index has increased. Thus, the FTSE®100 Index is the Worst Performing Underlying and the Final Performance is 96.4912%.

(3) ***What is the Reference Performance for the purpose of determining the occurrence of a Barrier Event?***

In order to determine the Reference Performance in respect of each Barrier Valuation Date, the Calculation Agent will first determine the Performance of each Underlying by dividing the Reference Value of each Underlying by its initial index level. The lowest Performance amongst the FTSE®100 Index and of the S&P 500® Index determined in respect of a Barrier Valuation Date will constitute the Reference Performance for such date.

(4) ***Has a Barrier Event occurred?***

As the Barrier Event occurrence is specified as "less than" and the observation method is 'Daily', a Barrier Event will occur if, with respect to any Barrier Valuation Date, the Reference Performance is less than the Barrier Level.

The Performance of the worst performing Underlying on one of the Barrier Valuation Dates during the Barrier Valuation Period (as observed by the Calculation Agent) falls to 69% which is below the Barrier Level (being 70%), so a Barrier Event has occurred.

Therefore, an investor will be entitled to an amount on redemption equal to the specified calculation amount *multiplied by* the Final Performance (96.4912%).

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

The Final Redemption Amount per specified calculation amount of the Note will be:

GBP	50	x	(The specified calculation amount of the Note)
	96.4912%		(Final Performance)
GBP	**48.24**		**The Final Redemption Amount per specified calculation amount of the Note**

(c) ***Capped Airbag Redemption Notes***

If the Notes are specified as being "**Capped Airbag Redemption Notes**" in the relevant Final Terms, then the Final Redemption Amount will be calculated as follows.

- If the (x) Final Performance or (y) Reference Performance determined with respect to (or, if applicable, at any time during) any relevant barrier valuation date (as applicable) is not (a) less than or (b) less than or equal to (in each case as specified in the Preference Share Terms and Conditions with respect to the Barrier Event) a specified barrier threshold (the "**Barrier Level**") (i.e. a "**Barrier Event**" has not occurred), then an investor will be entitled on redemption to the specified calculation amount of the Note multiplied by:

  (i) 100%; *plus*

  (A) if the Final Performance is greater than a percentage specified in the relevant Preference Share Terms and Conditions as the "**Strike Level**", the lesser of (X) a percentage amount specified in the terms and conditions of the Preference Shares as the "**Cap**" and (Y) the amount of such increase of the Final Performance as against the Strike Level *multiplied by* a factor, being a percentage specified in the terms and conditions of the Preference Shares (the "**Participation**").

  (B) if the Final Performance is equal to or less than the Strike Level, zero.

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

$$100\% + \mathrm{Min}[\mathrm{Cap}, \mathrm{Participation} \times \mathrm{Max}[0, (\mathrm{Final\ Performance} - \mathrm{Strike\ Level})]]$$

- If a Barrier Event has occurred, then an investor will be entitled to an amount on redemption equal to the specified calculation amount of each Note multiplied by the Final Performance.

Capped Airbag Redemption Notes 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 Capped Airbag Redemption.
- The specified calculation amount of the Note is GBP 1,000.

- The initial index level of the FTSE®100 Index is specified in the relevant Preference Share Terms and Conditions to be 5,700.

- No Averaging Dates are specified in respect of the Final Valuation Date in the relevant Preference Share Terms and Conditions and the Reference Value of the FTSE®100 Index determined by the Calculation Agent by reference to the Closing Value of the FTSE®100 Index on such Final Valuation Date is 6,750.

- The Barrier Level is 65%.

- The observation method for the Barrier Event is 'European'.

- Barrier Event occurrence is specified as "less than or equal to".

- The Strike Level is 80%.

- The Participation is 120%.

- The Cap is 40%.

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

The Reference Value (6,750) determined with respect to the Final Valuation Date divided by the initial index level (5,700) is equal to 1.184211 and, when expressed as a percentage, is 118.4211%. Therefore, the Final Performance is 118.4211%

(2) ***Has a Barrier Event occurred?***

As the Barrier Event occurrence is specified as "less than or equal to", a Barrier Event will occur if the Final Performance is less than or equal to the Barrier Level.

In this case the Final Performance (118.4211%) is greater than the Barrier Level (65%) so no Barrier Event has occurred.

Therefore, the following formula will apply for the purposes of determining the redemption amount:

$$100\% + \mathrm{Min}[\mathrm{Cap}, \mathrm{Participation} \times \mathrm{Max}[0, (\mathrm{Final\ Performance} - \mathrm{Strike\ Level})]]$$

(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.

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

- The Final Performance (118.4211%) less Strike Level (80%) (118.4211% less 80% is equal to 38.4211%) is greater than 0, so 38.4211% is used in the second part of the formula.
- The Participation (120%) multiplied by 38.4211% equals 46.1053% which is greater than the Cap (40%) and so 40% is used in the first part of the formula.

Once these variables are re-inserted into the formula, the calculation is 100% + 40%, which is equal to 140%.

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

The Final Redemption Amount per specified calculation amount of the Note will be:

GBP	1,000	×	(The specified calculation amount of the Note)
	140%		(The percentage ascertained from the formula)
GBP	**1,400**		**The Final Redemption Amount per specified calculation amount of the Note**

(d) ***Bonus Redemption Notes***

If the Notes are specified as being "**Bonus Redemption Notes**" in the relevant Final Terms, then the Final Redemption Amount will be calculated as follows.

- If the (x) Final Performance or (y) Reference Performance determined with respect to any relevant barrier valuation date (as applicable) is not (a) less than or (b) less than or equal to (in each case as specified in the Preference Share Terms and Conditions with respect to the Barrier Event) a specified barrier threshold (the "**Barrier Level**") (i.e. a "**Barrier Event**" has not occurred), then an investor will be entitled on redemption to the specified calculation amount of the Note multiplied by:

  (i) 100%; *plus*

  (ii) a fixed percentage (the "**Bonus Amount**"), which expresses an enhanced return following an appreciation or depreciation of the Underlying or Basket and which is calculated as the sum of each of the percentages (each a "**Bonus Amount Percentage**") determined in accordance with the following provisions:

  (a) If, on a predetermined observation date as specified in the Preference Share Terms and Conditions (an "**Observation Date**") the Reference Performance is greater than or equal to the Bonus Level, a predetermined percentage (above 0%) as specified in the relevant Preference Share Terms and Conditions; and

  (b) if, on an Observation Date Reference Performance is less than the Bonus Level, 0%.

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

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

- If a Barrier Event has occurred, then an investor will be entitled to an amount on redemption equal to the specified calculation amount of each Note multiplied by the Final Performance *plus* the Bonus Amount.

Bonus 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 Bonus Redemption.
- The specified calculation amount of the Note is GBP 1,000.
- The initial index level of the S&P 500® Index is specified in the relevant Preference Share Terms and Conditions to be 1,000.
- No Averaging Dates are specified in respect of the Final Valuation Date in the relevant Preference Share Terms and the Reference Value of the S&P 500® Index determined by the Calculation Agent by reference to the Closing Value of the S&P 500® Index on such Final Valuation Date is 1,500.
- The observation method for a Barrier Event is 'European'.
- The Barrier Level is 60%.
- Barrier Event occurrence is specified as "less than or equal to"
- Bonus Level is 80%.
- There are three Observation Dates. The Relevant Values observed on the Observations Dates are as follows:
  - Observation Date One: 600
  - Observation Date Two: 900
  - Observation Date Three: 800
- The Bonus Amount Percentage is 3% (if the Reference Performance is greater than or equal to the Bonus Level) or 0% (if the Reference Performance is less than the Bonus Level)

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

The Reference Value (1,500) determined with respect to the Final Valuation Date divided by the initial index level (1,000) is equal to 1.50 and, when expressed as a percentage, is 150%. Therefore, the Final Performance is 150%.

(2) ***Has a Barrier Event occurred?***

As the Barrier Event occurrence is specified as "less than or equal to", a Barrier Event will occur if the Final Performance is less than or equal to the Barrier Level.

In this case the Final Performance (150%) is greater than the Barrier Level (60%) so no Barrier Event has occurred.

Therefore, the following formula will apply for the purposes of determining the redemption amount:

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

(3) ***Calculating the Bonus Amount***

In order to determine the Bonus Amount in respect of each of the three Observation Dates, the Bonus Amount Percentages need to be determined.

The Relevant Values on each Observation Date (being 600, 900 and 800) are *divided by* the initial index level (1,000) in order to determine the Reference Performance in respect of each Observation Date. The Reference Performances so determined are 0.60, 0.90 and 0.80 respectively and, when expressed as a percentage 60%, 90% and 80%.

The next step is to compare these percentages against the Bonus Level which is 80%.

60% is less than 80%, therefore the Bonus Amount Percentage in respect of the first Observation Date is 0%,

In respect of the two following Observation Dates, the Bonus Amount Percentage is 3% in each case as both 90% and 80% are greater than or equal to 80%.

The Bonus Amount is determined by calculating the sum of each of the Bonus Amount Percentages which is 0% *plus* 3% *plus* 3%. Therefore, the Bonus Amount is 6%.

Once the Bonus Amount (6%) is inserted into the formula, the calculation is 100% + 6%, which is equal to 106%.

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

The Final Redemption Amount per specified calculation amount of the Note will be:

GBP	1,000	×	(The specified calculation amount of the Note)
	106%		(The percentage ascertained from the formula)
GBP	**1,060**		**The Final Redemption Amount per specified calculation amount of the Note**

(e) ***Autocallable Redemption Notes***

(i) *Calculation of Early Redemption Amount*

If the Notes are specified as being "**Autocallable Redemption Notes**" in the relevant Final Terms, the following will apply.

- If, (i) on a specified periodic valuation date or (ii) on any scheduled trading day during a specified period) (the "**Autocall Valuation Period**"), as the case may be and as specified in the relevant Preference Share Terms and Conditions (each an "**Autocall Valuation Date**"), the Reference Performance is greater than or equal to a percentage applicable in respect of the relevant Autocall Valuation Date specified in the relevant Preference Share Terms and Conditions (the "**Autocall Level**"), an "**Autocall Event**" will occur. If an Autocall Event occurs, the Note will be redeemed in whole for an amount equal to the specified calculation amount of the Note *multiplied by* a percentage, the "**Autocall Rate**".

- If, on an Autocall Valuation Date, no Autocall Event occurs, the Note will not be redeemed at that time but will continue until the next Autocall Valuation Date (if any).

In respect of an Autocall Valuation Date, the "**Autocall Rate**" may be specified in the relevant Preference Share Terms and Conditions as either:

(a) where a series of periodic dates are specified as Autocall Valuation Dates, the relevant fixed percentage specified in respect of each such Autocall Valuation Date; or

(b) where the Autocall Event is observed on a daily basis during the Autocall Valuation Period, the percentage equal to the sum of (x) 100 per cent. and (y) a specified percentage representing an annualised rate of return (the "**Autocall Annual Rate**") accrued (and subject to a specified day count fraction) from a specified commencement date to the relevant Autocall Valuation Date on which an Autocall Event occurs (if any).

Autocall Event worked example (where a series of periodic dates are specified as Autocall Valuation Dates):

The hypothetical scenario

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

- An investor purchases a Note denominated in GBP linked to a Basket comprised of the FTSE®100 Index and the S&P 500® Index which specifies Autocall Event as being applicable in the relevant Preference Share Terms and Conditions.
- The Reference Performance is specified to be determined by reference to the Worst Performing Underlying.
- The specified calculation amount of the Note is GBP 500.
- The initial index level of the FTSE®100 Index is specified in the relevant Preference Share Terms and Conditions to be 2,700 and the initial index level of the S&P 500® Index is specified in the relevant Preference Share Terms and Conditions to be 3,300.
- The Reference Value of each index for the first Autocall Valuation Date determined by the Calculation Agent by reference to the Closing Value of such index on such Autocall Valuation Date is:
  - in respect of the FTSE®100 Index, 3,000; and
  - in respect of the S&P 500® Index, 3,500.
- The Autocall Event is observed by reference to a series of specified periodic Autocall Valuation Dates.
- The Autocall Level is 95%.
- The Autocall Rate is 108%.

(1) ***What is the Performance of each Underlying with respect to the first Autocall Valuation Date***

The Performance of each Underlying with respect to the first Autocall Valuation Date is determined by dividing the Reference Value of such Underlying determined with respect to the first Autocall Valuation Date by its initial index level.

(a) The Reference Value of the FTSE®100 Index (3,000) *divided by* the initial index level (2,700) is equal to 1.111111, which, when expressed as a percentage, is 111.1111%. Therefore, the Performance of the FTSE®100 Index is 111.1111%.

(b) The Reference Value of the S&P 500® Index (3,500) *divided by* the initial index level (3,300) is equal to 1.060606, which, when expressed as a percentage, is 106.0606%. Therefore, the Performance of S&P 500® Index is 106.0606%.

(2) ***What is the Reference Performance with respect to the first Autocall Valuation Date***

The Reference Performance is specified to be determined with reference to the Worst Performing Underlying. This means that the Reference Performance will be the Performance of the worst performing Underlying in the Basket determined with respect to the Autocall Valuation Date.

Comparing the Performance of the FTSE®100 Index and the S&P 500® Index, the S&P 500® Index has increased less than the FTSE®100 Index. Thus the S&P 500® Index is the Worst Performing Underlying and the Reference Performance is therefore 106.0606%.

(3) ***Has an Autocall Event occurred?***

In this case, the Reference Performance (106.0606%) is greater than the Autocall Level (95%), and therefore an Autocall Event has occurred. Therefore, the Note will be redeemed for an amount equal to the specified calculation amount of the Note *multiplied by* the relevant Autocall Rate.

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

The Early Redemption Amount per specified calculation amount of the Note will be:

GBP	500	×	(The specified calculation amount of the Note)
	108%		(The relevant Autocall Rate)
GBP	**540**		**The Early Redemption Amount per specified calculation amount of the Note**

Autocall Event worked example (where the Autocall Event is observed on a 'daily' basis during the Autocall Valuation Period):

The hypothetical scenario

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

- An investor purchases a Note denominated in GBP linked to a Basket comprised of the FTSE®100 Index and the S&P 500® Index which specifies Autocall Event as being applicable in the relevant Preference Share Terms and Conditions.
- The Reference Performance is specified to be determined by reference to the Worst Performing Underlying.
- The specified calculation amount of the Note is GBP 500.
- The initial index level of the FTSE®100 Index is specified in the relevant Preference Share Terms and Conditions to be 2,700 and the initial index level of the S&P 500® Index is specified in the relevant Preference Share Terms and Conditions to be 3,300.
- The Autocall Valuation Period includes three Autocall Valuation Dates.
- The Reference Value of each index for each of the Autocall Valuation Dates, determined by the Calculation Agent by reference to the Closing Value of such index on each such Autocall Valuation Date, is:

Autocall Valuation Date	Reference Value (FTSE®100 Index)	Reference Value (S&P 500® Index)
1 April 2027	2,700	3,400
2 April 2027	2,800	3,500
3 April 2027	3,500	4,200

- The Autocall Event is observed on a 'daily' basis during a specified Autocall Valuation Period.
- The Autocall Rate is not specified as a fixed percentage.
- The Autocall Annual Rate is 20%.
- The first day for the purpose of determining "Actual Days" is 1 January 2027.
- The Day Count Divisor is 365.
- The Autocall Level is 110%.

(1) ***What is the Reference Performance with respect to each of the Autocall Valuation Dates***

The Performance of each Underlying with respect to each Autocall Valuation Date is determined by dividing the Reference Value of such Underlying determined with respect to the relevant Autocall Valuation Date by its initial index level.

The Reference Performance with respect to each Autocall Valuation Date is specified to be determined with reference to the Worst Performing Underlying. This means that the Reference Performance will be the Performance of the worst performing Underlying in the Basket determined with respect to the relevant Autocall Valuation Date.

Therefore, the Performance of each Underlying and the Reference Performance, in respect of each Autocall Valuation Date is:

Autocall Valuation Date	Performance (FTSE®100 Index)	Performance (S&P 500® Index)	Reference Performance
1 April 2027	2,700 / 2,700 = 100%	3,400 / 3,300 = 103.0303%	100%
2 April 2027	2,800 / 2,700 = 103.7037%	3,500 / 3,300 = 106.0606%	103.7037%
3 April 2027	3,500 / 2,700 = 129.6296%	4,200 / 3,300 = 127.2727%	127.2727%

(2) ***Has an Autocall Event occurred in respect of any of the Autocall Valuation Dates during the Autocall Valuation Period?***

In this case, the first Autocall Valuation Date where the Reference Performance (127.2727%) is greater than the Autocall Level (110%) is 3 April 2027, and therefore an Autocall Event has occurred on this Autocall Valuation Date. Therefore, the Note will be redeemed for an amount equal to the specified calculation amount of the Note *multiplied by* the relevant Autocall Rate.

The relevant Autocall Rate is calculated as follows:

$$100\% + [Autocall\ Annual\ Rate \times \frac{Actual\ Days}{Day\ Count\ Divisor}]$$

where:

"Actual Days" is the number of calendar days from (and including) 1 January 2027 to (and including) 3 April 2027; i.e. 62 days.

The Autocall Rate is therefore equal to:

$$100\% + [20\% \times \frac{62}{365}] = 103.3973\%$$

(3) ***Early Redemption Amount***

The Early Redemption Amount per specified calculation amount of the Note will be:

GBP	500	×	(The specified calculation amount of the Note)
	103.3973%		(The relevant Autocall Rate)
GBP	**516.99**		**The Early Redemption Amount per specified calculation amount of the Note**

(ii) *Calculation of Final Redemption Amount*

If the Notes are specified as being "**Autocallable Redemption Notes**" in the relevant Final Terms, and the Notes have not been redeemed prior to the maturity date as a result of the provisions described in (i) (*Calculation of Early Redemption Amount*) above or otherwise, then the Final Redemption Amount will be calculated as follows.

- If the Final Performance is greater than or equal to a fixed percentage specified in the relevant Preference Share Terms and Conditions as the "**Return Threshold**" then an investor will be entitled on redemption to an amount equal the specified calculation amount of the Note *multiplied by* a percentage specified in the Preference Share Terms and Conditions.
- If the Final Performance is less than the Return Threshold and:

  (i) the (x) Final Performance or (y) Reference Performance determined with respect to any relevant barrier valuation date (as applicable) is not (a) less than or (b) less than or equal to (in each case as specified in the Preference Share Terms and Conditions with respect to (or, if applicable, at any time during) the Barrier Event) a specified barrier threshold (the "**Barrier Level**") (i.e. a "**Barrier Event**" has not occurred), then an investor will be entitled on redemption to an amount equal to the specified calculation amount of the Note *multiplied by* a percentage specified in the Preference Share Terms and Conditions; or

  (ii) a Barrier Event has occurred, then an investor will be entitled to an amount on redemption equal to the specified calculation amount of each Note multiplied by the Final Performance.

