

## BASE PROSPECTUS DATED 30 MARCH 2020



### HSBC HOLDINGS PLC

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

#### DEBT ISSUANCE PROGRAMME

On 28 June 2000, HSBC Holdings plc (the "**Issuer**") established a Debt Issuance Programme which is described in this document (the "**Programme**") under which notes (the "**Notes**") may be issued by the Issuer. This document (and all documents incorporated by reference herein) has been prepared for the purpose of providing disclosure information with regard to the Notes and has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), as a base prospectus ("**Base Prospectus**") for the issuance of Notes on a regulated market (a "**Regulated Market**") for the purposes of Directive 2014/65/EU, as amended ("**MiFID II**"), as described below. The FCA has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an 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. In relation to any Notes, this Base Prospectus must be read as a whole and together also with the relevant Final Terms. Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Notes already in issue. References in this Base Prospectus to "**Exempt Notes**" are to Notes issued under the Programme for which no prospectus is required to be published under the Prospectus Regulation. The FCA has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

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

Applications have been made to admit Notes (other than Exempt Notes) issued under the Programme to listing on the Official List of the FCA (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000) and to trading on the main market (the "**Main Market**") of the London Stock Exchange plc (the "**London Stock Exchange**") which is a Regulated Market. 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 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.

The applicable Pricing Supplement (the "**Pricing Supplement**") in respect of the issue of any Exempt Notes will specify whether or not such Exempt Notes will be admitted to listing or trading on any non-Regulated Markets, or non-EEA stock exchanges and/or markets, if applicable. Application has been made for Exempt Notes issued under the Programme to be admitted to trading on the International Securities Market (the "**ISM**") of the London Stock Exchange. The ISM is not a Regulated Market. **The ISM is a market designated for professional investors. Securities admitted to trading on the ISM are not admitted to the Official List of the FCA. The London Stock Exchange has not approved or verified the contents of this Base Prospectus.**

Notes issued under the Programme may be rated. The rating assigned to an issue of Notes may not be the same as the Issuer's credit rating generally. **A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.** The rating, if any, of a certain series of Notes to be issued under the Programme may be specified in the relevant Final Terms.

This Base Prospectus includes details of the long-term and short-term credit ratings assigned to the Issuer by S&P Global Ratings Europe Limited ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings Limited ("**Fitch**"). Each of S&P, Moody's and Fitch are established in the European Economic Area ("**EEA**") or the United Kingdom (the "**UK**") and are registered as credit rating agencies under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"). As such, each of S&P, Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation.

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

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

Notes will be issued under the Programme in denominations of at least EUR100,000 or the equivalent in any other specified currency as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws and accordingly may only be offered or sold within the United States to qualified institutional buyers as

defined in Rule 144A under the Securities Act and outside the United States in offshore transactions to, or for the benefit of, non-U.S. persons as defined in Regulation S under the Securities Act and in compliance with any applicable state securities laws. The Notes may include Notes in bearer form that are subject to U.S. tax law requirements.

In addition, if the Notes are to be listed on Taipei Exchange of the Republic of China ("**TPE**x"), the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional institutional investors" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China ("**Professional Institutional Investors**"). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a Professional Institutional Investor.

**Programme Arranger and Dealer**  
**HSBC**

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this document and the relevant Final Terms for each Tranche of Notes issued under this Programme or (in the case of Exempt Notes) a Pricing Supplement. In the case of a Tranche of Notes which is the subject of a Pricing Supplement, each reference in this Base Prospectus to information being specified or identified in the relevant or applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant or applicable Pricing Supplement unless the context requires otherwise. To the best of the knowledge of the Issuer, the information contained in this document is in accordance with the facts and this document does not omit anything likely to affect the import of such information.

The dealer named under "Subscription and Sale" below (the "**Dealer(s)**", which expression shall include any additional dealers appointed under the Programme from time to time) and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include any successor to The Law Debenture Trust Corporation p.l.c. as trustee under the trust deed dated 28 June 2000 between the Issuer and the Trustee (such Trust Deed as last modified and restated by a modified and restated trust deed dated on or about 30 March 2020 and as further modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers or the Trustee as to the accuracy or completeness of this Base Prospectus or any document incorporated by reference herein or any further information supplied in connection with any Notes. The Dealers and the Trustee accept no liability in relation to this Base Prospectus or its distribution or with regard to any other information supplied by or on behalf of the Issuer.

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

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

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

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

In this Base Prospectus and in relation to any Notes, references to the "**relevant Dealers**" are to whichever of the Dealers enters into an agreement for the issue of such Notes as described in "Subscription and Sale" below and references to the "**relevant Final Terms**" are to the Final Terms relating to such Notes.

THE NOTES HAVE NOT BEEN RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**"), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Notes may not be a suitable investment for all investors. The Notes may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their

overall portfolios. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risk of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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

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

**PRIIPs / IMPORTANT – EEA AND UK RETAIL INVESTORS** - If the relevant Final Terms for a Tranche of Notes issued under this Programme includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", such 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 EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SFA** – The Final Terms or Pricing Supplement (in the case of Exempt Notes) in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"). The Issuer will make a determination and provide the

appropriate written notification to “relevant persons” in relation to each issue under the Programme of the classification of the Notes being offered for purposes of section 309B(1)(a) and section 309(1)(c) of the SFA.

Notwithstanding any provision herein, every person (and each employee, representative or other agent of such person) may disclose to any and all other persons, without limitation of any kind, any information provided to him by or on behalf of the Issuer relating to the U.S. tax treatment and U.S. tax structure of transactions under the Programme and all materials of any kind (including opinions or other tax analyses) that are provided by or on behalf of the Issuer to that person relating to such U.S. tax treatment and U.S. tax structure.

If the Notes are to be listed on TPEx, TPEx is not responsible for the contents of this Base Prospectus and any supplement or amendment thereto and no representation is made by TPEx to the accuracy or completeness of this Base Prospectus and any supplement or amendment thereto. TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Base Prospectus and any supplement or amendment thereto. Admission to the listing and trading of the Notes on TPEx shall not be taken as an indication of the merits of the Issuer or the Notes.

*All references in this Base Prospectus to "U.S.\$", "USD" and "U.S. dollars" are to the lawful currency of the United States of America and all references to "CNY" and "Renminbi" are to the lawful currency of the People's Republic of China (the "PRC" or "China"), excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.*

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) which the Dealers have agreed is/are the Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) may, to the extent permitted by laws or regulations, over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with the applicable laws and rules.**

#### **SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES**

The Issuer is an English public limited company. Most of its directors and executive officers (and certain experts named in this Base Prospectus or in documents incorporated herein by reference) are resident outside the United States and a substantial portion of its assets and the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon these persons or to enforce against them or the Issuer in U.S. courts judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. In addition, there is doubt as to enforceability in the English courts, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States. Awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in England. The enforceability of any judgment in England will depend on the particular facts of the case in effect at the time.

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## **RISK FACTORS**

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective 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, incorporated by reference (the "**Registration Document**"). The Issuer considers such risk factors to be the principal risk factors that may affect the Issuer's ability to fulfil its obligations under the 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. References herein to "**HSBC**" or the "**Group**" refer to the Issuer and its subsidiaries.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. 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 and its subsidiaries, the value of the Notes 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.*

### **Risks relating to the Issuer**

The section entitled "Risk Factors" on pages 108 to 116 of the Annual Report of the Issuer in respect of the financial year ended 31 December 2019 contained in the Issuer's Form 20-F dated 19 February 2020 filed with the U.S. Securities and Exchange Commission ("**SEC**") (as set out at <https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2019/annual/pdfs/hsbc-holdings-plc/200221-form-20-f>) (the "**2019 Form 20-F**")), as incorporated by reference herein on page 15, 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.

Please also see the risk factor entitled "*Risks relating to the impact of COVID-19*" on pages 1-2 of the Registration Document.

### **Risks relating to specific features of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features of such Notes:

#### ***Limited rights of enforcement***

The sole remedy in the event of any non-payment of principal or interest on the Notes is for the Trustee to institute proceedings for the winding up of the Issuer in England and/or to prove in proceedings for the winding up of the Issuer instituted in England. The Trustee may not, however, declare the principal amount of any such Note to be due and payable in the event of such non-payment other than if such proceedings for the winding up of the Issuer have been instituted.

#### ***Subordinated Notes - Status***

Subordinated Notes are unsecured and subordinated obligations of the Issuer. In the event that a particular Tranche of Notes is specified as subordinated in the relevant Final Terms and the Issuer is declared insolvent and a winding up is initiated, the Issuer will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated debt) in full before it can make any payments on the relevant Notes. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under the relevant Subordinated Notes.

#### ***Investment in the Notes not equivalent to investment in a bank deposit***

An investment in the Notes is not an equivalent to an investment in a bank deposit. Although an investment in the Notes (especially Subordinated Notes) may give rise to higher yields than a bank deposit placed with

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

The Notes are unsecured and (in the case of Subordinated Notes) subordinated obligations of the Issuer. Investments in Notes do not benefit from any protection provided pursuant to Directive 2014/49/EU of the European Parliament and of the Council on deposit guarantee schemes or any national implementing measures implementing such Directive in any jurisdiction (such as the UK Financial Services Compensation Scheme). Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in the Notes could lose their entire investment in a worst case scenario.

In addition, the claims of investors in the Notes may be varied or extinguished pursuant to the exercise of powers under the Banking Act 2009 (the "**Banking Act**"), including the "write-down and conversion of capital instruments" power and the "bail-in" power (see further under "*Applicable Bank Resolution Powers*"), which could lead to investors in the Notes losing some or all of their investment. The write-down and conversion of capital instruments power does not apply to ordinary bank deposits and the bail-in power must be applied in a specified preference order which would generally result in it being applied to the Notes prior to its being applied to bank deposits (to the extent that such deposits are subject to the bail-in power at all).

#### ***Notes subject to optional redemption by the Issuer***

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, unless, in the case of any particular Series of Notes, the relevant Final Terms specify that the Notes are redeemable at the option of the Noteholders, Noteholders will have no right to request the redemption of the Notes and should not invest in the Notes in the expectation that the Issuer would exercise its option to redeem the Notes. Any decision by the Issuer as to whether it will exercise its option to redeem the Notes will be taken at the absolute discretion of the Issuer with regard to factors such as, but not limited to, the economic impact of exercising such option to redeem the Notes, any tax consequences, the regulatory capital requirements and the prevailing market conditions. Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes until maturity.

#### ***Limitation on gross-up obligation***

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of United Kingdom taxes under the terms of the Notes applies only to payments of interest due and paid under the Notes and not to payments of principal. As such, the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders may receive less than the full amount due under such Notes, and the market value of such Notes may be adversely affected. Noteholders should note that principal for these purposes may include any payments of premium.

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

The market values of securities issued at a substantial discount to or premium above their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional



interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

## **Risks relating to interest provisions of the Notes, including benchmark reform and transition**

### ***Floating Rate Notes and Resetable Notes – regulation and reform of Benchmarks***

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

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") entered into force on 30 June 2016 and became applicable on 1 January 2018. The Benchmarks Regulation applies to "administrators" of, "contributors" to and "users" of "benchmarks" in the EU. Among other things, the Benchmarks Regulation: (i) requires EU benchmark administrators to be authorised or registered by a national regulator (unless an exemption applies); (ii) provides that in order to be used by supervised entities in the EU, a non-EU benchmark must be qualified for use in the EU under the third-country regime (through equivalence, recognition or endorsement) and comply with extensive requirements in relation to the administration of the non-EU benchmark; and (iii) bans the use by "supervised entities" of: (a) EU "benchmarks" whose administrators are not authorised or registered; and (b) non-EU "benchmarks" that are not qualified for use in the EU under the third-country regime.

The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmarks" such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments (including securities or OTC derivatives traded on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or via a "systematic internaliser"), certain financial contracts and investment funds. Different types and categories of "benchmark" are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a "benchmark" is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than €50 billion, subject to further conditions.

The Benchmark Regulation, together with other international, national or other reforms or the general increased regulatory scrutiny of "benchmarks" could have a material impact on any Notes linked to a "benchmark". Such reforms could result in changes to the manner of administration of "benchmarks", with the result that such "benchmarks" may perform differently than in the past (and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level) or may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks" leading to their disappearance.