Autocallable Final 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 Autocallable Redemption.
- The specified calculation amount of the Note is GBP 1,000.
- The Note has a 5-year term and has not been redeemed prior to its stated maturity date.

- The initial index level of the FTSE®100 Index is specified in the relevant Preference Share Terms and Conditions to be 4,500.
- No Averaging Dates are specified in respect of the Final Valuation Date in the relevant Preference Share Terms and Conditions and the Reference Value of the FTSE®100 Index determined by the Calculation Agent by reference to the Closing Value of the FTSE®100 Index on such Final Valuation Date is 4,800.
- The Barrier Level is 50%.
- The Return Threshold is 85%.
- 150% is the percentage specified in the relevant Preference Share Terms and Conditions as the percentage applicable in respect of determining the Final Redemption Amount in the event the Final Performance is greater than or equal to the Return Threshold.

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

The Reference Value (4,800) determined with respect to the Final Valuation Date divided by the initial index level (4,500) is equal to 1.066667 and, when expressed as a percentage, is 106.6667%. Therefore, the Final Performance is 106.6667%.

(2) ***Is the Final Performance greater than or equal to the Return Threshold?***

In this case, the Final Performance (106.6667%) is greater than the Return Threshold (85%).

Therefore, an investor will be entitled on redemption to an amount equal to the specified calculation amount of the Note *multiplied by* 150% (being the percentage specified in the relevant Preference Share Terms and Conditions as the percentage applicable in respect of determining the Final Redemption Amount in the event that the Final Performance is greater than or equal to the Return Threshold).

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

The Final Redemption Amount per specified calculation amount of the Note will be:

GBP	1,000	×	(The specified calculation amount of the Note)
	150%		(The percentage specified in the Preference Share Terms and Conditions)
GBP	**1,500**		**The Final Redemption Amount per specified calculation amount of the Note**

(f) ***Autocallable Redemption Notes with Additional Digital Amount***

(i) *Calculation of Early Redemption Amount*

If the Notes are specified as being "**Autocallable Redemption Notes with Additional Digital Amount**" in the relevant Final Terms, the following will apply.

- If, on a specified periodic valuation date (each an "**Autocall Valuation Date**"), the Reference Performance is greater than or equal to a percentage applicable in respect of the relevant Autocall Valuation Date specified in the relevant Preference Share Terms and Conditions (the "**Autocall Level**"), an "**Autocall Event**" will occur. If an Autocall Event occurs, the Note will be redeemed in whole for an amount equal to the specified calculation amount of the Note *multiplied by* the applicable fixed percentage specified in respect of such Autocall Valuation Date (the relevant "**Autocall Rate**") *plus* the Additional Digital Amount.

- The "**Additional Digital Amount**" in respect of a Note to be redeemed following an Autocall Event will be an amount equal to the sum of Digital Amounts that have accrued in relation to all preceding digital valuation dates (which are each specified in the relevant Preference Share Terms and Conditions as a "**Digital Valuation Date**") up to (and including) such Autocall Valuation Date on which an Autocall Event has occurred.

- The "**Digital Amount**" determined in respect of a Digital Valuation Date shall be:

    - Where the Reference Performance in respect of such Digital Valuation Date is greater than or equal to a fixed percentage specified in the relevant Preference Share Terms and Conditions in respect of such Digital Valuation Date (the "**Digital Level**"), either (i) a fixed percentage amount specified in the Preference Share Terms and Conditions or (ii) a fixed percentage multiplied by a "**Recovery Factor**", which is an integer, operating as a 'recovery' mechanism, enabling an investor to potentially recover Digital Amounts which did not accrue in respect of prior Digital Valuation Dates because the relevant Reference Performance was less than the Digital Level (without double counting), in each case as specified in the relevant Preference Share Terms and Conditions.

    - Where the Reference Performance in respect of such Digital Valuation is less than the Digital Level, zero.

- If no Autocall Event happens with respect to an Autocall Valuation Date, the Note will not be redeemed at that time but will continue until the next Autocall Valuation Date (if any).

Autocall Event with Additional Digital 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 Autocall Event as being applicable in the relevant Preference Share Terms and Conditions.

- The specified calculation amount of the Note is GBP 1,000.

- The initial index level of the FTSE®100 Index is specified in the relevant Preference Share Terms and Conditions to be 10,000.

- The Autocall Level in respect of each Autocall Valuation Date is 100%.

- The Autocall Rate in respect of each Autocall Valuation Date is 100%.

- The Digital Level in respect of each Digital Valuation Date is 80%.

- In respect of a Digital Valuation Date, the Digital Amount is:

    (1) 0% (where the Reference Performance is less than the Digital Level); or

    (2) 2% multiplied by the Recovery Factor (where the Reference Performance is greater than or equal to the Digital Level);

    where:

"**Recovery Factor**" means, in respect of a Digital Valuation Date ("**Digital Valuation Date$_k$**") and the corresponding Digital Amount, the number of Digital Valuation Dates (including Digital Valuation Date$_k$) (i) from (but excluding) the last preceding Digital Valuation Date for which the relevant Reference Performance was greater than or equal to the relevant Digital Level (if any, the "**Relevant Prior Date**") or (ii) if there is no such Relevant Prior Date, from the Issue Date.

- A Digital Valuation Date occurs every 3 months, commencing on the date which is 3 months after the issue date.
- The Reference Value of the FTSE®100 Index is determined by the Calculation Agent by reference to the Closing Value of such index on each such Digital Valuation Date, as specified in the table below.
- An Autocall Valuation Date occurs every 3 months, first commencing on the date which is 12 months after the issue date (so that the fourth Digital Valuation Date is also the first Autocall Valuation Date).
- The Reference Value of the FTSE®100 Index is determined by the Calculation Agent by reference to the Closing Value of such index on each such Autocall Valuation Date, as specified in the table below:

k	Digital Valuation Date	Autocall Valuation Date	Reference Value	Reference Performance
1	1 April 2026	-	7,900	79%
2	1 July 2026	-	8,100	81%
3	1 October 2026	-	7,800	78%
4	1 January 2027	1 January 2027	7,700	77%
5	1 April 2027	1 April 2027	7,800	78%
6	1 July 2027	1 July 2027	10,100	101%

- The Calculation Agent calculates the Reference Performance of the FTSE 100 Index in respect of each Digital Valuation Date and Autocall Valuation Date by dividing (i) the Reference Value determined in respect of such date by (ii) the initial level of the FTSE®100 Index, to determine the percentage specified in the table above.

(1) ***Calculating the Digital Amount in respect of the first Digital Valuation Date.***

As the Reference Performance (79%) on the first Digital Valuation Date is less than the Digital Level (80%), the Digital Amount in respect of the first Digital Valuation Date is zero.

(2) ***Calculating the Digital Amount in respect of the second Digital Valuation Date.***

As the Reference Performance (81%) on the second Digital Valuation Date is greater than the Digital Level (80%), the Digital Amount in respect of the second Digital Valuation Date shall be a percentage determined by the Calculation Agent by multiplying 2% by the Recovery Factor.

The Reference Performance was less than the Digital Level in respect of the first Digital Valuation Date but is greater than the Digital Level in respect of the Second Digital Valuation Date. Therefore, the Recovery Factor is the sum of Digital Valuation Dates falling after the issue date (i.e. the first and second Digital Valuation Dates), 2.

The Digital Amount accrued in respect of the second Digital Valuation Date is therefore 4% (2% × 2).

(3) ***Calculating the Digital Amount in respect of the third Digital Valuation Date.***

As the Reference Performance (78%) on the third Digital Valuation Date is less than the Digital Level (80%), the Digital Amount in respect of the third Digital Valuation Date is zero.

(4) ***What are the Reference Performance determinations with respect to the fourth Digital Valuation Date and the first Autocall Valuation Date***

The Reference Performance determined by the Calculation Agent in respect of the fourth Digital Valuation Date and the first Autocall Valuation Date is 77%.

As the Reference Performance is less than the Digital Level (80%), the Digital Amount in respect of the fourth Digital Valuation Date is zero.

Further, the Reference Performance is also less than the Autocall Level (100%) and so an Autocall Event has not occurred in respect of the first Autocall Valuation Date and the Notes will continue.

(5) ***What are the Reference Performance determinations with respect to the fifth Digital Valuation Date and the second Autocall Valuation Date***

The Reference Performance determined by the Calculation Agent in respect of the fifth Digital Valuation Date and the second Autocall Valuation Date is 78%.

As the Reference Performance is less than the Digital Level (80%), the Digital Amount in respect of the fifth Digital Valuation Date is zero.

Further, the Reference Performance is also less than the Autocall Level (100%) and so an Autocall Event has not occurred in respect of the second Autocall Valuation Date and the Notes will continue.

(6) ***What are the Reference Performance determinations with respect to the sixth Digital Valuation Date and the third Autocall Valuation Date***

The Reference Performance determined by the Calculation Agent in respect of the sixth Digital Valuation Date and the third Autocall Valuation Date is 101%.

The Reference Performance is greater than both of the Digital Level (80%) and the Autocall Level (100%) and so an Autocall Event has occurred in respect of the third Autocall Valuation Date and the Notes will be redeemed at a rate equal to the relevant Autocall Rate (100%) plus the relevant Additional Digital Amount.

(7) ***Calculating the Digital Amount in respect of the sixth Digital Valuation Date***

As the Reference Performance (101%) on the sixth Digital Valuation Date is greater than the Digital Level (80%), the Digital Amount in respect of the sixth Digital Valuation Date shall be a percentage determined by the Calculation Agent by multiplying 2% by the Recovery Factor.

Where "**Recovery Factor**" means, in respect of Digital Valuation Date ("**Digital Valuation Date$_k$**") and the corresponding Digital Amount, the number of Digital Valuation Dates (including Digital Valuation Date$_k$) (i) from (but excluding) the last preceding Digital Valuation Date for which the relevant Reference Performance was greater than or equal to the relevant Digital Level (if any, the "**Relevant Prior Date**") or (ii) if there is no such Relevant Prior Date, falling after the Issue Date.

Ascertaining the Recovery Factor: The last preceding Digital Valuation Date for which the Reference Performance was greater than or equal to the Digital Level was the second Digital Valuation Date. Therefore, the Recovery Factor is a number equal to the sum of the Digital Valuation Dates falling after the second Digital Valuation Date up to (and including) the sixth Digital Valuation Date, being 4.

The Digital Amount accrued in respect of the sixth Digital Valuation Date is therefore 8% (2% × 4).

(8) ***Calculating the Additional Digital Amount in respect of the third Autocall Valuation Date***

The Additional Digital Amount is the sum of each Digital Amount determined in respect of each Digital Valuation Date up until (and including) the sixth Digital Valuation Date which falls on the third Autocall Valuation Date.

Therefore, the Additional Digital Amount is equal to 12% (i.e. 0% + 4% + 0% + 0% + 0% + 8%).

(9) ***Early Redemption Amount***

The Early Redemption Amount per specified calculation amount of the Note will be:

GBP	1,000	×	(The specified calculation amount of the Note)
	112%		(the Autocall Rate (100%) + the Additional Digital Amount (12%))
GBP	**1,120**		**The Early Redemption Amount per specified calculation amount of the Note**

(ii) *Calculation of Final Redemption Amount*

If the Notes are specified as being "**Autocallable Redemption Notes with Additional Digital Amount**" in the relevant Final Terms, and the Notes have not been redeemed prior to the maturity date as a result of the provisions described in (i) (*Calculation of Early Redemption Amount*) above or otherwise, then the Final Redemption Amount will be calculated as follows.

- If the Final Performance is greater than or equal to a fixed percentage specified in the relevant Preference Share Terms and Conditions as the "**Return Threshold**", then an investor will be entitled on redemption to an amount equal to the specified calculation amount of the Note *multiplied by* a fixed percentage specified in the Preference Share Terms and Conditions *plus* the Additional Digital Amount;
  - The "**Additional Digital Amount**" in respect of a Note and the Final Valuation Date will be an amount equal to the sum of Digital Amounts that have accrued in relation to all preceding digital valuation dates (which are each specified in the relevant Preference Share Terms and Conditions as a "**Digital Valuation Date**") up to (and including) such Final Valuation Date.
    - The "**Digital Amount**" determined in respect of a Digital Valuation Date shall be:
      - Where the Reference Performance in respect of such Digital Valuation Date is greater than or equal to a fixed percentage specified in the relevant Preference Share Terms and Conditions in respect of such Digital Valuation Date (the "**Digital Level**"), either (i) a fixed percentage amount specified in the Preference Share Terms and Conditions or (ii) a fixed percentage *multiplied by* a "**Recovery Factor**", which is an integer, operating as a 'recovery' mechanism, enabling an investor to potentially recover Digital Amounts which did not accrue in respect of prior Digital Valuation Dates because the relevant Reference Performance was

less than the Digital Level (without double counting), in each case as specified in the relevant Preference Share Terms and Conditions.

- Where the Reference Performance in respect of such Digital Valuation Date is less than the Digital Level, zero.

- If the Final Performance is less than the Return Threshold and:

  (i) the (x) Final Performance or (y) Reference Performance determined with respect to (or, if applicable, at any time during) any relevant barrier valuation date (as applicable) is not (a) less than or (b) less than or equal to (in each case as specified in the Preference Share Terms and Conditions with respect to the Barrier Event) a specified barrier threshold (the "**Barrier Level**") (i.e. a "**Barrier Event**" has not occurred), then an investor will be entitled on redemption to an amount equal to the specified calculation amount of the Note *multiplied by* the sum of a fixed percentage specified in the Preference Share Terms and Conditions *plus* the Additional Digital Amount; or

  (ii) a Barrier Event has occurred, then an investor will be entitled on redemption to an amount equal to the specified calculation amount of the Note *multiplied by* the sum of the Final Performance *plus* the Additional Digital Amount.

Autocallable with Additional Digital Amount Final 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 Autocall Event and Additional Digital Amount as being applicable in the relevant Preference Share Terms and Conditions.
- The specified calculation amount of the Note is GBP 1,000.
- The Note has a 5-year term and has not been redeemed prior to its stated maturity date.
- The initial index level of the FTSE®100 Index is specified in the relevant Preference Share Terms and Conditions to be 4,500.
- No Averaging Dates are specified in respect of the Final Valuation Date in the relevant Preference Share Terms and Conditions and the Reference Value of the FTSE®100 Index determined by the Calculation Agent by reference to the Closing Value of the FTSE®100 Index on such Final Valuation Date is 4,800.
- The Barrier Level is 60%.
- The Barrier Event occurrence is specified as "less than or equal to".
- The Return Threshold is 85%.
- 100% is the percentage specified in the relevant Preference Share Terms and Conditions as the percentage applicable in respect of determining the Final Redemption Amount in the event the Final Performance is greater than or equal to the Return Threshold.
- The Digital Level is 75%.

- In respect of a Digital Valuation Date, the Digital Amount is:

  (1) 0% (where the Reference Performance is less than the Digital Level); or

  (2) 2% (where the Reference Performance is greater than equal to the Digital Level)

  (i.e. the Recovery Factor does not apply under the Preference Share Terms and Conditions).

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

The Reference Value (4,800) determined with respect to the Final Valuation Date divided by the initial index level (4,500) is equal to 1.066667 and, when expressed as a percentage, is 106.6667%. Therefore, the Final Performance is 106.6667%.

(2) ***Is the Final Performance greater than or equal to the Return Threshold?***

In this case, the Final Performance (106.6667%) is greater than the Return Threshold (85%).

Therefore, an investor will be entitled on redemption to an amount equal to the specified calculation amount of the Note *multiplied by* 100% plus the Additional Digital Amount.

(3) ***What is the Additional Digital Amount?***

The Additional Digital Amount is determined by reference to the Reference Performance in relation to each of the 20 Digital Valuation Dates up to and including the Final Valuation Date. The Reference Performance has been higher than the Digital Level (75%) on 12 out of 20 Digital Valuation Dates and accordingly a Digital Amount equal to 2% has accrued in relation to 12 out of 20 Digital Valuation Dates. Therefore, the Additional Digital Amount is 24% (*i.e.* 12 multiplied by 2%).

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

The Final Redemption Amount per specified calculation amount of the Note will be:

GBP	1,000	×	(The specified calculation amount of the Note)
	124%		(100% + the Additional Digital Amount)
GBP	**1,240**		**The Final Redemption Amount per specified calculation amount of the Note**

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 22 May 2026 (as amended, supplemented or replaced from time to time, 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 22 May 2026 (as further amended, supplemented and/or restated from time to time, the "**Master Note Issuance Agreement**") and made between, among others, the Issuer and HSBC Bank plc as dealers (each a "**Dealer**" and together, the "**Dealers**" which expression shall include any additional or successor Dealer or any other Dealer appointed pursuant to the provisions of the Master Note Issuance Agreement) and an issuing and paying agency agreement dated 24 February 1999 as most recently amended and restated on or about 22 May 2026 (as further amended, supplemented and/or restated from time to time, the "**Issuing and Paying Agency Agreement**") and made between, among others, the Issuer, HSBC Bank plc and HSBC Continental Europe (formerly known as HSBC France) as calculation agents (HSBC Bank plc or, as the case may be, HSBC Continental Europe being the "**Calculation Agent**" with respect to the Notes as specified in the relevant Final Terms, which expression includes any successor or other Calculation Agent appointed pursuant to the Issuing and Paying Agency Agreement, and 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 (as amended, 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 and the issue price, 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 (*Form, Denomination and Title*)) for the time being of Notes (the "**Noteholders**") 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, where specified as such in the relevant Final Terms, a Change in Law and/or an Insolvency Filing;

"**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;

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

"**Business Day**" means:

(i) in relation to a Note in respect of which amounts are payable in euro, a Euro Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Business Centre and on which the relevant Clearing System is open for business; or

(ii) in relation to any other Note, a day on which commercial banks and foreign exchange markets settle payments generally in each Business Centre and on which the relevant Clearing System is open for business;

"**Calculation Amount**" means the amount in the Settlement Currency specified as such in the relevant Final Terms;

"**Change in Law**" means that, 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 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 the Notes, (ii) stock loan transactions in relation to the Notes (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, the 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, CREST and/or any other clearing system specified in the relevant Final Terms 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;

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

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

"**Early Redemption Amount**" means in relation to each Note, an amount per Calculation Amount calculated by the Calculation Agent in accordance with, and subject to, Condition 4(j) (*Redemption and Purchase – Calculation and Rounding*) on the same basis as the Final Redemption Amount except that the definition of Share $Value_{final}$ shall be the Preference Share Value on the day which is two Business Days before the due date for early redemption of the Notes;

"**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 Settlement Day**" means a day on which T2 is open for settlement of payments in euro;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Euro Exchange Date**" means the date on which the Euro Exchange Notice is given by the Issuer to the Noteholders pursuant to Condition 7 (*Redenomination*);

"**Euro Exchange Notice**" means the notice given by the Issuer to the Noteholders stating that replacement Notes denominated in euro are available for exchange (**provided that** such Notes are available) and no payments will be made in respect thereof pursuant to Condition 7 (*Redenomination*);

"**exchange date**" means 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 10 (*Replacement, Exchange and Transfer*);

"**Extraordinary Event**" means where specified as such in the relevant Final Terms, a Merger Event, a Tender Offer and/or an Insolvency;

"**Final Redemption Amount**" has the meaning given to it in Condition 4(a) (*Redemption and Purchase – At Maturity*);

"**Index**" means the index specified as such in the relevant Final Terms and "**Indices**" shall be construed accordingly;

"**Initial Valuation Date**" means the Issue Date or another date specified as such in the relevant Final Terms;

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

"**Insolvency Filing**" means that the Preference Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by creditors and not consented to by the Preference Share Issuer shall not be deemed an Insolvency Filing;

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

"**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 is presented for payment is located;

"**Maturity Date**" has the meaning given to such term in Condition 4(a);

"**Merger Event**" means any (i) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation or merger in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such preference shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares that results in a transfer of or an irrevocable commitment to transfer all such preference shares (other than such Preference Shares owned or controlled by such other entity or person); or (iv) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Preference Shares outstanding but results in the outstanding preference shares (other than preference shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding preference shares immediately following such event, in each case if the closing date of a Merger Event (or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent) is on or before the Valuation Date;

"**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;

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

"**Preference Share Issuer**" means UKSED3P Investments Limited;

"**Preference Shares**" means the preference shares specified as such in the relevant Final Terms;

"**Preference Share Early Redemption Event**" means that the Issuer or any of its affiliates has received notice from the Preference Share Issuer that the Preference Shares are to be redeemed early;

"**Preference Share Valuation Date**" means the date specified as such in the relevant Final Terms, or if any date(s) for valuation of or any determination of the underlying index or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Preference Share Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent;

"**Preference Share Value**" means in respect of any day, the market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent;

"**Redemption Amount**" has the meaning given in Condition 4(j) (*Redemption and Purchase - Calculation and Rounding*);

"**Redenomination Date**" means a date which:

(i) is specified by the Issuer in the notice given to the Noteholders pursuant to Condition 7 (*Redenomination*); and

(ii) falls on or after such date as the country of the Settlement Currency becomes a Participating Member State;

"**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 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 7 (*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 7 (*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;

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

"**Share Value$_{\mathbf{final}}$**" means the Preference Share Value on the Valuation Date;

"**Share Value$_{\mathbf{initial}}$**" means the Preference Share Value on the Initial Valuation Date;

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

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

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

"**transfer date**" means 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;

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

"**Valuation Time**" has the meaning given to it in the applicable 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 7 (*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*

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

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 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 uncertified corporate securities (the "**Record**") in relation to the Uncertificated Registered Notes and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer and the CREST Registrar as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**Holder**" and related expressions shall be construed accordingly), and (ii) none of the Issuer and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Notes.

Uncertificated Registered Notes will be in the denomination(s) and multiples specified in the relevant 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 11 (*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. Redemption and Purchase

(a) *At Maturity*

Notes will be specified in the relevant Final Terms as being (a) Airbag Redemption Notes, (b) Capped Airbag Redemption Notes, (c) Autocallable Redemption Notes, (d) Autocallable Redemption Notes with Additional Digital Amount (e) Booster Redemption Notes or (f) Bonus Redemption Notes.

Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer in the relevant Settlement Currency specified in the relevant Final Terms on the date specified in the relevant Final Terms as the scheduled date on which such Note is to be redeemed (the "**Maturity Date**") at an amount (the "**Final Redemption Amount**") calculated pursuant to the following formula:

$$Calculation\ Amount \times \frac{Share\ Value_{final}}{Share\ Value_{initial}}$$

per Calculation Amount, and subject to Condition 4(j) (*Redemption and Purchase – Calculation and Rounding*).

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

If in respect of a Series of Notes Condition 5B (*Taxation - Gross-up*) is specified as applicable in the relevant Final Terms and 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 5B (*Taxation - Gross-up*), the Issuer may, having given not less than 30 nor more than 45 days' notice to the Noteholders in respect of such Series of Notes, redeem all, but not some only, of such Notes, at their Early Redemption Amount **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to giving any notice of redemption pursuant to this Condition 4(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 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 4(b).

(c) ***Early Redemption for Preference Share Early Redemption Event***

Following the occurrence of a Preference Share Early Redemption Event, the Issuer will redeem all, but not some only, of the Notes then outstanding on the second Business Day immediately preceding the date on which the Preference Shares are to redeem and the entitlement to receive the Final Redemption Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of the Early Redemption Amount.

(d) ***Early Redemption for Extraordinary Events***

If in the determination of the Calculation Agent, an Extraordinary Event occurs, the Issuer may (but is not obliged to) redeem all, but not some only, of the Notes on the tenth Business Day immediately after the date on which such determination is made by the Calculation Agent and the entitlement to receive the Final Redemption Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of the Early Redemption Amount.

(e) ***Early Redemption for Additional Disruption Events***

If in the determination of the Calculation Agent an Additional Disruption Event occurs, the Issuer may (but is not obliged to) redeem all, but not some only, of the Notes on the tenth Business Day immediately after the date on which such determination is made by the Calculation Agent and the entitlement to receive the Final Redemption Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of the Early Redemption Amount.

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

The Issuer shall have the right to terminate its obligations under the Notes, if the Calculation Agent shall have determined that the performance of such obligations under the Notes (or the Issuer's or the Issuer's designated affiliates' obligations under any hedging arrangements established in connection therewith) shall have become unlawful or impracticable in whole or in part, including, without limitation, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; **provided**, **however**, **that** if the Calculation Agent determines that the relevant obligations have become unlawful, the Issuer may obtain an opinion of an independent legal adviser to that effect prior to terminating its obligations under the Notes, and any such opinion shall be sufficient to establish the circumstances required by this Condition 4(f). In such circumstances the Issuer will pay to each Noteholder the Early Redemption Amount. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 11 (*Notices*).

(g) ***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 or resold or, provided such Notes are held by the Issuer, at the option of the Issuer, reissued or cancelled.

(h) ***Cancellation***

All Notes which are redeemed pursuant to Condition 4(a) (*Redemption and Purchase – At Maturity*), 4(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 4(c) (*Redemption and Purchase – Early Redemption for Preference Share Early Redemption Event*), 4(d) (*Redemption and Purchase – Early Redemption for Extraordinary Events*), 4(e) (*Redemption and Purchase – Early Redemption for Additional Disruption Events*) and 4(f) (*Redemption and Purchase – Early Redemption for Illegality*) shall, and all Notes purchased by the Issuer pursuant to Condition 4(g)(*Purchases*) may, at the option of the Issuer, be cancelled forthwith. All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or resold.

(i) ***No Other Redemption Provisions***

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 4(a) (*Redemption and Purchase – At Maturity*), 4(b) (*Redemption and Purchase – Redemption for Taxation Reasons*), 4(c) (*Redemption and Purchase – Early Redemption for Preference Share Early Redemption Event*), 4(d) (*Redemption and Purchase – Early Redemption for Extraordinary Events*), 4(e) (*Redemption and Purchase – Early Redemption for Additional Disruption Events*) and 4(f) (*Redemption and Purchase – Early Redemption for Illegality*).

(j) ***Calculation and Rounding***

Any redemption amount payable on redemption of a Note (the "**Redemption Amount**") shall be calculated pursuant to this Condition 4 (*Redemption and Purchase*) and in rounding any values determined or calculated in connection with such Redemption Amount, the Calculation Agent shall apply the following rounding conventions:

(i) if "Aggregate Outstanding Nominal Amount Rounding" is specified in the relevant Final Terms as being applicable, in the case of Notes represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes, the Redemption Amount shall be calculated in relation to the Aggregate Outstanding Nominal Amount of the Notes represented by such global Note(s) or, as the case may be, such Uncertificated Registered Notes, rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention) notwithstanding that the formula specified in the relevant Final Terms may provide for the Redemption Amount to be calculated in relation to the Calculation Amount; or

(ii) in the case of Notes in definitive form or if "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Final Terms as being applicable, the Redemption Amount shall be calculated in relation to the Calculation Amount rounded to the nearest currency sub-unit (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention).

For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, or the Notes are represented by a global Note or global Notes or Notes which are in the form of Uncertificated Registered Notes and "Aggregate Outstanding Nominal Amount Rounding" is not specified in the relevant Final Terms as being applicable, the Redemption Amount shall be the product of (1) the amount (determined in the manner provided above) payable in relation to the Calculation Amount and (2) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination or, as the case may be, the Aggregate Outstanding Nominal Amount.

5. Taxation

5A – Taxation – No gross-up

This Condition 5A will be applicable to all Series of Notes unless it is specified in the relevant Final Terms that Condition 5B (*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.**

5B – Taxation – Gross-up

This Condition 5B will only be applicable to a Series of Notes where it is specified in the relevant Final Terms that Condition 5B (*Taxation – Gross-up*) is applicable.

All payments by the Issuer 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 after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note:

(a) to, or to a third party on behalf of, a Holder of a Note who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of it having some connection with the United Kingdom or any other relevant jurisdiction, other than the mere holding of such Note;

(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 or by presenting the relevant Note 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 a portion of such Note, 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 11 (*Notices*).

If the Issuer becomes resident for tax purposes in any taxing jurisdiction other than the United Kingdom, references in this Condition 5 (*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 payments in respect of the relevant Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable under this Condition 5 (*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.

6. Payments

(a) *Bearer Notes*

Payments of principal in respect of Bearer Notes will (subject as provided below) be made against presentation and (save in the case of partial payment) surrender of the relevant Note. 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.

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, 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 shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions.

(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, 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 shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions.

Payment of amounts (whether principal 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 6(d) (*Payments – General Provisions*).

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

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

(d) ***General Provisions***

The following provisions apply to both Bearer Notes and Registered Notes (and do not apply to Uncertificated Registered Notes). Payments of amounts due (whether principal 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 5 (*Taxation*).

Without prejudice to the generality of the foregoing, the Issuer reserves the right to require any person receiving payment of principal 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.

7. **Redenomination**

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 11 (*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, (to the extent required by any applicable rules) 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) 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 7 (*Redenomination*) shall remain in full force and effect; and

(B) new Notes denominated in euro will be issued in exchange for Notes 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 period 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 11 (*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.

8. Events of Default

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

(a) the Issuer fails to remedy a default in the repayment of any principal due on the Notes of such Series or any of them, within 14 days of notice of such default having been given to the Principal Paying Agent or other Paying Agent or the Registrar (as the case may be) by any Noteholder in accordance with Condition 11(b) (*Notices from Noteholders*), **provided that** it shall not be such a default to withhold or refuse any such payment (1) if the Issuer determines, acting in good faith, that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability; or

(b) an order is made or an effective resolution is passed for the winding-up of the Issuer in England (otherwise than in connection with a scheme of reconstruction or amalgamation the terms of which shall previously have been approved in writing by an Extraordinary Resolution of the Holders of the relevant Series of Notes),

then any Noteholder may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer (such date, the "**Early Redemption Date**"), declare the Note held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount without presentment, demand, protest or other notice of any kind.

9. **Prescription**

Notes will become void unless presented for payment within a period of 10 years from the Relevant Date (as defined in Condition 5 (*Taxation*)) in respect thereof. Any monies paid by the Issuer to the Principal Paying Agent for the payment of the principal in respect of any Notes and remaining unclaimed when such Notes become void will then revert to the Issuer and all liability of the Principal Paying Agent with respect thereto will thereupon cease.

10. **Replacement, Exchange and Transfer**

Should any Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office (in the case of a Bearer Note) 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 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 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 in respect of such Notes.

11. **Notices**

(a) ***Notices to Noteholders***

All notices to the Holders of Notes will be valid: (i) if published, in the case of Bearer Notes, 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).

If in the determination of the Calculation Agent a Preference Share Early Redemption Event, an Extraordinary Event or an Additional Disruption Event occurs and the Issuer elects to redeem the Notes, the Issuer will give notice to Noteholders in accordance with this Condition 11 (*Notices*).

(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.

12. **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 6(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 11 (*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 Transfer Agent, the Paying Agent, the Issue Agent, the Registrar 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.

13. **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 11 (*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, 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, 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 11 (*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, **provided that** such Notes 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 11 (*Notices*) at least 15 days prior to such substitution taking effect. 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.

14. Further Issues

The Issuer shall be at liberty from time to time with the consent of the Holders of Notes of any Series 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.

15. 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.

16. 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).

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 (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 (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 depositary or a common depositary for Euroclear Bank SA/NV as operator for Euroclear and/or Clearstream, Luxembourg ("**Common Depositary**"). 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 Accountholders' 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 depositary) 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 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 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 depositary) 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 8 (*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 tradable only in principal amounts of at least the Denomination (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.

Following redenomination of the Notes pursuant to Condition 7 (*Redenomination*), 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.

All notices to the Holders of Notes 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).

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 (a "**Regulation S Global Registered Note**"), which will be deposited on or about the issue date for the relevant Tranche with, and registered either 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 (or its nominee) 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 and additional amounts, if any, pursuant to Condition 6 (*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 8 (*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.

FORM OF FINAL TERMS

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

Final Terms dated: [•]

HSBC Bank plc

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

Programme for the Issuance of Notes and Warrants

Legal Entity Identifier (LEI): MP6I5ZYZBEU3UXPYFY54

[Further] Issue of

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

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

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 12 June 2026 relating to Preference Share Linked Notes issued under the above Programme, together with each supplemental prospectus relating to the Programme published by the Issuer after 12 June 2026 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 UK Prospectus Regime. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regime and must be read in conjunction with such Prospectus.

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

This document constitutes the Final Terms for the purposes of the UK Prospectus Regime 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 [•] (the "**2026 Prospectus Expiry Date**"), the Base Prospectus dated 12 June 2026 relating to Preference Share-Linked Notes issued under the above Programme, which together with each supplemental prospectus relating to the Programme published by the Issuer after 12 June 2026 but before the 2026 Prospectus Expiry Date, to which these Final Terms relate constitutes a base prospectus (the "**2026 Prospectus**") for the purposes of the UK Prospectus Regime, and (ii) from but excluding the 2026 Prospectus Expiry Date, such base prospectus relating to Preference Share-Linked Notes issued under the above Programme as is published by the Issuer in replacement of the 2026 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 "**2027 Prospectus**") for the purposes of the UK Prospectus Regime. 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 2026 Prospectus (the "**Conditions**") and which are or will be incorporated by reference into the 2027 Prospectus.]

[*The following alterative 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 12 June 2026 and are applicable to the Notes. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regime and must be read in conjunction with the Base Prospectus dated 12 June 2026 together with each supplemental prospectus relating to the Programme published by the Issuer after 12 June 2026 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 UK Prospectus Regime.]

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 the links to 'Investors', 'Fixed income investors', 'Issuance programmes').

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

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and (i) in relation to the period to and including the 2026 Prospectus Expiry Date, the 2026 Prospectus, and (ii) from but excluding the 2026 Prospectus Expiry Date, the 2027 Prospectus. Each of the 2026 Prospectus and the 2027 Prospectus is 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 the links to 'Investors', 'Fixed income investors', 'Issuance programmes').]

The expression "**UK Prospectus Regime**" means the FCA Handbook Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**") and the Public Offers and Admissions to Trading Regulations 2024.

EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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 [Settlement Currency][Aggregate Principal Amount] (the "**Original Issue**") issued on [ ] [(ISIN)]:[ ].]
3.	Settlement Currency:		[ ]
4.	Aggregate Principal Amount [of Notes admitted to trading]:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Principal Amount
6.	(i)	Denomination(s):	[ ]
	(ii)	Calculation Amount:	[ ]

	(iii)	Aggregate Outstanding Nominal Amount Rounding:	[Applicable] [Not Applicable]
7.	Issue Date:		[ ]
8.	Maturity Date:		[ ] [or, if later, the [ ] Business Day following the [Valuation Date]]
9.	Type of Notes (for the purposes of Redemption):		[Airbag Redemption Notes] [Capped Airbag Redemption Notes] [Autocallable Redemption Notes] [Autocallable Redemption Notes with Additional Digital Amount] [Bonus Redemption Notes] [Booster Redemption Notes]
10.	Preference Share provisions:		
	(i)	Preference Shares:	[ ]
	(ii)	Index:	[ ]

[Name of Index]	**[Bloomberg Ticker]**
[ ]	[ ]
[ ]	[ ]

	(iii)	Basket:	[Applicable][Not Applicable]
	(iv)	Initial Valuation Date:	[Issue Date] [ ]
	(v)	Valuation Date:	[[eighth] [ ] Business Day[s] following the Preference Share Valuation Date] [ ]
	(vi)	Valuation Time:	[ ]
	(vii)	Preference Share Valuation Date:	[ ]
	(viii)	Extraordinary Event:	[Condition 4(d) [applies] [does not apply].] [The following Extraordinary Events apply: [Insolvency] [Merger Event] [Tender Offer]]
	(ix)	Additional Disruption Event:	[[Condition 4(e) [applies] [does not apply].] [The following Additional Disruption Events apply: [Change in Law] [Insolvency Filing]]
11.	Taxation: (*Condition* 5)		[Condition 5B (*Taxation – Gross-up*) is applicable] [Condition 5B (*Taxation – Gross-up*) is not applicable]
12.	Form of Notes:		[Bearer Notes] [Registered Notes] [Uncertificated Registered Notes]
13.	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.]
14.	Exchange Date for exchange of Temporary Global Note:		[ ] [Not earlier than 40 days after the Issue Date]
15.	If issued in registered form (other than Uncertificated Registered Notes):		[Applicable] [Not Applicable]
	•	Initially represented by:	[Regulation S Global Registered Note][Definitive Registered Notes]
	•	Regulation S Global Registered Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:	[Yes] [No. Paragraph (d) of the Regulation S Global Registered Note does not apply. The Issuer may not elect to exchange a Regulation S Global Registered Note for Regulation S Definitive Registered Notes in the circumstances described in paragraph (d) of the Regulation S Global Registered Note.]
16.	Payments:		
	(i)	Business Centre(s):	[ ]
	(ii)	Relevant Financial Centre Day:	[ ]
17.	Redenomination:		[Applicable] [Not Applicable]

CONFIRMED

HSBC BANK PLC

By: ....
Authorised Signatory

Date: ....