### ***A Benchmark Event could occur in relation to the Notes***

A "Benchmark Event" (as defined in the Conditions) may occur in relation to the Notes (other than in respect of Notes linked to SOFR, the fallbacks in relation to which (similar to those applicable following a Benchmark Event) are discussed below in the risk factor entitled "*SONIA, SOFR or ESTR may be modified or discontinued*") in a number of scenarios, including:

- upon the elimination or potential elimination of any benchmark (such as LIBOR which is expected to cease to be published at the end of 2021);
- where the administrator of a benchmark does not obtain authorisation/registration or is not able to rely on one of the regimes available to non-EU benchmarks;
- prolonged non-availability of any benchmark;
- changes in the manner of administration of certain benchmarks; and/or
- certain other events determined by the Issuer in accordance with the Conditions to constitute Benchmark Events.

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

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

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

The circumstances which can lead to the trigger of a Benchmark Event are beyond the Issuer's control and the subsequent use of a Successor Rate or an Alternative Benchmark Rate following such Benchmark Event may result in changes to the Conditions and/or interest payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on such Notes if the relevant benchmark remained available in its current form. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

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

Investors should be aware that the market continues to develop in relation to risk free rates such as the Sterling Overnight Index Average ("SONIA"), the Secured Overnight Financing Rate ("SOFR") and the euro short-term rate ("€STR") as reference rates in the capital markets as alternative to the relevant interbank offered rates. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, SOFR and €STR (which seek to measure the market's forward expectation of such rates over a designated term).

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

Since SONIA, SOFR and €STR are relatively new market indices, Notes linked to such rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SONIA, SOFR or €STR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Notes linked to SONIA, SOFR or €STR may be lower than those of later-issued indexed debt securities as a result.

***Historical levels are not an indication of its future levels***

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

***Calculation of Interest Rates based on risk free rates are only capable of being determined at the end of the relevant Interest Period***

Interest on Notes which reference SONIA, SOFR or €STR is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference such rates to reliably estimate the amount of interest that will be payable on such Notes. Further, if the Notes become due and payable under Condition 9 (*Enforcement*), the Rate of Interest applicable to the Notes shall be determined on the date the Notes became due and payable and shall not be reset thereafter.

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

***The Issuer has no control over its determination, calculation or publication of SONIA, SOFR or €STR***

The Issuer has no control over its determination, calculation or publication of SONIA, SOFR or €STR. There can be no guarantee that such rates will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to the relevant rate. If the manner in which SONIA, SOFR or €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

***SONIA, SOFR or €STR may be modified or discontinued***

In relation to SONIA or €STR, such modification or discontinuation may constitute a Benchmark Event (as further described above in the risk factor entitled "*Floating Rate Notes and Resettable Notes – regulation and reform of Benchmarks*").

In relation to SOFR, such modification or discontinuation may result in the rate applicable to the Notes being replaced with a successor or equivalent rate selected or recommended by the relevant governmental body, an overnight funding rate or a rate determined by reference to ISDA provisions relating to SOFR. These alternative rates are uncertain and no market convention currently exists, or may ever exist, for their determination. Further, in such circumstances the Issuer (in consultation with its designee) may, without the consent of Noteholders be entitled to make conforming changes to the Conditions relating to the calculation and determination of interest to give effect to such replacement rate in a manner that may be materially adverse to the interests of investors in Floating Rate Notes linked to SOFR. If it is not possible to determine a successor or equivalent rate, the floating interest rate on the Floating Rate Notes may accrue at the same rate as the immediately preceding Interest Period (or, in the case of the initial Interest Period, the Initial Interest Rate), effectively converting the Floating Rate Notes (during the Interest Period) into fixed rate instruments.

***Resettable Notes***

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

***Risks relating to Notes generally***

***Applicable Bank Resolution Powers***

Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (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 implements the provisions of the BRRD.

#### *Statutory Intervention Powers*

The Issuer, as the parent company of a UK bank, is subject to the Banking Act which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the Prudential Regulation Authority and/or the FCA (each a "**relevant UKRA**") in circumstances where a UK bank 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 "write-down and conversion of capital instruments" power and a "bail-in" power.

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

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, 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) eligible senior claims. As a result, Subordinated Notes which qualify as capital instruments may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. This could effectively subordinate such Notes to the Issuer's other subordinated indebtedness that is not additional tier 1 or tier 2 capital in the event that the bail-in power is applied by the relevant UKRA. The claims of some creditors whose claims would rank equally with those of the Noteholders may be excluded from bail-in. The more of such creditors there are,

the greater will be the impact of bail-in 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 than they would have had the institution entered into insolvency may be entitled to compensation.

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Issuer or not directly related to the Issuer) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the Issuer and its securities (including the 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 such power and consequently its potential effect on the Issuer and its securities.

#### *Powers to direct restructuring of the Group*

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

The exercise by the relevant UKRA of any of the above powers under the Banking Act may limit the Issuer's capacity to meet its repayment obligation under the Notes and the exercise of any such powers (including especially the write-down and conversion of capital instruments power and the bail-in power) could lead to the 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 an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes.

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

#### ***Structural subordination***

The Notes are obligations exclusively of the Issuer and are not guaranteed by any other person, including any of its subsidiaries. The Issuer is a non-operating holding company and, as such, its principal source of income is from operating subsidiaries which hold the principal assets of the Group. As a separate legal entity, the Issuer relies on, among other things, remittance of its subsidiaries' loan interest payments and dividends in order to be able to meet its obligations to Noteholders as they fall due. The ability of the Issuer's subsidiaries and affiliates to pay dividends could be restricted by changes in regulation (including the amendments to BRRD extending the write-down and conversion of capital instruments power to internal eligible liabilities further discussed in "*Change of Law*" below), contractual restrictions, exchange controls and other requirements.

In addition, as a holder of ordinary shares in its subsidiaries, the Issuer's right to participate in the assets of any subsidiary if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's

creditors and preference shareholders, except where the Issuer is a creditor with claims that are recognised to be ranked ahead of or *pari passu* with such claims of the subsidiary's creditors and/or preference shareholders against such subsidiary.

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

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

For the reasons described above, if any subsidiary of the Issuer were to be wound up, liquidated or dissolved (i) the Noteholders would have no right to proceed against the assets of such subsidiary and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of such subsidiary's creditors and/or preference shareholders (including holders of such subsidiary's senior debt and tier 2 and additional tier 1 capital instruments, all of which may include the Issuer) before the Issuer would be entitled to receive any distributions in respect of such subsidiary's ordinary shares.