PART B – OTHER INFORMATION

1. **LISTING**

(i)	Listing:	Application [will be] [has been] made to admit the Notes to listing on the Official List of the United Kingdom Financial Conduct Authority. No assurance can be given as to whether or not, or when, such application will be granted.
(ii)	Admission to trading:	[The Original Issue was admitted to trading on the main market of the London Stock Exchange plc on [ ].] [Application [will be] [has been] made for the Notes to be admitted to trading on the main market of the London Stock Exchange plc. No assurance can be given as to whether or not, or when, such application will be granted.]
[(iii)	Estimated total expenses of admission to trading:	[ ]]

2. [**RATINGS**

Ratings:	[The Notes are not rated.]

3. **REASONS FOR THE ISSUE AND USE OF PROCEEDS AND ESTIMATED NET PROCEEDS**

(i)	Reasons for the issue and use of proceeds:	[ ] [See the "*Use of Proceeds*" section of the Base Prospectus.]
(ii)	Estimated net proceeds:	[ ] [Up to [*issuance amount*]]

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

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

Save for the re-offer spread retained by the Plan Manager, no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the offer. The Dealer and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

[Save for the Distribution Fee (as defined in paragraph 6 below) payable to the Plan Manager (as defined below), no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the offer. The Dealer and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

5. **INFORMATION ON THE UNDERLYING**

Information on past and future performance and volatility of the [Index] [Indices] can be obtained from [ ].

DISTRIBUTION

6.	(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 Principal Amount [of the Tranche]] [The Issuer will pay to the Plan Manager a distribution fee (the "**Distribution Fee**") of [up to] [ ] per cent. of the principal amount of Notes sold by the Plan Manager.] [Not Applicable]
7.	If non-syndicated, name and address of Dealer:		[HSBC Bank plc, 8 Canada Square, London E14 5HQ]
8.	TEFRA Rules applicable to Bearer Notes:		[TEFRA C Rules] [TEFRA D Rules] [TEFRA Not Applicable]
9.	Selling restrictions, United States of America:		40-day Distribution Compliance Period: [Applicable] [Not Applicable]
10.	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

11.	ISIN Code:	[ ] [Not Applicable]
12.	Common Code:	[ ] [Not Applicable]
13.	SEDOL:	[ ] [Not Applicable]
14.	Other identifier / code:	[ ] [Not Applicable]
15.	Clearing System:	[Euroclear] [and] [Clearstream, Luxembourg] [CREST]
16.	Delivery:	Delivery [against] [free of] payment
17.	Principal Paying Agent/Registrar/Issue Agent/Transfer Agent:	[ ] [HSBC Bank plc]
18.	Additional Paying Agent(s) (if any):	[ ] [Not Applicable]
19.	Common Depositary:	[HSBC Bank plc] [Not Applicable]
20.	Calculation Agent:	[ ] [HSBC Bank plc] [HSBC Continental Europe]

BENCHMARKS

21.	Details of benchmarks administrators and registration under UK Benchmarks Regulation:	[[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation. [As far as the Issuer is aware, as at the date hereof [*specify benchmark*] does not fall within the scope of the UK Benchmarks Regulation.] [As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation/registration (or, if

		located outside the UK, recognition, endorsement or equivalence).]] [Not Applicable]

[TERMS AND CONDITIONS AND OTHER DETAILS OF THE OFFER]

22.	[Details of the Offer:	[ ][The Issuer has only authorised the offer of this Tranche of Notes (the "**Offer**") by the Authorised Offerors (as defined below) in [the United Kingdom (the "**Public Offer Jurisdiction**")] [and] [•] only during the period from [(and including)][(but excluding)] [ ] until [(and including)][(but excluding)] [ ] (the "**Offer Period**")]]
23.	Authorised Offerors:	[[ ] and] [*[insert plan manager's name*] (the "**Plan Manager**"[[[, and together with [ ],]/ or] the "**Authorised Offeror[s]**")] [and any financial intermediary appointed after the date of these Final Terms whose name is published on the Issuer's website, www.hsbc.com (please follow the links to 'Investors', 'Fixed income investors', 'Final terms and supplements') and is identified therein as an Authorised Offeror in respect of this Tranche of Notes, for so long as they are authorised to make such offers under Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) and any other applicable laws] [([together with the Plan Manager,] the "**Authorised Offerors**")]]
24.	[Offer Price:	[Issue Price] [ ]]
25.	[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]]
26.	[Conditions to which the Offer is subject:	[ ] [Not Applicable] [The Offer is made in reliance on paragraph 6(a) of Part 1 of Schedule 1 to the POATRs and is conditional on the admission of the Notes to trading on the Main Market of the London Stock Exchange and may be withdrawn by the Issuer if the Notes are not so admitted on or around the Issue Date.] [Additionally, the Issuer reserves the right to withdraw the offer of the Notes for any reason and at any time prior to the end of the Offer Period.] [Following any such withdrawal, if any application has been made by any potential investor, each such potential investor shall not be entitled to subscribe or otherwise acquire the Notes and any applications will automatically be cancelled and any purchase money will be refunded to the applicant by the relevant financial intermediary in accordance with such financial intermediary's usual procedures.]]
27.	[Manner in and date on which results of the Offer are to be made public:	[ ] [Not Applicable]]
28.	[Other information relating to the Offer:	[ ] [Not Applicable]]

ANNEX

ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO THE UNDERLYING

[The following Index disclaimer[s] [is] [are] applicable in respect of the [ ] [Index] [Indices], as agreed between the Index Sponsor[s] and the Issuer: [ ]]

The following are the completed terms and conditions of the Preference Shares: [ ]

[Information on the market value of the Preference Shares can be obtained from [ ].]

[ ]

DESCRIPTION OF THE PREFERENCE SHARES

In respect of each Series of Notes, preference shares (the "**Preference Shares**") will be issued by UKSED3P Investments Limited (the "**Preference Share Issuer**"), a private company limited by shares incorporated in England on 30 April 2010 (with registered number 7240905) which is independent of the Issuer.

The Preference Share Issuer is governed by the laws of England and Wales and has its registered office at 10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom.

A copy of the Preference Share Issuer's constitutional documents, its non-consolidated annual financial statements, when published, and the Preference Share Terms and Conditions (as defined below) are available (free of charge) from the registered office of the Preference Share Issuer, and from Companies House.

The sole business activity of the Preference Share Issuer is to issue redeemable Preference Shares. Accordingly, the Preference Share Issuer does not have any trading assets and does not generate any significant net income.

The Preference Share Terms and Conditions, and any non-contractual obligations arising out of or in connection with the Preference Share Terms and Conditions, shall be governed by and construed in accordance with English law.

The Notes are not secured by the Preference Shares and, accordingly, only a nominal amount of the Preference Shares are expected to be issued regardless of the principal amount of the applicable issuance of Notes by the Issuer.

Each issuance of Preference Shares will be designated as a specified series (a "**Series of Preference Shares**"). The Final Redemption Amount of each Series of Notes will be linked to the percentage change in value of the relevant Series of Preference Shares as more fully set out in Condition 4(a) (*Redemption and Purchase — At maturity*) of the Notes. The redemption price of the Preference Shares (the "**Redemption Price**") will in turn be linked to the level or performance of an index or a basket of indices, as set out in a set of terms and conditions ("**Preference Share Terms and Conditions**") which apply to that Series of Preference Shares. See the section entitled "*Description of the Notes – Explanations of the amounts payable under different types of Notes*" for explanations of how the payments in respect of the various types of Notes work, together with worked examples – for ease of explanation, the descriptions of the Notes in that section are described as being linked to an Index or basket of Indices.

The provisions governing each Series of Preference Shares will be made up of two components:

(i) the general provisions set out in the Articles of Association of the Preference Share Issuer; and

(ii) the particular Preference Share Terms and Conditions that relate to that Series of Preference Shares.

A separate set of Preference Share Terms and Conditions will apply to each Series of Preference Shares and will have features that depend on the type of Note to which they are to be linked. Two sets of *pro forma* Preference Share Terms and Conditions for the Preference Shares to be issued in connection with the various types of Notes are set out in the next section of this Base Prospectus entitled "*Terms and Conditions of the Preference Shares*".

The completed Preference Share Terms and Conditions for the Preference Shares relating to each Series of Notes will be annexed to the Final Terms relating to the relevant Series of Notes. The Final Terms of each Series of Notes will also provide details of, among other things, the underlying index or a basket of indices to which the related Series of Preference Shares are linked.

The Preference Share Issuer has issued ordinary shares for cash consideration. The subscription proceeds of the same, together with the subscription proceeds of the Preference Shares issued by it and certain amounts paid to it by the Issuer from time to time in connection with its issuance of Preference Shares, are expected to cover all redemption amounts payable by it under the Preferences Shares.

TERMS AND CONDITIONS OF THE PREFERENCE SHARES

(A) *Pro forma* Preference Share Terms and Conditions for Booster Redemption Notes, Airbag Redemption Notes, Capped Airbag Redemption Notes and Bonus Redemption Notes

Series [specify series number] Preference Share Terms and Conditions

The following are the terms and conditions (the "**Conditions**") of the Series [***specify series number***] Index-linked redeemable preference shares (the "**Preference Shares**") issued by UKSED3P Investments Limited (the "**Company**") on [***specify issue date of the preference shares***]. 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 an Underlying, the valuation procedure for an Underlying or the Preference Shares. This shall include the provisions of Condition 11 (*Calculation Agent Modifications*) and all subsequent Conditions.

"**Administrator/Benchmark Event**" means, in respect of any Series of Preference Shares and an Underlying, an event or circumstance which has the effect that the Company, the Calculation Agent or any Hedging Counterparty is not or will not be permitted under any applicable law or regulation to use such Underlying to perform its or their obligations under the Preference Shares or any Related Financial Product.

"**Affected Index**" means the Underlying affected by an Administrator/Benchmark Event.

"**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.

["**Alternative Pre-nominated Index**" means, in respect of an Underlying, the first of the following indices, benchmarks or other price sources which is not subject to an Administrator/Benchmark Event: [***specify***]]

"**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.

["**Averaging Dates**" means, in respect of[:]

(a) [the Strike Date, [*specify each Averaging Date in respect of the Strike Date*]] [; and]

(b) [the Final Valuation Date, [*specify each Averaging Date in respect of the Final Valuation Date*]]

[*if single Underlying:*or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day][*if multiple Underlyings:*or, if any such date is not a Scheduled Trading Day in respect of an Underlying, such Averaging Date in respect of such Underlying shall be the next date which is a Scheduled Trading Day in respect of such Underlying], subject in each case to the provisions of Condition 12 (*Consequences of Disrupted Days*).]

"**Barrier Event**" means an event which will be deemed to have occurred if, in the determination of the Calculation Agent, the [*if European:*Final Performance is][*if daily:*Reference Performance determined in respect of any Barrier Valuation Date during the Barrier Valuation Period is][*if American:*the Reference Performance determined on an intraday basis during each Barrier Valuation Date during the Barrier Valuation Period is at any time] less than [or equal to] the Barrier Level.

"**Barrier Level**" means [*specify Barrier Level*] per cent.

["**Barrier Valuation Date**" means each [*if single Underlying:* Scheduled Trading Day during the Barrier Valuation Period][*if multiple Underlyings:* date during the Barrier Valuation Period which is a Scheduled Trading Day in respect of all Underlyings], subject in each case to the provisions of Condition 12 (*Consequences of Disrupted Days*).

"**Barrier Valuation Period**" means the period from (and including) [*specify start date*] to (and including) [*specify end date*].]

["**Bonus Amount**" means the sum of each Bonus Amount Percentage for all Observation Dates, as determined by the Calculation Agent.]

["**Bonus Amount Percentage**" means, in relation to an Observation Date, if, in the determination of the Calculation Agent:

(a) the Reference Performance determined in respect of such Observation Date is greater than or equal to the Bonus Level, [*specify percentage*]%; or

(b) the Reference Performance determined in respect of such Observation Date is less than the Bonus Level, zero.]

["**Bonus Level**" means [*specify bonus level*] per cent.]

"**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] [and] [New York]] [[and] [ ]] [[and] which is a TARGET Settlement Day].

"**Calculation Agent**" means HSBC Continental Europe.

"**Call and Put Period**" means the period commencing on and including the Issue Date to and including the day after [*specify period end date*] or, if such date is not a Business Day, the next following Business Day.

"**Call and Put Redemption Amount**" means [GBP] [USD] [EUR] 1 per Preference Share.

"**Cap**" means [*specify percentage*] per cent.

"**Clearing System Business Day**" means in relation to an Underlying, any day on which the principal domestic clearing systems customarily used for settling trades in securities comprising such Underlying 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.

"**Closing Value**" means (a) with respect to an Underlying other than a Multiple Exchange Index, the level of such Underlying as determined by the Calculation Agent as of the Valuation Time or (b) with respect to a Multiple Exchange Index, the official closing level of such Underlying as calculated and published by the Index Sponsor, in each case on the relevant Valuation Date [,] [or] [Averaging Date] [or] [Observation Date] [(as applicable)].

"**Component Security**" means with respect to an Underlying, each component security of that Underlying.

"**Disrupted Day**" means (a) in respect of an Underlying (other than a Multiple Exchange Index), any Scheduled Trading Day in respect of such Underlying 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 Underlying has occurred or (b) in respect of a Multiple Exchange Index, any Scheduled Trading Day in respect of such Underlying on which (i) the Index Sponsor fails to publish the level of the Underlying; (ii) any Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event in respect of such Underlying has occurred.

"**Early Closure**" means (a) in respect of an Underlying (other than a Multiple Exchange Index), 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 Underlying 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 such Exchange(s) or Related Exchange(s) system for execution at the Valuation Time on such Exchange Business Day; or (b) in respect of a Multiple Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any 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 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 (a) in respect of an Underlying, the exchange or quotation system specified as such in relation to such Underlying in the definition of Indices below, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the components of such Underlying have 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 respect 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 definition of Indices below);

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

"**Exchange Disruption**" means (a) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values, on any relevant Exchange(s) for securities that comprise 20 per cent. or more of the level of the Underlying, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying on any relevant Related Exchange; (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 Underlying on any relevant Related Exchange.

"**Final Performance**" means the Reference Performance determined by the Calculation Agent in respect of 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 a Barrier Event has not occurred, the product of (i) the Notional Amount and (ii) an amount calculated by the Calculation Agent in accordance with the following formula:

$$[100\% + \mathrm{Min}\left[\mathrm{Cap}, \mathrm{Participation} \times \mathrm{Max}\left[0, [\mathrm{Final\ Performance} - 100\%]\right]\right]]$$

$$[100\% + \text{Participation} \times \text{Max}[0, [\text{Final Performance} - 100\%]$$

$$[100\% + \text{Min}[\text{Cap}, \text{Participation} \times \text{Max}[0, (\text{Final Performance} - \text{Strike Level})]]$$

$$[100\% + \text{Bonus Amount}]]$$

(b) [if a Barrier Event has occurred, the product of (i) the Notional Amount and (ii) [the Final Performance] [an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{Final Performance} + \text{Bonus Amount}]$$

"**Final Preference Share Redemption Date**" means the date that falls twenty Business Days following the Final Valuation Date on which the Calculation Agent has determined the Final Preference Share Redemption Amount.

"**Final Valuation Date**" means [*specify Valuation Date*] [*if single Underlying*:or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day][*if multiple Underlyings:*or, if such date is not a Scheduled Trading Day in respect of an Underlying, the Final Valuation Date in respect of such Underlying shall be the next date which is a Scheduled Trading Day in respect of such Underlying], subject to the provisions of Condition 12 (*Consequences of Disrupted Days*).

"**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 Determination Date**" means, in relation to an Underlying, a date on which such Underlying falls to be determined in accordance with the Conditions;

"**Index Related Payment Date**" means, in relation to an Underlying and an Index Determination Date, any payment date under the Preference Shares for which the amount payable is calculated by reference to such Underlying as determined on such Index Determination Date;

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

"**Initial Value**" means, in respect of an Underlying and subject to the Adjustment Provisions, [the level specified as such in the definition of Underlying] [the Reference Value as determined with respect to the Strike Date].

["**Intraday Value**" means, in respect of a Barrier Valuation Date and (a) an Underlying other than a Multiple Exchange Index, the level of such Underlying as determined by the Calculation Agent as of any time or (b) with respect to an Underlying which is a Multiple Exchange Index, the level of such Underlying as of any time as calculated and published by the Index Sponsor, in each case during such Barrier Valuation Date.]

"**Issue Date**" means [*specify issue date of preference shares*].

"**Market Disruption Event**" means (a) in respect of an Underlying, 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 such Underlying exists at any time, if a Market Disruption Event occurs in respect of a component of such Underlying at any time, then the relevant percentage contribution of that security to the level of such Underlying shall be based on a comparison of (x) the portion of the level of such Underlying attributable to that security and (y) the overall level of such Underlying, in each case immediately before the occurrence of such Market Disruption Event or (b) with respect to a Multiple Exchange Index, either:

(a) (1) the occurrence or existence, in respect of any Component Security, of (aa) a Trading Disruption, OR (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, OR (cc) an Early Closure, AND (2) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Underlying; OR

(b) the occurrence or existence, in respect of futures or options contracts relating to the Underlying 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 the Underlying shall be based on a comparison of (x) the portion of the level of the Underlying attributable to that Component Security to (y) the overall level of the Underlying, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

"**Multiple Exchange Index**" means an Underlying identified or specified as such in the definition of Underlying.

"**Notional Amount**" means [GBP] [USD] [EUR] 1.00 per Preference Share.

["**Observation Date**" means each date specified as such in the table below, [*if single Underlying*:or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day][*if multiple Underlyings*:or, if any such date is not a Scheduled Trading Day in respect of an Underlying, such Observation Date in respect of such Underlying shall be the next date which is a Scheduled Trading Day in respect of such Underlying], subject in each case to the provisions of Condition 12 (*Consequences of Disrupted Days*).

Observation Date
[ ]
[ ]

]

["**Participation**" means [*specify percentage*] per cent.]

"**Performance**" means, with respect to an Underlying and [a Barrier Valuation Date][,] [an Observation Date] [or] the Final Valuation Date [(as applicable)], the percentage (rounded to the nearest four decimal places (with 0.00005 being rounded up)) determined by the Calculation Agent in respect of such Underlying and such Valuation Date [or Observation Date] in accordance with the following formula:

$$\frac{Reference\ Value}{Initial\ Value}$$

"**Reference Performance**" means, with respect to [a Barrier Valuation Date][,] [an Observation Date] [or] the Final Valuation Date [(as applicable)], the Performance of the [*if worst of:*Worst Performing] Underlying in respect of such Final Valuation Date [or Observation Date (as applicable)], as determined by the Calculation Agent.

["**Reference Value**" means, with respect to an Underlying and a Valuation Date [or an Observation Date (as applicable)], the Closing Value of such Underlying on such Valuation Date [or Observation Date (as applicable).]

["**Reference Value**" means, with respect to an Underlying and:

(a) the Strike Date, [the Closing Value of such Underlying on such Strike Date][the arithmetic average of the Closing Values of such Underlying over the Averaging Dates specified in respect of the Strike Date, as determined by the Calculation Agent and rounded to the nearest four decimal places (with 0.00005 being rounded up)];

(b) each Observation Date, the Closing Value of such Underlying on such Observation Date; [and]

(c) [a Barrier Valuation Date, the Intraday Value of such Underlying as of any time during such Barrier Valuation Date, as determined by the Calculation Agent;][each Barrier Valuation Date, the Closing Value of such Underlying on each such Valuation Date;] [and]

(d) the Final Valuation Date, [the Closing Value of such Underlying on such Final Valuation Date.][the arithmetic average of the Closing Values of such Underlying over the Averaging Dates specified in respect of the Final Valuation Date, as determined by the Calculation Agent and rounded to the nearest four decimal places (with 0.00005 being rounded up).]]

"**Related Exchange**" means, in respect of an Underlying, 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 Underlying 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 Underlying 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 Underlying as on the original Related Exchange).

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

"**Relevant Nominating Body**" means, in respect of an Underlying:

(a) the central bank for the currency in which the Underlying is denominated or any central bank or other supervisor which is responsible for supervising either the Underlying or the administrator of the Underlying; 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 Underlying is denominated, (ii) any central bank or other supervisor which is responsible for supervising either the Underlying or the administrator of the Underlying, (iii) a group of those central banks or other supervisors or (iv) the Financial Stability Board or any part thereof;

"**Replacement Index**" has the meaning given to it in Condition [13(c)(ii)(A)] [13(c)(i)(A)] (*Consequences of an Administrator/Benchmark Event*).

["**Scheduled Averaging Date**" means any original date 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 Observation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.]

"**Scheduled Trading Day**" means (a) in respect of an Underlying (other than a Multiple Exchange Index), any day on which the relevant Exchange and the relevant Related Exchange for such Underlying are scheduled to be 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) in respect of a Multiple Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Underlying and (ii) each relevant Related Exchange for such Underlying is scheduled to be open for trading for its regular trading session.

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

"**Settlement Currency**" means [Pounds sterling ("**GBP**")] [euros ("**EUR**")] [U.S. dollar ("**USD**")].

"**Settlement Cycle**" means, in respect of an Underlying the period of Clearing System Business Days following a trade in the securities underlying such Underlying on the relevant Exchange in which settlement will customarily occur according to the rules of such Exchange (or, in respect of a Multiple Exchange Index, the longest of such period).

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

"**Specified Maximum Number of Disrupted Days**" means the [*insert number of days*] [eighth] Scheduled Trading Days;

["**Strike Date**" means [*specify Strike Date*] [*if single Underlying:* or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day for such Underlying][*if multiple Underlyings:* or, if such date is not a Scheduled Trading Day in respect of an Underlying, the Strike Date in respect of such Underlying shall be the next date which is a Scheduled Trading Day in respect of such Underlying], subject to the provisions of Condition 12 (*Consequences of Disrupted Days*).]

["**Strike Level**" means [***specify percentage***] per cent.]

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

["**Euro Business Day**" or "**TARGET Settlement Day**" means a day on which T2 is open for settlement of payments in euro.]

"**Trading Disruption**" means (a) with respect to an Underlying (other than 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) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Underlying, or (ii) in futures or options contracts relating to the relevant Underlying 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 relevant Underlying on any relevant Related Exchange.

"**Underlying**" or "**Index**" means, subject to Adjustment Provisions, the following [index][indices (each an Index or Underlying and together, the "**Underlyings**" or "**Indices**")]:

Underlying / Index	**[Bloomberg Ticker]**	**Exchange**	**[Initial Value]**
[*specify relevant index*]		[ ] [The Index is a Multiple Exchange Index]	[*specify relevant index level*]
[*specify relevant index*]		[ ] [The Index is a Multiple Exchange Index]	[*specify relevant index level*]

"**Valuation Date**" means each of the Strike Date[, each Barrier Valuation Date] and the Final Valuation Date, subject in each case to the provisions of Condition 12 (*Consequences of Disrupted Days*).

"**Valuation Time**" means:

(a) in respect of an Underlying (other than a Multiple Exchange Index), the level of which falls to be determined on any date, the Scheduled Closing Time on the relevant Exchange on such date as determined by the Calculation Agent. If the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time; or

(b) in respect of a Multiple Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on the Underlying, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Underlying is calculated and published by the Index Sponsor.

["**Worst Performing Underlying**" means, in respect of [a Barrier Valuation Date][,] [or] [an Observation Date or] the Final Valuation Date [as applicable], the Underlying for which the Performance is lowest amongst each of the Underlyings in respect of such date, as determined by the Calculation Agent. In the event that the Performance for the two or more lowest performing Underlyings is the same, the Calculation Agent shall determine which of such Underlyings is the Worst Performing Underlying in its sole and absolute discretion, and such Underlying as so selected shall be deemed to be the Worst Performing Underlying;]

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] [USD] [EUR] 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 this Condition 2.3 (*Company Call*), 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 this Condition 2.4 (*Shareholder Put*), 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 (*Early Redemption if there is an Early Preference Share Redemption Event*) 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 acting in good faith and in a commercially reasonable manner.

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 the Underlying or Underlyings and in these circumstances the Calculation Agent also may exercise certain discretions acting in good faith and in a commercially reasonable manner.

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 shall be 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 acting in good faith and a commercially reasonable manner.

12. **Consequences of Disrupted Days**

If any Scheduled Valuation Date[,] [or] [Scheduled Observation Date] [,][or] [Scheduled Averaging Date] [(as applicable)] [in respect of an Underlying is a Disrupted Day in respect of such Underlying, then the relevant Valuation Date [,] [or] [Observation Date][,] [or] [Averaging Date][, as the case may be,] for such Underlying shall be the first succeeding Scheduled Trading Day for such Underlying that is not a Disrupted Day relating to that Underlying, unless each of the Specified Maximum Number of Disrupted Days for such Underlying immediately following the relevant Scheduled Valuation Date[,] [or] [Scheduled Observation Date] [,][or] [Scheduled Averaging Date] [(as applicable)] is a Disrupted Day relating to that Underlying (the "**Limit Date**"). In that case, (a) that Limit Date shall be deemed to be the relevant Valuation Date[,][or] [Observation Date] [or] [Averaging Date], as the case may be, for the relevant Underlying, notwithstanding the fact that such day is a Disrupted Day for such Underlying, and (b) the Calculation Agent shall determine the level of such Underlying as of the Valuation Time on that Limit Date in accordance with (subject to the Adjustment Provisions), the formula for and method of calculating that Underlying 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 Limit Date of each security comprised in that Underlying (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that Limit Date, its good faith estimate of the value for the relevant security as of the Valuation Time on that Limit Date).

13. **Adjustments**

(a) ***Successor Index***

If a relevant Underlying is (i) not calculated and announced by the Index Sponsor but is calculated and published by a successor to that 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 such Underlying, then in each case that Underlying (the "**Successor Index**") will be deemed to be the Underlying.

(b) ***Index Adjustment Events***

If (i) on or prior to the a Valuation Date[,] [or] [Observation Date][,] [or] [Averaging Date] [(as applicable)], the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating the relevant Underlying or in any other way materially modifies the Underlying (other than a modification prescribed in the formula or method to maintain that Underlying in the event of changes in its constituent securities, capitalisation and other routine events) (an "**Index Modification**") or permanently cancels that Index and no Successor Index exists (an "**Index Cancellation**") or (ii) on the relevant Valuation Date[,] [or] [Observation Date][,] [or] [Averaging Date], as the case may be, such Index Sponsor or, if applicable, the Successor Index Sponsor, fails to calculate and announce the relevant Closing Value (an "**Index Disruption**") or (iii) at any time an Administrator/Benchmark Event occurs (together with an Index Modification, an Index Cancellation and an Index Disruption, 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 relevant Valuation Date[,] [or] [Observation Date][,] [or] [Averaging Date], as the case may be, until the relevant Index Adjustment Event no longer exists or (iii) determining the Closing Value for such Index for each date following such change, failure or cancellation on which the Closing Value is required for the purposes of the Preference Shares, using, in lieu of a published level for that Underlying, the level for that Underlying on such date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Underlying last in effect prior to the change, failure or cancellation, but using only those securities that comprised such Underlying immediately prior to that Index Adjustment Event and (B) in the case of an Index Cancellation or an Administrator/Benchmark Event, 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*).

(c) ***Consequences of an Administrator/Benchmark Event***

(i) If the Calculation Agent determines that an Administrator/Benchmark Event has occurred in relation to a relevant Underlying, then[:

(A) unless the Calculation Agent determines that replacing the Underlying with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Underlying shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from such date as the Calculation Agent shall determine (acting in good faith and in a commercially reasonable manner); and

(B) the Calculation Agent shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Preference Shares of referencing the Alternative Pre-nominated Index in place of such Underlying including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Preference Shares; and]

(ii) [if the Calculation Agent determines that replacing the Underlying with the Alternative Pre-nominated Index would not produce a commercially reasonable result,] the Calculation Agent shall do any of the following:

(A) determine that references to such Underlying shall be deemed to be replaced by references to such index, benchmark or price source as the Calculation Agent determines would have the effect of placing the Company and/or the issuer of any Related Financial Product in an economically equivalent position to that which it would have been in had the Administrator/Benchmark Event not occurred (the "**Replacement**

Index") (and in making such determination the Calculation Agent 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 Underlying and which is formally designated, nominated or recommended by the administrator or sponsor of the Underlying 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 Underlying), in which case:

(1) references to such Underlying shall be deemed to be replaced with references to such Replacement Index with effect from such date as the Calculation Agent shall determine (acting in good faith and in a commercially reasonable manner); and

(2) the Calculation Agent shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Preference Shares of referencing the Replacement Index in place of such Underlying including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Preference Shares; or

(B) follow the steps for determining the relevant level of the Affected Index set out in Condition 13(b) (*Index Adjustment Events*) as if the Administrator/Benchmark Event were an Index Cancellation;

(C) determine that the Preference Shares shall be redeemed in accordance with Condition 3 (*Early Redemption if there is an Early Preference Share Redemption Event*);

provided, **however**, **that** if (x) it is or would be unlawful at any time under applicable law or regulation or (y) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Preference Shares, then such provision shall not apply and the Calculation Agent shall not make such determination (as the case may be) and the Calculation Agent shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements.

(iii) In making any determination under this Condition 13(c), the Calculation Agent shall take account of such facts and circumstances as it considers relevant, including, without limitation, any determinations made in respect of any hedging arrangements in relation to any Related Financial Product (including in respect of any termination or re-establishment of hedging arrangements) and the funding costs of the issuer of any Related Financial Product.

(iv) If the Calculation Agent is not able to determine the Underlying in accordance with the provisions of this Condition 13(c) on any Index Determination Date, then the Index Determination Date shall be postponed to such date as it is able to make such determination and any Index Related Payment Date will also be postponed, if needed, such that the Index Related Payment Date shall fall at least three (3) Business Days following the postponed Index Determination Date.

(v) No further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 13(c).

(vi) The Calculation Agent shall promptly following the determination of any replacement for an Underlying pursuant to this Condition 13(c) give notice thereof and of any changes pursuant to paragraph [(i)(B) and (ii)(A)(2)] [(i)(A)(2)] (as applicable) to the Company and the holders of the Preference Shares.

(vii) Without prejudice to the provisions of Condition 13(b) (*Index Adjustment Events*) in relation to an Index Modification, if the definition, methodology or formula for an Underlying, or other means of calculating the Underlying, is changed, then references to such Underlying shall be to such Underlying as so changed.

14. **Additional Disruption Events**

14.1 Following the occurrence of an Additional Disruption Event, the Calculation Agent will determine whether or not the Preference Shares shall continue or be redeemed early.

14.2 If the Calculation Agent determines that the Preference Shares shall continue, the Calculation Agent may make such adjustment as it 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.

14.3 If the Calculation Agent 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*).

14.4 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 any Underlying 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 Counterparty in order to hedge, individually or on a portfolio basis, the Preference Shares or any Related Financial Product relating to any Underlying 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 or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Company and/or any Hedging Counterparty after using commercially reasonable efforts and acting in good faith, to wholly or partially (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 risk (including, without limitation, any equity, dividend or currency 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 (B) realise, recover, receive, transfer 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 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 the equity or any 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 (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 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 an Underlying 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 such 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 Indices 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.

(B) ***Pro forma*** **Preference Share Terms and Conditions for Autocallable Redemption Notes and Autocallable Redemption Notes with Additional Digital Amount**

Series [specify series number] Preference Share Terms and Conditions

The following are the terms and conditions (the "**Conditions**") of the Series [*specify series number*] Index-linked redeemable preference shares (the "**Preference Shares**") issued by UKSED3P Investments Limited (the "**Company**") on [*specify issue date of the preference shares*]. 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**

[*if daily:*"**Actual Days**" means, with respect to the Triggered Autocall Valuation Date, the total number of calendar days from (and including) [*specify date*] to (and including) such Triggered Autocall Valuation Date.]

["**Additional Digital Amount**" means, in respect of an Autocall Valuation Date or the Final Valuation Date (as applicable), the sum of all Digital Amounts for all Digital Valuation Dates up to and including the latest such Digital Valuation Date (numbered "k"), and is equal to the following expressed as a formula:

$$\sum_{i=1}^{k} Digital\ Amount_k$$

]

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

"**Administrator/Benchmark Event**" means, in respect of any Series of Preference Shares and an Underlying, an event or circumstance which has the effect that the Company, the Calculation Agent or any Hedging Counterparty is not or will not be permitted under any applicable law or regulation to use such Underlying to perform its or their obligations under the Preference Shares or any Related Financial Product.

"**Affected Index**" means the Underlying affected by an Administrator/Benchmark Event.

"**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.

["**Alternative Pre-nominated Index**" means, in respect of an Underlying, the first of the following indices, benchmarks or other price sources which is not subject to an Administrator/Benchmark Event: [***specify***]]

"**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.

["**Autocall Annual Rate**" means [*specify percentage rate*].]

"**Autocall Event**" means an event which will be deemed to have occurred in relation to an Autocall Valuation Date if, in the determination of the Calculation Agent, the relevant Reference Performance is greater than or equal to the relevant Autocall Level, each as determined or specified in respect of such Autocall Valuation Date (such Autocall Valuation Date, the "**Triggered Autocall Valuation Date**").

"**Autocall Level**" means, in respect of [*if daily:*each Autocall Valuation Date, [*specify percentage*].] [*if periodic:*an Autocall Valuation Date, the percentage specified as such for such Autocall Valuation Date in the table below:

Autocall Valuation Date	Autocall Level	Autocall Rate
[*specify date*]	[*specify relevant percentage*]%	[*specify relevant percentage*]%
[*specify date*]	[*specify relevant percentage*]%	[*specify relevant percentage*]%
[*specify date*]	[*specify relevant percentage*]%	[*specify relevant percentage*]%
[*specify date*]	[*specify relevant percentage*]%	[*specify relevant percentage*]%
[*specify date*]	[*specify relevant percentage*]%	[*specify relevant percentage*]%

]

"**Autocall Rate**" means, in respect of the Triggered Autocall Valuation Date, [*if periodic autocall:* the percentage specified as such for such Autocall Valuation Date in the definition of Autocall Level above.][*if daily autocall:* the percentage (rounded to the nearest four decimal places (with 0.00005 being rounded up)) determined by the Calculation Agent in respect of such Triggered Autocall Valuation Date in accordance with the following formula:

$$100\% + [Autocall\ Annual\ Rate \times \frac{Actual\ Days}{Day\ Count\ Divisor}]$$

]

"**Autocall Valuation Date**" means each [*if periodic:*date specified as such in the definition of Autocall Level, [*if single Underlying:* or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day][*if multiple Underlyings:*or, if any such date is not a Scheduled Trading Day in respect of an Underlying, such Autocall Valuation Date in respect of such Underlying shall be the next date which is a Scheduled Trading Day in respect of such Underlying]] [*daily and single Underlying:*Scheduled Trading Day during the Autocall Valuation Period][*if daily and multiple Underlyings:*each date during the Autocall Valuation Period which is a Scheduled Trading Day in respect of all Underlyings], subject in each case to the provisions of Condition 12 (*Consequences of Disrupted Days*).

[*if daily*:"**Autocall Valuation Period**" means the period from (and including) [*specify date*] to (but excluding) the Final Valuation Date.]

["**Averaging Dates**" means, in respect of[:]

(a) [the Strike Date, [*specify each Averaging Date in respect of the Strike Date*]] [and]

(b) [the Final Valuation Date, [*specify each Averaging Date in respect of the Final Valuation Date*]]

[*if single Underlying:*or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day] [*if multiple Underlyings:*or, if any such date is not a Scheduled Trading Day in respect of an Underlying, such Averaging Date in respect of such Underlying shall be the next date which is a Scheduled Trading Day in respect of such Underlying], subject in each case to the provisions of Condition 12 (*Consequences of Disrupted Days*).]

"**Barrier Event**" means an event which will be deemed to have occurred if, in the determination of the Calculation Agent, the [*if European:*Final Performance is][*if daily*:Reference Performance determined in respect of any Barrier Valuation Date during the Barrier Valuation Period is][*if American:*Reference Performance determined on an intraday basis during each Barrier Valuation Date during the Barrier Valuation Period is at any time] less than [or equal to] the Barrier Level.