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

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

***Change of law***

The Conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

In particular, in light of the United Kingdom's exit from the EU ("**Brexit**"), there could be significant changes to those EU laws applicable in the United Kingdom. While Brexit will not in and of itself affect the validity of the Banking Act (through which the BRRD is implemented) and other relevant legislative measures implementing EU directives will be preserved, and EU regulations have been on-shored (with amendments) pursuant to the European Union (Withdrawal) Act 2018, it is possible that subsequent changes in law affecting the rights of Noteholders could take place following the end of the transition period (expected to end on 31 December 2020) (the "**Transition Period**"). Among other things, the amendments to the BRRD which are effected by Directive (EU) No. 2019/879 (and which, among other things, extend the write-down and conversion of capital instruments power to eligible liabilities in certain circumstances)

have not yet been implemented in the United Kingdom and a conclusion has not been reached as to how such amendments will be implemented into UK law after the end of the Transition Period.

***The Notes may be redeemed prior to maturity***

In the event that (a) pursuant to Condition 7 (*Taxation*) the Issuer would be obliged to increase the amounts payable in respect of any Tranche of Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax, or (b) (unless the relevant Final Terms specify otherwise) the interest payments (or funding costs of the Issuer as recognised in its accounts) under or with respect to the Notes are no longer fully deductible for UK corporation tax purposes, the Issuer may redeem all outstanding Notes of such Tranche in accordance with the Conditions, subject to first having complied with any requirement under Condition 6(j) (*Supervisory Consent*).

Subject in each case to the Issuer having complied with any requirements under Condition 6(j) (*Supervisory Consent*), if Condition 6(h) (*Redemption upon Capital Disqualification Event*) is specified as being applicable in the relevant Final Terms, Subordinated Notes may be redeemed at the option of the Issuer if there are changes in the applicable regulatory capital requirements and, if Condition 6(i) (*Redemption upon Loss Absorption Disqualification Event*) is specified as being applicable in the relevant Final Terms, Notes which are not Subordinated Notes may be redeemed at the option of the Issuer if there are changes in the requirements in relation to own funds and eligible liabilities and/or loss absorbing capacity instruments.

Where Notes of any Series qualify in whole or in part as Tier 2 own funds instruments or eligible liabilities instruments under Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as amended (the "**CRR**"), and if such Notes are redeemable prior to maturity at the Issuer's option in any of the circumstances described above, the Issuer will be required under the CRR to obtain the prior permission of the Prudential Regulatory Authority (in the case of Notes which qualify as Tier 2 own funds instruments) or the Bank of England (in the case of Notes which qualify as eligible liabilities instruments) to effect the call, redemption, repayment or repurchase of such Notes prior to the date of their scheduled maturity.

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

One or more independent credit rating agencies may assign credit ratings to the Issuer and to any Series of Notes. Such credit ratings may not reflect the potential impact of all risks related to structure, market, risk factors discussed herein or other factors that may affect the value of the Notes, including risks relating to the ongoing COVID-19 outbreak. Accordingly, an investor may suffer losses if the credit rating assigned to any Notes does not reflect the true credit risks relating to such Notes. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the relevant rating agency at any time.

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

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

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

***Modification, waiver and substitution***

The Conditions of the Notes 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.

The Notes permit the substitution of an affiliate of the Issuer as principal debtor in respect of the Notes, subject to a guarantee of the Issuer.

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

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

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

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

***There is no active trading market for the Notes***

Any Series of Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (even where, in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes 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 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. Although application has been made for Notes issued under the Programme to be admitted to the Official List of the FCA and to trading on the London Stock Exchange or to be admitted to trading on the ISM, and application may be made for the listing of any particular Tranche of Notes on the TPEx or any other stock exchange, there is no assurance that any such application will be accepted, that any particular Tranche of Notes will be so admitted, that an active trading market will develop or that any listing or admission to trading will be maintained. In addition, if the Notes cease to be listed on the stock exchange on which they were admitted to trading, certain investors may not continue to hold or invest in the Notes. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. If a market does develop, it may not be very liquid and such liquidity may be sensitive to changes in financial markets.

***Notes with multiple Denominations***

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

***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified



Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (A) the Investor's Currency equivalent yield on the Notes; (B) the Investor's Currency equivalent value of the principal payable on the Notes; and (C) the Investor's Currency equivalent market value of the Notes.

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

### **Risks relating to Green Bonds or SDG Bonds**

#### ***The use of proceeds of the Notes may not meet investor expectations or requirements.***

In relation to Tranches of Notes which are specified in the relevant Final Terms as being "Green Bonds" or "SDG Bonds", the Issuer will exercise its judgement and sole discretion in determining the businesses and projects that satisfy certain eligibility requirements that purport to promote green initiatives, sustainable goals and other environmental purposes ("**Green/SDG Assets**") and will be financed by the proceeds of the Notes. If the use of the proceeds of the Notes is a factor in an investor's decision to invest in the Notes, they should consider the disclosure in "*Use of Proceeds*" below and/or and in the relevant Final Terms relating to any specific Tranche of Notes and consult with their legal or other advisers before making an investment in the Notes. There can be no assurance that any of the businesses and projects funded with the proceeds from the Notes will meet a specific framework or an investor's expectations or requirements. Furthermore, there is no contractual obligation to allocate the proceeds of the Notes to finance eligible businesses and projects or to provide annual progress reports as described in "*Use of Proceeds*" below and/or and in the relevant Final Terms. The Issuer's failure to so allocate or report, the failure of any of the businesses and projects funded with the proceeds from the Notes to meet a specific framework or the failure of external assurance providers to opine on the Green/SDG Assets, conformity with a specific framework, will not constitute a Default (as defined in the Trust Deed) with respect to the Notes and may affect the value of the Notes and/or have adverse consequences for certain investors with portfolio mandates to invest in Green/SDG Assets.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Notes will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Notes.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of the Notes and in particular with any of the businesses and projects funded with the proceeds from the Notes to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold the Notes. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. The providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight.

If a Tranche of Notes is at any time listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments

are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from the Notes. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of a Tranche of Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

### **Risks relating to Notes denominated in Renminbi**

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

***Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes***

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

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

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

Although Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People's Bank of China ("**PBoC**") in 2018, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

***There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes***

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

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the

purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

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

***Investment in Renminbi Notes is subject to exchange rate risks***

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. In 2015, PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of Renminbi Notes in that foreign currency will decline.