"**Barrier Level**" means [*specify Barrier Level*] per cent.

["**Barrier Valuation Date** " means each [*if single Underlying:*Scheduled Trading Day during the Barrier Valuation Period][*if multiple Underlyings*:date during the Barrier Valuation Period which is a Scheduled Trading Day in respect of all Underlyings], subject in each case to the provisions of Condition 12 (*Consequences of Disrupted Days*).

"**Barrier Valuation Period**" means the period from (and including) [*specify start date*] to (and including) [*specify end date*].]

"**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] [and] [New York]] [[and] [ ]] [[and] which is a TARGET Settlement Day].

"**Calculation Agent**" means HSBC Continental Europe.

"**Call and Put Period**" means the period commencing on and including the Issue Date to and including the day after [*specify period end date*] or, if such date is not a Business Day, the next following Business Day.

"**Call and Put Redemption Amount**" means [GBP] [USD] [EUR] 1 per Preference Share.

"**Clearing System Business Day**" means in relation to an Underlying, any day on which the principal domestic clearing systems customarily used for settling trades in securities comprising such Underlying 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.

"**Closing Value**" means (a) with respect to an Underlying other than a Multiple Exchange Index, the level of such Underlying as determined by the Calculation Agent as of the Valuation Time or (b) with respect to a Multiple Exchange Index, the official closing level of such Underlying as calculated and published by the Index Sponsor, in each case on the relevant Valuation Date [or Averaging Date (as applicable)].

"**Component Security**" means with respect to an Underlying, each component security of that Underlying.

["**Day Count Divisor**" means [*specify the divisor*].]

["**Digital Amount**" means, in relation to a Digital Valuation Date ("Digital Valuation Date$_k$"), if, in the determination of the Calculation Agent:

(a) the Reference Performance determined in respect of such Digital Valuation Date is greater than or equal to the relevant Digital Level[, the percentage determined by the Calculation Agent in accordance with the following formula]:

[*if conditional Digital Amount without recovery:*

$$Digital\ Amount_k = [specify\ percentage]\%$$

]

[*if recovery Digital Amount:*

$$Digital\ Amount_k = [specify\ percentage]\% \times Recovery\ Factor$$

]

(b) the Reference Performance determined in respect of such Digital Valuation Date is less than the relevant Digital Level:

$$Digital\ Amount_k = 0\%]$$

["**Digital Level**" means, in respect of a Digital Valuation Date, the percentage specified as such for such Digital Valuation Date in the table below:

"k"	Digital Valuation Date	Digital Level
1	[*specify date*]	[*specify relevant digital level*]%
2	[*specify date*]	[*specify relevant digital level*]%
3	[*specify date*]	[*specify relevant digital level*]%
4	[*specify date*]	[*specify relevant digital level*]%
5	[*specify date*]	[*specify relevant digital level*]%

]

["**Digital Valuation Date**" means each date specified as such in the definition of Digital Level, [*if single Underlying:* or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day][*if multiple Underlyings:* or, if any such date is not a Scheduled Trading Day in respect of an Underlying, such Digital Valuation Date in respect of such Underlying shall be the next date which is a Scheduled Trading Day in respect of such Underlying], subject in each case to the provisions of Condition 12 (*Consequences of Disrupted Days*).]

"**Disrupted Day**" means (a) in respect of an Underlying (other than a Multiple Exchange Index), any Scheduled Trading Day in respect of such Underlying 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 Underlying has occurred or (b) in respect of a Multiple Exchange Index, any Scheduled Trading Day in respect of such Underlying on which (i) the Index Sponsor fails to publish the level of the Underlying; (ii) any Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event in respect of such Underlying has occurred.

"**Early Closure**" means (a), in respect of an Underlying (other than a Multiple Exchange Index), 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 Underlying 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 such Exchange(s) or Related Exchange(s) system for execution at the Valuation Time on such Exchange Business Day; or (b) in respect of a Multiple Exchange Index, the closure on any Exchange Business Day of the

Exchange in respect of any Component Security or any 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 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 (a) in respect of an Underlying, the exchange or quotation system specified as such in relation to such Underlying in the definition of Underlying below, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the components of such Underlying have 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 respect 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 definition of Indices below).

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

"**Exchange Disruption**" means (a) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values, on any relevant Exchange(s) for securities that comprise 20 per cent. or more of the level of the Underlying, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying 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 Underlying on any relevant Related Exchange.

"**Final Performance**" means the Reference Performance determined by the Calculation Agent in respect of 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 the Notional Amount *multiplied by*:

(a) if an Autocall Event has occurred:

the relevant Autocall Rate [*plus* the relevant Additional Digital Amount]; or

(b) if an Autocall Event has not occurred and:

(i) if the Final Performance is greater than or equal to the Return Threshold:

[*specify percentage*] per cent. [*plus* the relevant Additional Digital Amount]; or

(ii) if the Final Performance is less than the Return Threshold and:

(A) a Barrier Event has not occurred:

[*specify percentage*] per cent. [*plus* the relevant Additional Digital Amount]; or

(B) a Barrier Event has occurred:

the Final Performance [*plus* the relevant Additional Digital Amount].

"**Final Preference Share Redemption Date**" means the date that falls twenty Business Days following the Final Valuation Date or, if earlier, the first Autocall Valuation Date on which an Autocall Event has occurred, in each case on which the Calculation Agent has determined the Final Preference Share Redemption Amount.

"**Final Valuation Date**" means [*specify Valuation Date*] [*if single Underlying:*or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day][*if multiple Underlyings:*or, if such date is not a Scheduled Trading Day in respect of an Underlying, the Final Valuation Date in respect of such Underlying shall be the next date which is a Scheduled Trading Day in respect of such Underlying], subject to the provisions of Condition 12 (*Consequences of Disrupted Days*).

"**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 Determination Date**" means, in relation to an Underlying, a date on which such Underlying falls to be determined in accordance with the Conditions;

"**Index Related Payment Date**" means, in relation to an Underlying and an Index Determination Date, any payment date under the Preference Shares for which the amount payable is calculated by reference to such Underlying as determined on such Index Determination Date.

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

"**Initial Value**" means, in respect of an Underlying and subject to the Adjustment Provisions, [the level specified as such in the definition of Underlying below] [the Reference Value in respect of such Underlying determined with respect to the Strike Date].

["**Intraday Value**" means, in respect of a Barrier Valuation Date and (a) an Underlying other than a Multiple Exchange Index, the level of such Underlying as determined by the Calculation Agent as of any time or (b) with respect to an Underlying which is a Multiple Exchange Index, the level of such Underlying as of any time as calculated and published by the Index Sponsor, in each case during such Barrier Valuation Date.]

"**Issue Date**" means [*specify issue date of preference shares*].

"**Market Disruption Event**" means (a) in respect of an Underlying, 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 such Underlying exists at any time, if a Market Disruption Event occurs in respect of a component of such Underlying at any time, then the relevant percentage contribution of that security to the level of such Underlying shall be based on a comparison of (x) the portion of the level of such Underlying attributable to that security and (y) the overall level of such Underlying, in each case immediately before the occurrence of such Market Disruption Event or (b) with respect to a Multiple Exchange Index, either:

(a) (1) the occurrence or existence, in respect of any Component Security, of (aa) a Trading Disruption, OR (bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, OR (cc) an Early Closure, AND (2) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Underlying; OR

(b) the occurrence or existence, in respect of futures or options contracts relating to the Underlying 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 the Underlying shall be based on a comparison of (x) the portion of the level of the Underlying attributable to that Component Security to (y) the overall level of the Underlying, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

"**Multiple Exchange Index**" means an Underlying identified or specified as such in the definition of Underlying.

"**Notional Amount**" means [GBP] [USD] [EUR] 1.00 per Preference Share.

"**Performance**" means, with respect to an Underlying and [a Digital Valuation Date,] an Autocall Valuation Date[, a Barrier Valuation Date] or the Final Valuation Date (as applicable), the percentage (rounded to the nearest four decimal places (with 0.00005 being rounded up)) determined by the Calculation Agent in respect of such Underlying and such Valuation Date in accordance with the following formula:

$$\frac{Reference\ Value}{Initial\ Value}$$

["**Recovery Factor**" means, in respect of Digital Valuation Date ("**Digital Valuation Date$_k$**") and the corresponding Digital Amount, the number of Digital Valuation Dates (including Digital Valuation Date$_k$) (i) from (but excluding) the last preceding Digital Valuation Date for which the relevant Reference Performance was greater than or equal to the relevant Digital Level (if any, the "**Relevant Prior Date**") or (ii) if there is no such Relevant Prior Date, from the Issue Date.]

"**Reference Performance**" means, with respect to [a Digital Valuation Date,] an Autocall Valuation Date[, a Barrier Valuation Date] or the Final Valuation Date (as applicable), the Performance of the [*if worst of:*Worst Performing] Underlying in respect of such Valuation Date, as determined by the Calculation Agent.

["**Reference Value**" means, with respect to an Underlying and a Valuation Date, the Closing Value of such Underlying on such Valuation Date.]

["**Reference Value**" means, with respect to an Underlying and:

(a) the Strike Date, [the Closing Value of such Underlying on such Strike Date][the arithmetic average of the Closing Values of such Underlying over the Averaging Dates specified in respect of the Strike Date, as determined by the Calculation Agent and rounded to the nearest four decimal places (with 0.00005 being rounded up)];

(b) [each Digital Valuation Date and] each Autocall Valuation Date, the Closing Value of such Underlying on each such Valuation Date; [and]

(c) [a Barrier Valuation Date, the Intraday Value of such Underlying as of any time during such Barrier Valuation Date, as determined by the Calculation Agent;][each Barrier Valuation Date, the Closing Value of such Underlying on each such Valuation Date;] [and]

(d) the Final Valuation Date, [the Closing Value of such Underlying on such Final Valuation Date.] [the arithmetic average of the Closing Values of such Underlying over the Averaging Dates specified in respect of the Final Valuation Date, as determined by the Calculation Agent and rounded to the nearest four decimal places (with 0.00005 being rounded up).]]

"**Related Exchange**" means, in respect of an Underlying, 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 Underlying 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 Underlying 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 Underlying as on the original Related Exchange).

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

"**Relevant Nominating Body**" means, in respect of an Underlying:

(a) the central bank for the currency in which the Underlying is denominated or any central bank or other supervisor which is responsible for supervising either the Underlying or the administrator of the Underlying; 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 Underlying is denominated, (ii) any central bank or other supervisor which is responsible for supervising either the

Underlying or the administrator of the Underlying, (iii) a group of those central banks or other supervisors or (iv) the Financial Stability Board or any part thereof;

"**Replacement Index**" has the meaning given to it in Condition [13(c)(ii)(A)] [13(c)(i)(A)] (*Consequences of an Administrator/Benchmark Event*).

"**Return Threshold**" means [*specify percentage*] per cent.

["**Scheduled Averaging Date**" means any original date 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 Trading Day**" means (a) in respect of an Underlying (other than a Multiple Exchange Index), any day on which the relevant Exchange and the relevant Related Exchange for such Underlying are scheduled to be 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) in respect to a Multiple Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Underlying and (ii) each relevant Related Exchange for such Underlying is scheduled to be open for trading for its regular trading session.

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

"**Settlement Currency**" means [Pounds sterling ("**GBP**")] [euros ("**EUR**")] [U.S. dollar ("**USD**")].

"**Settlement Cycle**" means in respect of an Underlying, the period of Clearing System Business Days following a trade in the securities underlying such Underlying on the relevant Exchange in which settlement will customarily occur according to the rules of such Exchange (or, in respect of a Multiple Exchange Index, the longest of such period).

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

"**Specified Maximum Number of Disrupted Days**" means the [*insert number of days*] [eighth] Scheduled Trading Day;

["**Strike Date**" means [*specify Strike Date*] [*if single Underlying:* or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day][*if multiple Underlyings:* or, if such date is not a Scheduled Trading Day in respect of an Underlying, the Strike Date in respect of such Underlying shall be the next date which is a Scheduled Trading Day in respect of such Underlying], subject to the provisions of Condition 12 (*Consequences of Disrupted Days*).]

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

["**Euro Business Day**" or "**TARGET Settlement Day**" means a day on which T2 is open for settlement of payments in euro.]

"**Trading Disruption**" means (a) with respect to an Underlying (other than 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) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Underlying, or (ii) in futures or options contracts relating to the relevant Underlying 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 relevant Underlying on any relevant Related Exchange.

"**Underlying**" or "**Index**" means, subject to Adjustment Provisions, the following [index][indices (each an Index or Underlying and together, the "**Underlyings**" or "**Indices**"):

Underlying / Index	[Bloomberg Ticker]	Exchange	[Initial Value]
[*specify relevant index*]	[ ]	[ ] [The Index is a Multiple Exchange Index]	[*specify relevant index level*]
[*specify relevant index*]	[ ]	[ ] [The Index is a Multiple Exchange Index]	[*specify relevant index level*]

"**Valuation Date**" means each of the Strike Date, [each Digital Valuation Date,] each Autocall Valuation Date[, each Barrier Valuation Date] and the Final Valuation Date, subject in each case to the provisions of Condition 12 (*Consequences of Disrupted Days*).

"**Valuation Time**" means:

(a) in respect of an Underlying (other than a Multiple Exchange Index), the level of which falls to be determined on any date, the Scheduled Closing Time on the relevant Exchange on such date as determined by the Calculation Agent. If the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time; or

(b) in respect of a Multiple Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on the Underlying, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Underlying is calculated and published by the Index Sponsor.

["**Worst Performing Underlying**" means, in respect of [a Digital Valuation Date,] an Autocall Valuation Date[, a Barrier Valuation Date] or the Final Valuation Date (as applicable), the Underlying for which the Performance is lowest amongst each of the Underlyings in respect of such date, as determined by the Calculation Agent. In the event that the Performance for the two or more lowest performing Underlyings is the same, the Calculation Agent shall determine which of such Underlyings is the Worst Performing Underlying in its sole and absolute discretion, and such Underlying as so selected shall be deemed to be the Worst Performing Underlying.]

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] [USD] [EUR] 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 or the first Autocall Valuation Date on which an Autocall

Event has occurred, as applicable, 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 this Condition 2.3 (*Company Call*), 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 this Condition 2.4 (*Shareholder Put*), 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 (*Early Redemption if there is an Early Preference Share Redemption Event*) 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 acting in good faith and in a commercially reasonable manner.

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 the Preference Shares and in these circumstances the Calculation Agent also may exercise certain discretions acting in good faith and in a commercially reasonable manner.

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 shall be 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 acting in good faith and in a commercially reasonable manner.

12. **Consequences of Disrupted Days**

If any Scheduled Valuation Date [or Scheduled Averaging Date (as applicable)] in respect of an Underlying is a Disrupted Day in respect of such Underlying, then the relevant Valuation Date [or Averaging Date (as applicable)] for such Underlying shall be the first succeeding Scheduled Trading Day for such Underlying that is not a Disrupted Day relating to that Underlying, unless each of the Specified Maximum Number of Disrupted Days for such Underlying immediately following the relevant Scheduled Valuation Date [or Scheduled Averaging Date (as applicable)] is a Disrupted Day relating to that Underlying (the "**Limit Date**"). In that case, (a) that Limit Date shall be deemed to be the relevant Valuation Date [or Averaging Date (as applicable)] for the relevant Underlying notwithstanding the fact that such day is a Disrupted Day for such Underlying, and (b) the Calculation Agent shall determine the level of such Underlying as of the Valuation Time on that Limit Date in accordance with (subject to the Adjustment Provisions), the formula for and method of calculating that Underlying 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 Limit Date of each security comprised in that Underlying (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that Limit Date, its good faith estimate of the value for the relevant security as of the Valuation Time on that Limit Date).

13. **Adjustments**

(a) ***Successor Index***

If a relevant Underlying is (i) not calculated and announced by the Index Sponsor but is calculated and published by a successor to that 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 such Underlying, then in each case that Underlying (the "**Successor Index**") will be deemed to be the Underlying.

(b) ***Index Adjustment Events***

If (i) on or prior to a Valuation Date [or an Averaging Date (as applicable)] the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating the relevant Underlying or in any other way materially modifies the Underlying (other than a modification prescribed in the formula or method to maintain that Underlying in the event of changes in its constituent securities, capitalisation and other routine events) (an "**Index Modification**") or permanently cancels that Underlying and no Successor Index exists (an "**Index Cancellation**") or (ii) on the relevant Valuation Date [or Averaging Date, as the case may be,] such Index Sponsor or, if applicable, the Successor Index Sponsor, fails to calculate and announce the relevant Closing Value (an "**Index Disruption**") or (iii) at any time an Administrator/Benchmark Event occurs (together with an Index Modification, an Index Cancellation and an Index Disruption, 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 relevant Valuation Date [or Averaging Date, as the case may be,] until the relevant Index Adjustment Event no longer exists or (iii) determining the Closing Value for such Underlying for each date following such change, failure or cancellation on which the Closing Value is required for the purposes of the Preference Shares, using, in lieu of a published level for that Underlying, the level for that Underlying on such date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Underlying last in effect prior to the change, failure or cancellation, but using only those securities that comprised such Underlying immediately prior to that Index Adjustment Event and (B) in the case of an Index Cancellation or an Administrator/Benchmark Event, 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*).

(c) ***Consequences of an Administrator/Benchmark Event***

(i) If the Calculation Agent determines that an Administrator/Benchmark Event has occurred in relation to a relevant Underlying, then[:

(A) unless the Calculation Agent determines that replacing the Underlying with the Alternative Pre-nominated Index would not produce a commercially reasonable result, references to such Underlying shall be deemed to be replaced with references to the Alternative Pre-nominated Index with effect from such date as the Calculation Agent shall determine (acting in good faith and in a commercially reasonable manner); and

(B) the Calculation Agent shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Preference Shares of referencing the Alternative Pre-nominated Index in place of such Underlying including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Preference Shares; and]

(ii) [if the Calculation Agent determines that replacing the Underlying with the Alternative Pre-nominated Index would not produce a commercially reasonable result,] the Calculation Agent shall do any of the following:

(A) determine that references to such Underlying shall be deemed to be replaced by references to such index, benchmark or price source as the Calculation Agent determines would have the effect of placing the Company and/or the issuer of any Related Financial Product in an economically equivalent position to that which it would have been in had the Administrator/Benchmark Event not occurred (the "**Replacement Index**") (and in making such determination the Calculation Agent 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 Underlying and which is formally designated, nominated or recommended by the administrator or sponsor of the Underlying 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 Underlying), in which case:

(1) references to such Underlying shall be deemed to be replaced with references to such Replacement Index with effect from such date as the Calculation Agent shall determine (acting in good faith and in a commercially reasonable manner); and

(2) the Calculation Agent shall make such other adjustments to the Conditions as it determines are necessary to account for the effect on the Preference Shares of referencing the Replacement Index in place of such Underlying including, without limitation, to any variable, margin, calculation methodology, valuation, settlement, payment terms or any other terms of the Preference Shares; or

(B) follow the steps for determining the relevant level of the Affected Index set out in Condition 13(b) (*Index Adjustment Events*) as if the Administrator/Benchmark Event were an Index Cancellation;

(C) determine that the Preference Shares shall be redeemed in accordance with Condition 3 (*Early Redemption if there is an Early Preference Share Redemption Event*);

provided, **however**, **that** if (x) it is or would be unlawful at any time under applicable law or regulation or (y) it would contravene any applicable licensing requirements, in each case, for any of the above provisions or determinations to apply to the Preference Shares, then such provision shall not apply and the Calculation Agent shall not make such determination (as the case may be) and the Calculation Agent shall instead take any of the above actions that complies with the applicable law, regulation or licensing requirements.

(iii) In making any determination under this Condition 13(c), the Calculation Agent shall take account of such facts and circumstances as it considers relevant, including, without limitation, any determinations made in respect of any hedging arrangements in relation to any Related Financial Product (including in respect of any termination or re-establishment of hedging arrangements) and the funding costs of the issuer of any Related Financial Product.

(iv) If the Calculation Agent is not able to determine the Underlying in accordance with the provisions of this Condition 13(c) on any Index Determination Date, then the Index Determination Date shall be postponed to such date as it is able to make such determination and any Index Related Payment Date will also be postponed, if needed, such that the Index Related Payment Date shall fall at least three (3) Business Days following the postponed Index Determination Date.

(v) No further payment on account of interest or otherwise shall be due in respect of any payment postponed pursuant to this Condition 13(c).

(vi) The Calculation Agent shall promptly following the determination of any replacement for an Underlying pursuant to this Condition 13(c) give notice thereof and of any changes pursuant to paragraph [(i)(B) and (ii)(A)(2)] [(i)(A)(2)] (as applicable) to the Company and the holders of the Preference Shares.

(vii) Without prejudice to the provisions of Condition 13(b) (*Index Adjustment Events*) in relation to an Index Modification, if the definition, methodology or formula for an Underlying, or other means of calculating the Underlying, is changed, then references to such Underlying shall be to such Underlying as so changed.

14. **Additional Disruption Events**

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

(b) If the Calculation Agent determines that the Preference Shares shall continue, the Calculation Agent may make such adjustment as it 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 Calculation Agent 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 any Underlying 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 Counterparty in order to hedge, individually or on a portfolio basis, the Preference Shares or any Related Financial Product relating to any Underlying 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 or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Company and/or any Hedging Counterparty after using commercially reasonable efforts and acting in good faith, to wholly or partially (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 risk (including, without limitation, any equity, dividend or currency 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 (B) realise, recover, receive, transfer 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 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 the equity or any 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 (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 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 an Underlying 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 such 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 an Underlying 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.

USE OF PROCEEDS

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

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

TAXATION

This section provides a summary of the withholding tax position in relation to the Notes in the United Kingdom.

Transactions involving the Notes 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 should consult their own tax advisers.

United Kingdom Taxation – Notes

*The following is a summary of certain aspects of United Kingdom taxation as at the date hereof including the potential qualification of the Notes as "excluded indexed securities" and issues relating to the Notes withholding taxation treatment in relation to payments of principal and interest and certain other payments in respect of the Notes. It is based on current law and the published practice of His Majesty's Revenue and Customs ("**HMRC**"), which may not be binding on HMRC and which may be subject to change, sometimes with retrospective effect. The comments do not deal with any other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. 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) ***Qualification of the Notes as "Excluded Indexed Securities"***

Noteholders who are individuals resident in the United Kingdom or who will otherwise be within the scope to United Kingdom tax in respect of the Notes should note that some Notes linked to Preference Shares may qualify as "excluded indexed securities" within the meaning of section 433 of the Income Tax (Trading and Other Income) Act 2005.

A Note may qualify as an "excluded indexed security" if the amount payable on redemption is determined by applying to the amount for which the security was issued the percentage change (if any) over the security's redemption period in the value of chargeable assets of a particular description.

The Issuer expects that the Preference Shares will be "chargeable assets" for these purposes. Whether or not any particular Series of Notes linked to Preference Shares will qualify as "excluded indexed securities" will therefore generally depend on whether for United Kingdom tax purposes they are treated as redeeming for an amount equal to their Issue Price increased or decreased (as relevant) by the percentage change in the value of the Preference Shares over their redemption period.

Noteholders should note that profits or gains made on a disposal or redemption of "excluded indexed securities" held for investment purposes are normally subject to capital gains tax. Profits and gains made on a disposal or redemption of Notes that do not qualify as "excluded indexed securities" would normally be subject to income tax.

The Issuer cannot advise investors on the proper classification of the Notes or any Series of Notes. Prior to purchasing the Notes, investors should discuss with their professional advisers how such purchase would or could affect them. Noteholders with any questions regarding whether any Notes qualify as "excluded indexed securities" or otherwise regarding the impact of an investment in the Notes on their tax position should consult their tax advisers.

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

1. Any payments made with respect to the Notes which are considered to be 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 in some circumstances be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax.

2. Notes issued by the Issuer which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of Section 1005 of the Income Tax Act 2007 (the "**Income Tax Act**") for the purposes of Section 987 of the Income Tax Act) or admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange (within the meaning of Section 987 of the Income Tax Act). Whilst the Notes are and continue to be quoted Eurobonds, payments on such Notes which are considered to be payments of interest for United Kingdom tax purposes may be made without withholding or deduction for or on account of United Kingdom income tax. 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. The London Stock Exchange is a recognised stock exchange for these purposes, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom official list and admitted to trading on the regulated market of the London Stock Exchange.

3. In addition to the exemptions set out in paragraphs 1 and 2 above, payments on the Notes which are considered to be interest for United Kingdom taxation purposes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of Section 878 of the Income Tax Act and so long as such payments are made by the Issuer in the ordinary course of its business.

4. In all other cases, falling outside the exemptions described in paragraphs 1, 2 and 3 above, payments on the Notes which are considered to be interest for United Kingdom tax purposes may fall to be paid under deduction of United Kingdom income tax at the relevant rate (currently at the basic rate of 20 per cent., and on and after 6 April 2027 at the savings basic rate of 22 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.

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

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

(D) ***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 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 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 13 (*Meetings of Noteholders, Modification and Substitution*) of the Notes and does not consider the tax consequences of any such substitution.

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, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, 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, 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 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*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes 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. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE OF NOTES

This section 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.

General

(1) The Dealer has, in a Master Note Issuance Agreement, agreed with the Issuer a basis upon which it may from time to time agree either as principal or agent of the Issuer to subscribe for or purchase, to underwrite or, as the case may be, to procure subscribers or purchasers for Notes. When entering into any such agreement to subscribe for or purchase, to underwrite, or as the case may be, to procure subscribers for or purchasers for any particular Series of Notes, the Issuer and the relevant Dealer(s) will agree details relating to the form of such Notes and the Conditions relating to such Notes, the price at which such Notes will be purchased by the relevant Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription or purchase. The Master Note Issuance Agreement contains provisions for the Issuer to appoint other Dealers from time to time either generally in respect of the Programme or in relation to a particular Tranche of Notes.

(2) No action has been or will be taken in any country or jurisdiction by the Issuer or the relevant Dealer(s) that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required other than in the United Kingdom. Persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the relevant Dealer(s) to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute this Base Prospectus or any Final Terms or related offering material, in all cases at their own expense.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Notes which are the subject of the offering contemplated by this Base Prospectus, as completed by the Final Terms in relation thereto, may not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Public Offer Selling Restriction under the POATRs

Notes which are the subject of this Base Prospectus, as completed by the Final Terms in relation thereto, may not be offered to the public in the United Kingdom except:

(a) *Offer conditional on admission to trading*: at any time where the offer is conditional on the admission of the Notes to trading on the London Stock Exchange plc's main market (in reliance on the exception in paragraph 6(a) of Schedule 1 to the POATRs);

(b) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(c) *Fewer than 150 offerees*: at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) *Other exempt offers*: at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes and the expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024.

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.

Gibraltar

An invitation or inducement to enter or offer to enter into an agreement the making or performance of which by either party constitutes (i) the carrying on of a regulated activity; (ii) a restricted activity; or (iii) exercising any rights conferred by a controlled investment to acquire, dispose of, underwrite or convert a controlled investment (within the meaning of section 12 of the Financial Services Act 2019 of Gibraltar (the "**FSA19**")) may only be communicated or caused to be communicated in connection with the issue or sale of Notes in circumstances in which section 12(1), (1A) or (1B) of the FSA19 would not, if it was not an authorised person, apply to the Issuer.

All applicable provisions of the FSA19 and the Financial Services (Restricted Promotions) Regulations 2025 (as amended or re-enacted) (to the extent that they apply) must be complied with in respect of anything done in connection with the Notes in, from or otherwise involving Gibraltar.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in Gibraltar where the issuance or marketing of such Notes are subject to the supervision of the Gibraltar Financial Services Commission (the "**GFSC**") and to the Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of section 6 of the European Union (Withdrawal) Act 2019 of Gibraltar (the "**Gibraltar PRIIPS Regulations**"). Consequently, the requirements of the Gibraltar PRIIPS Regulations in respect of Packaged Retail Investment Products have not been met and therefore offering or selling the Notes in or from Gibraltar may not be permitted without complying with the requirements set out in the Gibraltar PRIIPS Regulations and other applicable laws and regulations in Gibraltar.

Guernsey

The Notes may only be offered or sold in, or from within the Bailiwick of Guernsey either (i) to or by persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 or (ii) to persons licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 2020 or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002 or (iv) to persons licensed under the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 or (v) to licensees under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020 or (vi) to persons licensed under the Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022.

This Base Prospectus has not been registered with the Guernsey Financial Services Commission and it is not intended that this Base Prospectus will be registered with the Guernsey Financial Services Commission under the Prospectus Rules and Guidance, 2021, on the basis that an offer will be in respect of Notes to be listed on the London Stock Exchange.

Where the Notes are not to be so listed and traded, the offer will not be made to the public in Guernsey. Therefore, the number of persons in Guernsey to whom an offer for Notes that are not listed on the London Stock Exchange is so communicated must not exceed fifty.

Isle of Man

Each Dealer appointed under the Programme (other than the Issuer) will be required to represent and agree that it shall only offer or sell Notes in or from the Isle of Man if it holds an appropriate financial services licence issued by the Isle of Man Financial Services Authority (the "**FSA**") under section 7 of the Isle of Man Financial Services Act 2008 (the "**FS Act**") or, where it does not hold such a licence, it shall only offer or sell Notes to an "Isle of Man person" (within the meaning of the Isle of Man Regulated Activities Order 2011, as amended (the "**Order**")) where it is an "overseas person" (within the meaning of the Order) who is authorised to offer and sell the Notes by a regulator outside the Isle of Man and either (i) the offer or sale of the Notes is the direct result of an approach made to such Dealer by or on behalf of the Isle of Man person which has not been solicited by such Dealer (otherwise than by means of an advertisement which is neither targeted at Isle of Man persons nor disseminated by a medium which is targeted at Isle of Man persons); or (ii) the Isle of Man person: (A) holds a licence issued by the FSA under section 7 of the FS Act to carry on a regulated activity; or (B) is a person falling within exclusion 2(r) contained in Schedule 1 to the Order; or (C) is a person whose ordinary business activities involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of his business.

Jersey

No consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958 ("**COBO**") has been obtained in relation to the circulation in Jersey of any offer of Notes. Accordingly, Notes may not be offered to any person in Jersey who is a "retail investor", as defined in COBO.

United States of America

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

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Master Note Issuance Agreement:

(1) if "40-day Distribution Compliance Period" is specified as not applicable in the relevant Final Terms, (a) it will not offer, sell or deliver Notes at any time (whether as part of their distribution at any time or otherwise) within the United States or to, or for the account or benefit of, U.S. persons and (b) it will send to each dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons; and

(2) otherwise, (a) it will not offer, sell or deliver Notes, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Notes of a Tranche, 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 (a)(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 Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

INDEX DISCLAIMERS

This section sets out disclaimers which may be applicable in respect of an issue of Notes which are linked to the performance of Preference Shares which are linked to the performance of an index.

Where a Series of Notes relates to any Preference Shares which are linked to an Index and no specific statement is included in the Final Terms, the following statement will apply to such Series of Notes.

"Notes and Preference Shares (the "**Products**") issued by their respective issuers (together, the "**Products Issuers**") are not sponsored, endorsed, sold or promoted by any index sponsor or the affiliates of any such index sponsor (collectively, the "**Publisher**"). The Publisher shall not be liable (whether as a result of negligence or otherwise) to any person for any error in the relevant index and the Publisher is under no obligation to advise any person of any error therein. The Publisher does not make any representation or warranty, express or implied, to the prospective investors or any member of the public regarding the advisability of investing in securities generally or in the Products particularly.

The Products Issuers shall have no liability to the holders of any Products for any act or failure to act by any index sponsor in connection with the calculation, adjustment or maintenance of any index relating to any Products. The Products Issuers have no affiliation with or control over any index or any index sponsor or any control over the computation, composition or dissemination of any index. The only relationship the Publisher has with the Issuer is as licensee (the "**Licensee**") regarding the licensing of certain trademarks and trade names of the Publisher and of the relevant index which is determined, composed and calculated without regard to the Licensee or the Products. The Publisher is not responsible for and neither has participated in the determination of the timing of, prices at, or quantities of the Products to be offered or issued or in the determination or calculation of the equation by which the Products to be offered or issued are to be converted into cash or otherwise disposed of. The Publisher does not have any obligation or liability in connection with the administration, marketing or trading of the Products to be offered or issued.

Although each Products Issuer will obtain the relevant information concerning various indices from publicly available sources it believes reliable, it will not independently verify this information.

The provisions of this section are without prejudice to the responsibilities assumed by the Products Issuers in the Base Prospectus.

INFORMATION RELATING TO THE HANG SENG TECH INDEX

A. Strategy of the Index and investment policy

The Hang Seng Tech Index (Bloomberg Ticker: HSTECH) (for the purposes of this section, the "**Index**") is designed to represent the 30 largest technology companies listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**HKEX**"), which have high business exposure to at least one of the following selected technology themes: internet (including mobile), FinTech, cloud computing, e-commerce, digital or autonomous. The Index only includes companies that fall under one of the following industry categories: Industrials, Consumer Discretionary, Healthcare, Financials or Information Technology, pursuant to the Hang Seng Industry Classification System. Potential components must also satisfy at least one of the following innovation criteria: (i) operating a technology-enabled business (e.g. via internet/mobile platform), (ii) maintaining a Research & Development Expense to Revenue Ratio of 5% or greater, or (iii) demonstrating Year-on-Year Revenue Growth of 10% or greater. The Index excludes secondary-listed Foreign Companies and Investment Companies listed under Chapter 21 of HKEX's Listing Rules.

The launch date of the Index is 27 July 2020.

The base date of the Index is 31 December 2014.

The base value of the Index is 3,000.

B. Description of individual selection process of the components weighting factors

To be eligible for inclusion in the Index, a security must first satisfy the eligibility criteria outlined in A. above. The Index Calculation Agent selects the top 30 securities satisfying the eligibility criteria with the highest market value ranking ("**MV Rank**") as Index constituents. The number of constituents is always fixed at 30. The MV Rank is determined by reference to the average daily market value of a security over the past 12 months of any review period, excluding suspended trading days. For securities with a listing history of less than 12 months, the market value is calculated by the Index Calculation Agent as an amount equal to the average of daily market values since listing. A buffer zone mechanism applies to the Index whereby existing constituents ranked lower than 36th will be removed from the Index, while non-constituents ranked 24th or above will be included. Securities will be added or excluded according to their MV Rank to maintain the number of constituents at 30.

The Index is weighted based on the free float-adjusted market capitalisation of the constituents. The market capitalisation of each constituent company is adjusted to reflect the proportion of shares that are freely available for trading in the market. The maximum individual weighting of (i) non-foreign company constituents is capped at 8% and (ii) foreign company constituents is capped at 4% (with a maximum aggregate weighting of 10%). The caps applied are dependent on the closing prices of the constituent companies observed three trading days prior to the regular index rebalancing date.

C. Method and formulae for calculation

The level of the Index will be calculated in accordance with the method and formulae described in the Index Methodology General Guide for the Hang Seng Family of Indexes (see: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_methodology_guide_e.pdf) and the Index Operation Guide for managing the Hang Seng Family of Indexes (see: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_operation_guide_e.pdf). As the Index is a single-market index, the Index Calculation Agent will determine the level of the Index in respect of a scheduled trading day as an amount equal to the *product* of (a) the level of the Index calculated in respect of the immediately preceding scheduled trading day and (b) the *quotient* of (i) the *sum* of the Adjusted Price$_t$ of each security comprised in the Index *divided* by (ii) the *sum* of the Adjusted Price$_{t-1}$ of each security comprised in the Index.

For these purposes:

"**Adjusted Price$_t$**" means, in respect of a scheduled trading day and a component security, an amount calculated by the Index Calculation Agent equal to the *product* of (i) the price of such security, as published by the HKEX on such day, (ii) the number of issued shares of such security, (iii) the free float-adjusted factor (being a value between 0 and 1) for such security, (iv) the capping factor (being a value between 0 and 1) for such security and (v) the adjustment factor for the security based on its weighting within the Index; and

"**Adjusted Price$_{t-1}$**" means, in respect of a scheduled trading day and a component security, an amount calculated by the Index Calculation Agent equal to the *product* of (i) the closing price of such security, as published by the HKEX for the immediately preceding scheduled trading day, (ii) the number of issued shares of such security, (iii) the free float-adjusted factor (being a value between 0 and 1) for such security, (iv) the capping factor (being a value between 0 and 1) for such security and (v) the adjustment factor for the security based on its weighting within the Index.

D. Name of the Index Calculation Agent

Hang Seng Indexes Company Limited ("**HSIL**" or the "**Index Calculation Agent**") is responsible for the calculation, administration and publication of the Index. HSIL is a wholly-owned subsidiary of Hang Seng Bank Limited, which is part of the group of companies under HSBC Holdings plc.