***Investment in Renminbi Notes is subject to currency risk***

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

***Investment in Renminbi Notes is subject to interest rate risks***

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

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

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

All payments to investors in respect of Renminbi Notes will be made solely (i) for so long as Renminbi Notes are represented by global certificates held with the common depositary or common safekeeper, as the case may be, for Clearstream Banking S.A. and Euroclear Bank SA/NV or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong, (ii) for so long as Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or, (iii) for so long as Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer

cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

***Gains on the transfer of Renminbi Notes may become subject to income taxes under PRC tax laws***

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

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

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

***Remittance of proceeds in Renminbi into or out of the PRC***

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

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

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- the Registration Document of the Issuer dated 30 March 2020 submitted to and filed with the FCA;
- the Form 20-F dated 20 February 2019 filed with the U.S. Securities and Exchange Commissions (as set out at <https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2018/annual/hsbc-holdings-plc/190220-form-20-f.pdf?la=en-gb&hash=31599A094D4B883C2E385308287AEEDC5586B67B>) (the "**2018 Form 20-F**") containing the audited consolidated financial statements of the Issuer and the independent auditors' report thereon, in respect of the financial years ended 31 December 2018 and 31 December 2017;
- the 2019 Form 20-F containing the audited consolidated financial statements of the Issuer and the independent auditors' report thereon, in respect of the financial years ended 31 December 2019 and 31 December 2018;
- the terms and conditions set out on pages 64 to 121 of the Base Prospectus dated 28 March 2019 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2019 Conditions**");
- the terms and conditions set out on pages 55 to 102 of the Base Prospectus dated 6 March 2018 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2018 Conditions**");
- the terms and conditions set out on pages 49 to 86 of the Base Prospectus dated 14 March 2017 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2017 Conditions**");
- the terms and conditions set out on pages 50 to 85 of the Base Prospectus dated 4 March 2016 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2016 Conditions**");
- the terms and conditions set out on pages 33 to 67 of the Base Prospectus dated 12 March 2015 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2015 Conditions**");
- the terms and conditions set out on pages 33 to 64 of the Base Prospectus dated 7 March 2014 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2014 Conditions**");
- the terms and conditions set out on pages 29 to 61 of the Base Prospectus dated 11 April 2013 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2013 Conditions**");
- the terms and conditions set out on pages 47 to 72 of the Base Prospectus dated 7 March 2011 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2011 Conditions**");
- the terms and conditions set out on pages 45 to 73 of the Base Prospectus dated 8 March 2010 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2010 Conditions**");
- the terms and conditions set out on pages 45 to 73 of the Base Prospectus dated 17 March 2009 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2009 Conditions**");
- the terms and conditions set out on pages 43 to 71 of the Base Prospectus dated 10 March 2008 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2008 Conditions**"); and

- the terms and conditions set out on pages 43 to 69 of the Base Prospectus dated 7 December 2006 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2006 Conditions**").

In relation to Exempt Notes that are admitted to trading on the ISM only (and not in relation to any other Notes), the following documents are additionally deemed to be incorporated in and to form part of this Base Prospectus:

- any annual report (including the auditors' report and audited consolidated annual financial statements) or unaudited consolidated interim financial information prepared in relation to the Issuer and filed with the FCA after the date of this Base Prospectus.

The Issuer will, at its registered office and at the specified offices of the Paying Agents, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Base Prospectus and 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 any Paying Agent. Additionally, this Base Prospectus and all the documents incorporated by reference herein will be available for viewing at [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors' and/or 'Issuance programmes' or alternate links provided in the section entitled "*General Information*"). 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.

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 hereunder, the non-incorporated parts of such documents are either not relevant for investors or covered elsewhere in this Base Prospectus.

## **FORMS OF NOTES; SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

Notes may, subject to all applicable legal and/or regulatory requirements, be issued in Tranches or Series comprising either Notes in bearer form ("**Bearer Notes**") or Notes in registered form ("**Registered Notes**"), as specified in the relevant Final Terms. No single Tranche or Series of Notes offered in reliance on Rule 144A may include Bearer Notes.

All Bearer Notes will be issued in either (i) new global note ("**NGN**") form (as set out in Part I(A) and Part I(B) of Schedule 1 of the Trust Deed) or (ii) classic global note ("**CGN**") form, as agreed by the Issuer and the relevant Dealer(s).

The NGN form has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

Registered Notes may be issued under the new safekeeping structure the ("**New Safekeeping Structure**" or "**NSS**") or, if not intended to be issued under the New Safekeeping Structure, will be issued under the classic safekeeping structure.

Following the introduction of the NGN form in June 2006, the Eurosystem required the ICSDs to review the custody arrangements for international debt securities in global registered form. Further to this review, the NSS has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem either upon issue. Each time that Bearer Notes are issued in NGN form or Registered Notes are issued under the NSS, the relevant Final Terms shall specify whether or not such Notes are to be held in a manner which will permit them to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations of the Eurosystem.

### **Registered Notes**

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**").

### **Global Registered Notes**

If Notes are to be issued in the form of Global Registered Notes, the Issuer will deliver:

- (a) a Regulation S Global Registered Note;
- (b) a Rule 144A Global Registered Note; or
- (c) an Unrestricted Global Registered Note and a Restricted Global Registered Note (as each such term is defined below), subject to the Agency Agreement (as defined herein) and in accordance with their respective terms and as specified in the relevant Final Terms.

### **Regulation S Global Registered Notes**

In the case of a Tranche of Registered Notes offered and sold solely outside the United States (as defined in Regulation S) in reliance on Regulation S, such Tranche of Registered Notes may be represented by a Global Registered Note without interest coupons (a "**Regulation S Global Registered Note**") and will either be: (a) in the case of a Regulation S Global Registered Note which is not to be held under the New Safekeeping Structure, registered in the name of the common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg or a depositary for CDS Clearing and Depositary Services Inc, ("**CDS**") or such additional clearing system as may be agreed between the Issuer, the Trustee and the relevant Dealers and registered in the name of a nominee for such common depositary or depositary and the Regulation S Global Registered Note will be deposited on or about the closing date for the relevant Tranche (the "**Closing Date**") with the common depositary or depositary; or (b) in the case of a Regulation S Global Registered Note which is to be held under the New Safekeeping Structure, registered in the name of the "common

safekeeper" (or its nominee) for Euroclear and/or Clearstream, Luxembourg (the "**Common Safekeeper**") and the Regulation S Global Registered Note will be deposited on or about the Closing Date with the Common Safekeeper for Euroclear and/or Clearstream, Luxembourg. 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**") in the relevant form scheduled to the Trust Deed.

#### **Rule 144A Global Registered Notes**

In the case of a Tranche of Registered Notes offered and sold solely in the United States (as defined in Regulation S) in reliance on Rule 144A, such Tranche of Registered Notes may be represented by a Global Registered Note without interest coupons (a "**Rule 144A Global Registered Note**"), which, unless otherwise provided in the relevant Final Terms, will be deposited on or about the Closing Date for the relevant Tranche with a custodian for DTC and registered in the name of Cede & Co. as nominee for DTC. Interests in any Rule 144A Global Registered Note will be exchangeable (in the circumstances described below under "*Exchange and Transfer of Global Registered Notes for Definitive Registered Notes*") for Definitive Registered Notes ("**U.S. Definitive Registered Notes**") in the relevant form scheduled to the Trust Deed. Rule 144A Global Registered Notes (and any U.S. Definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Note as set out under "*Notice to Purchasers of 144A Notes and Transfer Restrictions*".

#### **Unrestricted and Restricted Global Registered Notes**

In the case of a Tranche of Registered Notes offered and sold both pursuant to Regulation S and in reliance on Rule 144A such Tranche of Registered Notes will be represented by two Global Registered Notes, each without interest coupons, (in the case of Registered Notes forming part of such Tranche which are sold pursuant to Regulation S, an "**Unrestricted Global Registered Note**" and, in the case of Registered Notes forming part of such Tranche which are sold in reliance on Rule 144A, a "**Restricted Global Registered Note**").

The Unrestricted Global Registered Note will either be: (a) in the case of an Unrestricted Global Registered Note which is not to be held under the New Safekeeping Structure, deposited on or about the issue date for the relevant Tranche with, and registered in the name of a nominee for the common depositary for Euroclear and Clearstream, Luxembourg or (b) in the case of an Unrestricted Global Registered Note which is to be held under the New Safekeeping Structure, registered in the name of a Common Safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the Unrestricted Global Registered Note will be deposited on or about the Closing Date with the Common Safekeeper for Euroclear and/or Clearstream, Luxembourg. A beneficial interest in the Unrestricted Global Registered Note may at all times be held only through Euroclear and Clearstream, Luxembourg. The Restricted Global Registered Note will unless otherwise provided in the relevant Final Terms, be deposited on or about the issue date for the relevant Tranche with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, DTC. In the circumstances described below under "*Exchange and Transfer of Global Registered Notes for Definitive Registered Notes*", interests in any Unrestricted Global Registered Note will be exchangeable for Regulation S Definitive Registered Notes and interests in any Restricted Global Registered Note will be exchangeable for U.S. Definitive Registered Notes and Regulation S Definitive Registered Notes, in each case in the relevant form scheduled to the Trust Deed. Restricted Global Registered Notes (and any U.S. Definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Notes as set out under "*Notice to Purchasers of 144A Notes and Transfer Restrictions*".

Each Unrestricted Global Registered Note and each Restricted Global Registered Note will have an ISIN number and/or a CUSIP number.

#### **Exchange of Interests in Unrestricted and Restricted Global Registered Notes; Transfers within and between DTC, Euroclear and Clearstream, Luxembourg**

On or prior to the fortieth day after the later of the commencement of the offering of the relevant Tranche and the issue date for that Tranche, a beneficial interest in the relevant Unrestricted Global Registered Note may be transferred to a person who wishes to take delivery of such beneficial interest through the relevant Restricted Global Registered Note only upon receipt by the Registrar (as defined in the Agency Agreement) of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to



the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction. After such fortieth day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Restricted Global Registered Note, as set out under "*Notice to Purchasers of 144A Notes and Transfer Restrictions*".

Beneficial interests in a Restricted Global Registered Note may be transferred to a person who wishes to take delivery of such beneficial interest through the relevant Unrestricted Global Registered Note, whether before, on or after such fortieth day, only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act (if available) or to the Issuer or its affiliates.

Any beneficial interest in either the Restricted Global Registered Note or the Unrestricted Global Registered Note relating to any Series that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Registered Note relating to such Series will, upon transfer, cease to be a beneficial interest in such Global Registered Note and become a beneficial interest in the other Global Registered Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Registered Note for as long as it remains such an interest.

#### **Owner of Global Registered Notes and Payments**

Subject to certain provisions of the Trust Deed relating to directions, sanctions and consents of Holders of Registered Notes and to meetings of Holders of Notes, so long as DTC or its nominee, CDS or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depositary or common safekeeper as the case may be is the registered owner or holder of a Global Registered Note, DTC, CDS, 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 Agency Agreement, the Trust Deed and the Notes. Payments of principal, interest and additional amounts (pursuant to Condition 7 (*Taxation*)), if any, on Global Registered Notes will be made to DTC, CDS, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the registered holder thereof. None of the Issuer, the Trustee, 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 registered owner or holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

#### **Exchange and Transfer of Global Registered Notes for Definitive Registered Notes**

Beneficial interests in a Rule 144A Global Registered Note or a Restricted Global Registered Note will be exchangeable (free of charge) for U.S. Definitive Registered Notes: (i) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the relevant Restricted Global Registered Note or ceases to be a "*clearing agency*" registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within ninety days of receiving notice of such ineligibility on the part of such depositary; or (ii) if the Issuer, at its option, elects to terminate the book-entry system through DTC; or (iii) if the Notes become immediately payable in accordance with Condition 9 (*Enforcement*); or (iv) the holder of the relevant Rule 144A Global Registered Note or Restricted Global Registered Note requests that such interest be exchanged for U.S. Definitive Registered Notes, to the extent that this is stated to be applicable in the relevant Final Terms; or (v) at the option of the Issuer, if the Issuer, any Paying Agent or the Registrar, by reason of any change in, or amendment to, the laws of the 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 such Notes were in definitive form. Where a Global Registered Note is exchangeable for Definitive Registered Notes, then

such Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if there is more than one Specified Denomination, the lowest Specified Denomination).

Beneficial interests in a Regulation S Global Registered Note held in CDS will be exchangeable, in whole but not in part, for Regulation S Definitive Registered Notes: if (i) CDS has notified the Issuer that it is unwilling or unable to continue to act as a depository for the Notes and a successor depository is not appointed by the Issuer within 90 working days after receiving such notice; or (ii) CDS ceases to be a recognised clearing agency under applicable Canadian or provincial securities legislation and no successor clearing system satisfactory to the Issuer is available within 90 working days after the Issuer becoming aware that CDS is no longer so recognised; or (iii) if so specified in the relevant Final Terms, if the holder of the relevant Regulation S Global Registered Note requests that such interest be exchanged for Regulation S Definitive Registered Notes; or (iv) at the option of the Issuer, if the Issuer, any Paying Agent or the Registrar, by reason of any change in, or amendment to, the laws of the 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 such Notes were in definitive form.