E. Adjustment rules

In certain circumstances described in the Index Methodology General Guide for the Hang Seng Family of Indexes (see: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_methodology_guide_e.pdf), a constituent may be removed from the Index because it is no longer eligible for inclusion. Where a constituent is removed it will be replaced by the highest ranked security from the last rebalancing date.

A newly listed security may be added to the Index on the next rebalancing date only if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day.

Further information on corrections, adjustments and disruptions can be found in the Hang Seng Family of Indexes Index Operation Guide: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_operation_guide_e.pdf.

F. Review Frequency

The index is subject to quarterly review, with data cut-off dates at the end of March, June, September and December. Rebalancing of the Index is conducted quarterly.

G. Type of Index

The Index is a Price Index.

H. Currency

The Index is calculated and denominated in Hong Kong Dollars ("**HKD**").

For more information on the Index: https://www.hsi.com.hk/eng/indexes/all-indexes/hstech.

INFORMATION RELATING TO THE HANG SENG CHINA ENTERPRISES INDEX

A. Strategy of the Index and investment policy

The Hang Seng China Enterprises Index (Bloomberg Ticker: HSCEI) (for the purposes of this section, the "**Index**") is designed to reflect the overall performance of the securities of companies that are incorporated in China or that have at least 50 per cent. of their sales revenue derived from China ("Mainland Securities") listed in Hong Kong. The Index universe comprises securities listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**HKEX**"), excluding Stapled Securities, Foreign Companies, Biotech Companies with stock names ending with the marker "B", Specialist Technology Companies with stock names ending with the marker "P", and Investment Companies listed under Chapter 21 of HKEX's Listing Rules. To be eligible for inclusion in the Index, a security must be classified as a Mainland Security and must have a listing history of at least one month. In addition, potential constituents must satisfy a minimum turnover velocity of 0.1% on a monthly basis. The turnover velocity of a security is a measure of its liquidity, determined by dividing the median of such security's daily traded shares for a calendar month by the free float-adjusted issued shares at the end of such month.

The launch date of the Index is 8 August 1994.

The base date of the Index is 3 January 2000.

The base value of the Index is 2,000.

B. Description of individual selection process of the components weighting factors

To be eligible for inclusion in the Index, a security must first satisfy the eligibility criteria outlined in A. above. The Index Calculation Agent selects the top 50 securities satisfying the eligibility criteria with the highest combined market value ranking ("**Combined MV Rank**") as Index constituents. The number of constituents is always fixed at 50. The Combined MV Rank is determined by reference to a composite score calculated as the sum of (a) 50 per cent. of the security's MV Rank (being the average daily market value of a security over the past 12 months of any review period, excluding suspended trading days, ranked in descending order) and (b) 50 per cent. of the security's Free float-adjusted Market Value Rank (being the 12-month-average market value multiplied by the free float-adjusted factor calculated at the review data cut-off date, ranked in descending order). Securities are then ranked in ascending order to determine their Combined MV Rank. A buffer zone mechanism applies to the Index whereby existing constituents ranked lower than 60th will be removed from the Index, while non-constituents ranked 40th or above will be included. Securities will be added or excluded according to their Combined MV Rank to maintain the number of constituents at 50.

The Index is weighted based on the free float-adjusted market capitalisation of the constituents. The market capitalisation of each constituent company is adjusted to reflect the proportion of shares that are freely available for trading in the market. The maximum individual weighting of constituents is capped at 8%.

C. Method and formulae for calculation

The level of the Index will be calculated in accordance with the method and formulae described in the Index Methodology General Guide for the Hang Seng Family of Indexes (see: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_methodology_guide_e.pdf) and the Index Operation Guide for managing the Hang Seng Family of Indexes (see: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_operation_guide_e.pdf). As the Index is a single-market index, the Index Calculation Agent will determine the level of the Index in respect of a scheduled trading day as an amount equal to the *product* of (a) the level of the Index calculated in respect of the immediately preceding scheduled trading day and (b) the *quotient* of (i) the sum of the Adjusted Price$_t$ of each security comprised in the Index *divided* by (ii) the *sum* of the Adjusted Price$_{t-1}$ of each security comprised in the Index.

For these purposes:

"**Adjusted Price$_t$**" means, in respect of a scheduled trading day and a component security, an amount calculated by the Index Calculation Agent equal to the *product* of (i) the price of such security, as published by the HKEX on such day, (ii) the number of issued shares of such security, (iii) the free float-adjusted factor (being a value between 0 and 1) for such security, (iv) the capping factor (being a value between 0 and 1) for such security and (v) the adjustment factor for the security based on its weighting within the Index; and

"**Adjusted Price$_{t-1}$**" means, in respect of a scheduled trading day and a component security, an amount calculated by the Index Calculation Agent equal to the *product* of (i) the closing price of such security, as published by the HKEX for the immediately preceding scheduled trading day, (ii) the number of issued shares of such security, (iii) the free float-adjusted factor (being a value between 0 and 1) for such security, (iv) the capping factor (being a value between 0 and 1) for such security and (v) the adjustment factor for the security based on its weighting within the Index.

D. Name of the Index Calculation Agent

Hang Seng Indexes Company Limited ("**HSIL**" or the "**Index Calculation Agent**") is responsible for the calculation, administration and publication of the Index. HSIL is a wholly-owned subsidiary of Hang Seng Bank Limited, which is part of the group of companies under HSBC Holdings plc.

E. Adjustment rules

In certain circumstances described in the Index Methodology General Guide for the Hang Seng Family of Indexes (see: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_methodology_guide_e.pdf), a constituent may be removed from the Index because it is no longer eligible for inclusion. Where a constituent is removed it will be replaced by the highest ranked security from the last rebalancing date.

A newly listed security may be added to the Index on the next rebalancing date only if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day.

Further information on corrections, adjustments and disruptions can be found in the Hang Seng Family of Indexes Index Operation Guide: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_operation_guide_e.pdf.

F. Review Frequency

The Index is subject to quarterly review, with data cut-off dates at the end of March, June, September and December. Rebalancing of the Index is conducted quarterly.

G. Type of Index

The Index is a Price Index.

H. Currency

The Index is calculated and denominated in Hong Kong Dollars ("**HKD**").

For more information on the Index: https://www.hsi.com.hk/eng/indexes/all-indexes/hscei.

INFORMATION RELATING TO THE HANG SENG INDEX

A. Strategy of the Index and investment policy

The Hang Seng Index (Bloomberg Ticker: HSI) (for the purposes of this section, the "**Index**") is designed to reflect the overall performance of the Hong Kong stock market. The Index includes the largest and most liquid stocks listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**HKEX**"). The Index universe comprises constituents of the Hang Seng Composite LargeCap & MidCap Index as at the relevant review data cut-off date (excluding secondary listed foreign companies, stapled securities, biotech companies (with stock names ending with the marker "B") and specialist technology companies (with stock names ending with the marker "P")). To be eligible for inclusion in the Index, the securities must have been listed on the HKEX for at least three months and have a minimum turnover velocity of 0.1% on a monthly basis. The turnover velocity of a security is a measure of its liquidity, determined by dividing the median of such security's daily traded shares for a calendar month by the free float-adjusted issued shares at the end of such month. Eligible securities are assigned to one of seven industry groups: (a) Financials, (b) Information Technology, (c) Consumer Discretionary and Consumer Staples, (d) Properties and Construction, (e) Telecommunications and Utilities, (f) Healthcare or (g) Energy, Materials, Industrials or Conglomerates (each as defined under the Hang Seng Industry Classification System) (each an "**Industry Group**").

The launch date of the Index is 24 November 1969.

The base date of the Index is 31 July 1964.

The base value of the Index is 100.

B. Description of individual selection process of the components weighting factors

To be eligible for inclusion in the Index, a security must first satisfy the eligibility criteria outlined in A. above. The number of constituents in each Industry Group is decided by reference to the following principles: (i) a target of covering at least 50%, in terms of market capitalisation, for each Industry Group, (ii) the characteristics of the Industry Group, including the distribution of listed companies by size and number, and (iii) the Industry Group weighting in the Index compared to the market. The HSI Advisory Committee selects 100 securities satisfying the eligibility criteria taking into account their representativeness, market capitalisation, turnover and financial performance (including profitability). The number of constituents is always fixed at 100.

Existing constituents will be considered for removal if they no longer satisfy the eligibility criteria. The smallest constituents and/or the constituents with the lowest liquidity within an industry group may be removed from the Index even if they otherwise satisfy the eligibility criteria if it is determined that there are more appropriate replacement candidates.

The Index is weighted based on the free float-adjusted market capitalisation of the constituents. The market capitalisation of each constituent company is adjusted to reflect the proportion of shares that are freely available for trading in the market. The maximum individual weighting of (i) non-Foreign Company constituents is capped at 8% and (ii) Foreign Company constituents is capped at 4% (with a maximum aggregate weighting of 10%).

C. Method and formulae for calculation

The level of the Index will be calculated in accordance with the method and formulae described in the Index Methodology General Guide for the Hang Seng Family of Indexes (see: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_methodology_guide_e.pdf) and the Index Operation Guide for managing the Hang Seng Family of Indexes (see: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_operation_guide_e.pdf). As the Index is a single-market index, the Index Calculation Agent will determine the level of the Index in respect of a scheduled trading day as an amount equal to the *product* of (a) the level of the Index calculated in respect of the immediately preceding scheduled trading day and (b) the *quotient* of (i) the *sum* of the Adjusted Price_t of each security comprised in the Index *divided* by (ii) the *sum* of the Adjusted Price_{t-1} of each security comprised in the Index.

For these purposes:

"**Adjusted Price$_t$**" means, in respect of a scheduled trading day and a component security, an amount calculated by the Index Calculation Agent equal to the *product* of (i) the price of such security, as published by the HKEX on such day, (ii) the number of issued shares of such security, (iii) the free float-adjusted factor (being a value between 0 and 1) for such security, (iv) the capping factor (being a value between 0 and 1) for such security and (v) the adjustment factor for the security based on its weighting within the Index; and

"**Adjusted Price$_{t-1}$**" means, in respect of a scheduled trading day and a component security, an amount calculated by the Index Calculation Agent equal to the *product* of (i) the closing price of such security, as published by the HKEX for the immediately preceding scheduled trading day, (ii) the number of issued shares of such security, (iii) the free float-adjusted factor (being a value between 0 and 1) for such security, (iv) the capping factor (being a value between 0 and 1) for such security and (v) the adjustment factor for the security based on its weighting within the Index.

D. Name of the Index Calculation Agent

Hang Seng Indexes Company Limited ("**HSIL**" or the "**Index Calculation Agent**") is responsible for the calculation, administration and publication of the Index. HSIL is a wholly-owned subsidiary of Hang Seng Bank Limited, which is part of the group of companies under HSBC Holdings plc.

E. Adjustment rules

In certain circumstances described in the Index Methodology General Guide for the Hang Seng Family of Indexes (see: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_methodology_guide_e.pdf), a constituent may be removed from the Index because it is no longer eligible for inclusion. Where a constituent is removed it will be replaced by an alternative constituent meeting the eligibility criteria, as determined by the HSI Advisory Committee.

Further information on corrections, adjustments and disruptions can be found in the Hang Seng Family of Indexes Index Operation Guide: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/methodologies/index_operation_guide_e.pdf.

F. Review Frequency

The Index is subject to quarterly review, with data cut-off dates at the end of March, June, September and December. Rebalancing of the Index is conducted quarterly.

G. Type of Index

The Index is a Price Index.

H. Currency

The Index is calculated and denominated in Hong Kong Dollars ("**HKD**").

For more information on the Index: https://www.hsi.com.hk/eng/indexes/all-indexes/hsi.

STATEMENTS REGARDING HANG SENG INDICES

The Hang Seng Tech Index, the Hang Seng China Enterprises Index and the Hang Seng Index (each an "**Index**" and together, the "**Indices**") are published and compiled by Hang Seng Indexes Company Limited pursuant to a licence from Hang Seng Data Services Limited. The marks and names "Hang Seng Tech Index", "Hang Seng China Enterprises Index" and "Hang Seng Index" are proprietary to Hang Seng Data Services Limited. Hang Seng Indexes Company Limited and Hang Seng Data Services Limited have agreed to the use of, and reference to, each Index by the Issuer in connection with the Notes or Warrants referencing one or more of the Indices (for the purpose of this statement, the "**Products**"), **BUT NEITHER HANG SENG INDEXES COMPANY LIMITED NOR HANG SENG DATA SERVICES LIMITED WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE PRODUCTS OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE RELEVANT INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE RELEVANT INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE RELEVANT INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE INDEX IS GIVEN OR MAY BE IMPLIED**. The process and basis of computation and compilation of any of the Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by Hang Seng Indexes Company Limited without notice. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HANG SENG INDEXES COMPANY LIMITED OR HANG SENG DATA SERVICES LIMITED (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO ONE OR MORE OF THE INDICES BY THE ISSUER IN CONNECTION WITH THE PRODUCTS; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HANG SENG INDEXES COMPANY LIMITED IN THE COMPUTATION OF THE RELEVANT INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE RELEVANT INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE PRODUCTS OR ANY OTHER PERSON DEALING WITH THE PRODUCTS AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HANG SENG INDEXES COMPANY LIMITED AND/OR HANG SENG DATA SERVICES LIMITED** in connection with the Products in any manner whatsoever by any broker, holder or other person dealing with the Products. Any broker, holder or other person dealing with the Products does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on Hang Seng Indexes Company Limited and Hang Seng Data Services Limited. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and Hang Seng Indexes Company Limited and/or Hang Seng Data Services Limited and must not be construed to have created such relationship.

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 24 March 2026.

2. The Notes 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**"), Stock Exchange Daily Official List ("**SEDOL**") number and any other identifier and/or code (as applicable) in relation to the Notes of each Series will be set out in the relevant Final Terms. The address of Euroclear Bank SA/NV is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream Banking, S.A. is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Euroclear UK & International Limited is Watling House, 33 Cannon St, London EC4M 5SB, United Kingdom.

3. Settlement arrangements will be agreed between the Issuer, the relevant Dealer(s) and the Registrar or CREST Registrar (where applicable) and the Principal Paying Agent.

4. In relation to the Issuer, any transfer of, or payment in respect of, a Note involving (i) any individual or entity ("**Person**") who or which is the subject of United Nations, European Union, Swiss, United Kingdom or United States sanctions (collectively, "**Sanctions**"), (ii) any Person located or resident in or incorporated in or constituted under the laws of any country, region or territory that is the subject of Sanctions, or (iii) any Person owned or controlled by any of the foregoing or by any Person acting on behalf of the foregoing, may be subject to restrictions, including under Sanctions or other similar measures.

5. Generally, any notice, document or information to be sent or supplied by the Issuer to its shareholder(s) may be sent or supplied in accordance with the Companies Act 2006 (the "**Companies Act**") (whether authorised or required to be sent or supplied by the Companies Act or otherwise) in hard copy form or in electronic form. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Issuer is unable effectively to convene a general meeting by notices sent through the post, subject to the Companies Act, a general meeting may be convened by a notice advertised in at least one United Kingdom national newspaper. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the advertisement first appears. In any such case the Issuer shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

6. Notices to the Noteholders are made in accordance with the Conditions of the relevant Notes.

7. Any tranche of Notes intended to be admitted to listing on the Official List of the FCA and admitted to trading on the main market of the London Stock Exchange will be so admitted to listing and trading upon submission to the FCA and the London Stock Exchange of the relevant Final Terms (if required) and any other information required by the FCA and/or the London Stock Exchange, subject in each case to the issue of the relevant Notes. Prior to listing and admittance to trading of Notes, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the date of the transaction.

8. There has been no significant change in the financial position or financial performance of the Issuer and its subsidiary undertakings nor any material adverse change in the prospects of the Issuer since 31 December 2025.

9. Save as disclosed in Note 25 "*Provisions*" on pages 148 to 149, and Note 32 "*Legal proceedings and regulatory matters*" on pages 157 to 158, of the 2025 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 or the Issuer and its subsidiary undertakings.

10. On 29 May 2026, K Mahtani stepped down as a director and Chief Financial Officer of the Issuer. A Fullam became interim Chief Financial Officer of the Issuer with effect from 18 May 2026.

    The principal activities outside of the Issuer in respect of A Fullam are Chief Financial Officer, US and Americas, HSBC North America Holdings Inc. There are no existing or potential conflicts of interest, that are material in relation to the securities of the Issuer issued pursuant to this Base Prospectus, between any duties owed to the Issuer by the interim Chief Financial Officer of the Issuer and the private interests and/or other external duties of the interim Chief Financial Officer.

11. The Issuer or Dealer may pay to distributors (which may include affiliates of the Issuer or Dealer) of Notes issued under this Base Prospectus commissions or fees (including in the form of a discount to the issue price of such Notes). Such commissions, fees or discounts will be as such parties may agree from time to time.

12. This Base Prospectus and all the documents incorporated by reference herein will be available for viewing at www.hsbc.com (please follow the links to 'Investors', 'Fixed income investors', 'Issuance programmes' or, in the case of items listed at (a) to (b), in the section headed "*Incorporation by Reference*", 'Investors', 'Results and announcements', 'All reporting'). For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

13. The Legal Entity Identifier ("**LEI**") code of the Issuer is: MP6I5ZYZBEU3UXPYFY54.

14. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12 month validity.

15. The date of the articles of association of the Issuer is 11 June 2024.

16. The public offers of the following Tranches of Notes are expected to continue after 12 June 2026 (being the last day of validity of the base prospectus dated 13 June 2025 relating to Preference Share-Linked Notes issued under the Programme) and from such date the Final Terms in respect of such Notes must be read in conjunction with this Base Prospectus:

Description of Notes	ISIN
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3524 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3288381505
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3523 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3288381414
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3522 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3288381687
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3527 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3288421905
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3528 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3288422119
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3529 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3288422036

Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3531 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3288421814
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3530 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3288422200
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3548 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376375153
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3549 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376375237
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3550 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376375401
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3551 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376375310

Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3556 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376473917
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3567 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376599851
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3566 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376599935
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3565 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376600022
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3564 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376599778
Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3563 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376599695

Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 3561 The final terms for the Notes are available on the Issuer's website www.hsbc.com (following the links to 'Investors', 'Fixed income investors', 'Final terms and supplements', 'Subsidiaries'.)	XS3376567494

REGISTERED AND HEAD OFFICE OF THE ISSUER

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