Beneficial interests in a Regulation S Global Registered Note or an Unrestricted 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 legal holidays) or announces an intention permanently to cease business; or (ii) if the Notes become immediately payable in accordance with Condition 9 (*Enforcement*); or (iii) if so specified in the relevant Final Terms, if the holder of the relevant Regulation S Global Registered Note or Unrestricted Global Registered Note requests that such interest be exchanged for Regulation S Definitive Registered Notes; or (iv) at the option of the Issuer, if the Issuer, any Paying Agent or the Registrar, by reason of any change in, or amendment to, the laws of the 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 such Notes were in definitive form.

In such circumstances, (a) the Registrar will be required to notify all Holders of interests in the relevant Global Registered Notes registered in the name of DTC or its nominee, CDS or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depository or common safekeeper, as the case may be, of the availability of Definitive Registered Notes and (b) the Issuer will, at the cost of the Issuer, cause sufficient Regulation S Definitive Registered Notes and/or U.S. Definitive Registered Notes, as the case may be, to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Holders. A person having an interest in the relevant Global Registered Note must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver the relevant Definitive Registered Note; and
- (ii) in the case of a Rule 144A Global Registered Note or a Restricted Global Registered Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. U.S. Definitive Registered Notes issued in exchange for a beneficial interest in a Rule 144A Global Registered Note or a Restricted Global Registered Note will bear the legends applicable to transfers pursuant to Rule 144A (as set out under "*Notice to Purchasers of 144A Notes and Transfer Restrictions*").

If an Unrestricted Global Registered Note relating to a Series or (if issued in Tranches) Tranche of Notes, of which the Restricted Global Registered Note forms a part has, pursuant to its terms, been exchanged in whole, but not in part, for Regulation S Definitive Registered Notes, beneficial interests in the Restricted Global Registered Note may be transferred to a person who wishes to take delivery thereof in the form of a Regulation S Definitive Registered Note. Such Regulation S Definitive Registered Notes shall be registered in such name(s) as DTC, Euroclear or Clearstream, Luxembourg, as applicable, shall direct in writing.

Upon (i) notification to the Registrar by the Custodian that the appropriate debit entry has been made in the account of the relevant participant of DTC and (ii) receipt by the Registrar of a certificate, in the form scheduled to the Agency Agreement, given by the transferee of the beneficial interest in the Restricted Global Registered Note and stating that the transfer of such interest has been made in compliance with the

transfer restrictions applicable to the Notes, and pursuant to and in accordance with Regulation S under the Securities Act, the Issuer shall procure that the Registrar will (against presentation by DTC or its custodian of the Restricted Global Registered Note at the specified office of the Registrar or the Transfer Agent, all in accordance with the provisions of the Agency Agreement and, in particular, the regulations concerning the transfer, exchange and registration of Notes set out in Schedule 4 thereto) decrease the aggregate principal amount of Notes registered in the name of the holder of, and represented by, the Restricted Global Registered Note and shall, without charge, procure, in exchange therefor, the delivery, within five Relevant Banking Days of the receipt by the Registrar of the Restricted Global Registered Note of the notification and certification referred to in paragraphs (i) and (ii) above, and registration information required to authenticate and deliver such Regulation S Definitive Registered Notes, of an equal aggregate principal amount of duly authenticated and completed Regulation S Definitive Registered Notes substantially in the form (subject to completion) scheduled to the Agency Agreement.

The holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 1 (*Form, Denomination and Title*).

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. Upon the transfer, exchange or replacement of U.S. Definitive Registered Notes issued in exchange for beneficial interests in a Rule 144A Global Registered Note or a Restricted Global Registered Note bearing the legend referred to under "*Notice to Purchasers of 144A Notes and Transfer Restrictions*", or upon specific request for removal of the legend on a U.S. Definitive Registered Note, the Issuer will only deliver U.S. Definitive Registered Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the legend nor the restriction on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

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.

With respect to the registration of transfer of any U.S. Definitive Registered Notes, the Registrar will register the transfer of any such U.S. Definitive Registered Notes if the transferor, in the form of transfer on such U.S. Definitive Registered Notes, has certified to the effect that such transfer is (i) to persons whom the transferor reasonably believes to be qualified institutional buyers within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, (ii) in accordance with Regulation S, (iii) pursuant to an exemption from registration provided by Rule 144 under the Securities Act (if available) or (iv) to the Issuer or its affiliates.

Regulation S Definitive Registered Notes may be exchangeable for or transferable to a person wanting to take delivery thereof in the form of interests in a Restricted Global Registered Note; and U.S. Definitive Registered Notes may be transferable to a person wanting to take delivery thereof in the form of interests in an Unrestricted Global Registered Note; in each case, upon receipt by the Registrar of a duly completed certificate in the form of Schedule 4 to the Agency Agreement and in accordance with the requirements of the Agency Agreement.

For further information, see "*Notice to Purchasers of 144A Notes and Transfer Restrictions*".

#### **Bearer Notes**

Bearer Notes will be issued either 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 for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986) or 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 for the purposes of Section 4701 of the U.S. Internal Revenue Code). Bearer Notes issued in accordance with TEFRA D will be represented upon issue by a temporary global note in bearer form without interest coupons (a "**Temporary Global Note**"). Bearer Notes issued in accordance with TEFRA C will be represented upon issue by a permanent global note in bearer form without interest coupons (a "**Permanent Global Note**") or by a Temporary Global Note. Each Temporary Global Note and Permanent Global Note will be delivered on or prior to the issue date for the

relevant Tranche to a common depositary (in the case of Notes in CGN form) or Common Safekeeper (in the case of Notes in NGN form) acting as an agent for Euroclear and Clearstream, Luxembourg. 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 forty 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. Where a Global Note is exchangeable for Definitive Bearer Notes, then such Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if there is more than one Specified Denomination, the lowest Specified Denomination). If so specified in the relevant Final Terms, the Issuer will waive its right to elect to exchange Permanent Global Note for Definitive Bearer Note in the circumstances described in paragraph (d) of the Permanent Global Note (namely, where the Issuer at its sole discretion considers that it 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).

For 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.

Interests in any Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes, against presentation and (in the case of final exchange) surrender of such Permanent Global Note at the specified office from time to time of the Principal Paying Agent (i) if either of Euroclear or Clearstream, Luxembourg or any other clearing system by which the Notes have been accepted for clearing is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently, (ii) the Notes of the relevant Series become immediately repayable in accordance with Condition 9 (*Enforcement*); (iii) if the Issuer so elects, 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 such Notes were in definitive form, or (iv) if the Issuer so elects, where 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.

Definitive Bearer Notes will, if interest-bearing and if so specified in the relevant Final Terms, have interest coupons ("**Coupons**") and, if applicable, a talon for further Coupons.

#### **Payments in respect of Bearer Notes**

All payments, if any, in respect of Bearer Notes when represented by a Temporary Global Note or Permanent Global Note in CGN form or in NGN form, 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, in respect of a CGN, record of such payment is noted on a schedule to the relevant Global Note and, in respect of an NGN, the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

In the case of Bearer Notes represented by Global Notes, each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such 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 and any other relevant clearing system from time to time. For so

long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes.

The records of the relevant clearing systems which reflect the amount of Noteholders' interests in the Notes shall be conclusive evidence of the nominal amount of Notes represented by the Global Notes.

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

### **Notices**

(i) So long as any Bearer Notes are represented by a Temporary Global Note or a Permanent Global Note, notices to holders of Bearer Notes may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**"), depositary or Common Safekeeper (as may be agreed between the Issuer and the Dealer) for communication by them to entitled accountholders in substitution for publication as required by the Conditions, and (ii) so long as any Regulation S Global Registered Note or Unrestricted Global Registered Note is held on behalf of Euroclear and Clearstream, Luxembourg, CDS or an Alternative Clearing System, notices to holders of Notes represented by a beneficial interest in such Global Registered Note may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg, CDS or, as the case may be, such Alternative Clearing System, and (iii) so long as any Rule 144A Global Registered Note or Restricted Global Registered Note is held on behalf of DTC or an Alternative Clearing System, notices to holders of Notes represented by a beneficial interest in such Global Registered Note may be given by delivery of the relevant notice to DTC or, as the case may be, such Alternative Clearing System; except that in the case of (i), (ii) and (iii) above, so long as any Notes are listed on any stock exchange, notices will also be published as required by the rules and regulations of such stock exchange.

### **Meetings**

The provisions for meetings of Holders of Notes scheduled to the Trust Deed provide that, where all the Notes of the relevant Series are held by one person, the quorum in respect of the relevant meeting will be one person present (being, in the case of an individual, present in person or, being, in the case of a corporation, present by a representative) holding all the outstanding Notes of the relevant Series or holding voting certificates or being a proxy in respect of such Notes.

### **Purchase and Cancellation**

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

### **Issuer's Option to Redeem in Part**

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

### **Early Redemption at the option of the Holder — Provisions relating to Registered Notes held in Clearing Systems**

Condition 6(d) (*Redemption at the Option of the Noteholders*) allows for early redemption of Notes at the option of the Holder of such Notes if so specified in the relevant Final Terms. Such option is exercisable by the Holder of the relevant Notes by depositing such Notes, together with a notice of exercise of such option (an "**Option Notice**"), duly completed and signed in accordance with Condition 6(d) (*Redemption at the Option of the Noteholders*), at the specified office of any Paying Agent (in the case of Bearer Notes, outside the United States). In respect of any Registered Notes of the relevant Series of which a nominee for the common depository for Euroclear and Clearstream, Luxembourg or the common safekeeper for Euroclear and Clearstream, Luxembourg or Cede & Co. as nominee for DTC or CDS & Co. as nominee for CDS, as the case may be, is the registered Holder, such Option Notice will be deemed to have been duly completed and signed by the Holder of the relevant Notes if it has been completed and signed by or on behalf of a person in respect of whom notification has been given by Euroclear or Clearstream, Luxembourg or DTC or CDS, as the case may be, to the Registrar that such person is a person who is shown in the records of Euroclear or Clearstream, Luxembourg or DTC or CDS, as the case may be, as having relevant Registered Notes of a specified principal amount standing to the credit of its account with Euroclear or Clearstream, Luxembourg or DTC or CDS, as the case may be, or delivered from its account with Euroclear and Clearstream, Luxembourg or DTC or CDS, as the case may be, for the purpose of exercising such option.

## **CLEARING AND SETTLEMENT**

Custodial, depository and safe-keeping links have been established with Euroclear, Clearstream, Luxembourg and DTC to facilitate the initial issuance of Notes and cross-market transfers of Notes between investors associated with secondary market trading. Transfers within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant system.

### **Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Notes held through Euroclear and Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

### **DTC**

DTC is a limited-purpose trust company organised under the laws of the State of New York and a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organisations. Indirect access to DTC is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the Notes holding through DTC will receive, to the extent received by the Principal Paying Agent, all distributions of principal and interest with respect to book-entry interests in the Notes from the Principal Paying Agent through DTC. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the Issuer and DTC participants. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Global Registered Note to such persons may be limited. Because DTC, CDS, Euroclear and Clearstream, Luxembourg can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Registered Note to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The aggregate holdings of book-entry interests in the Notes in Euroclear, Clearstream, Luxembourg, CDS and DTC will be reflected in the book-entry accounts of each such institution. CDS will hold interests on behalf of its participants directly through its account with DTC. As necessary, the Registrar will adjust the amounts of Notes on the Register for the accounts of (i) CDS, Euroclear and Clearstream, Luxembourg and (ii) DTC to reflect the amounts of Notes held through CDS, Euroclear and Clearstream, Luxembourg and DTC, respectively. Beneficial ownership in Notes will be held through CDS, financial institutions as direct and indirect participants in CDS, Euroclear, Clearstream, Luxembourg and DTC. CDS, Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes will be responsible for establishing and

maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a nominee for the common depository for Euroclear and Clearstream, Luxembourg, a nominee for CDS, a nominee for DTC and/or Holders of Notes represented by Definitive Registered Notes. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Issuer for Holders of interests in the Notes holding through CDS, Euroclear and Clearstream, Luxembourg are credited to CDS, Euroclear and Clearstream, Luxembourg, as the case may be, and the Principal Paying Agent will also be responsible for ensuring that payments received by the Principal Paying Agent from the Issuer for Holders of interests in the Notes holding through DTC are credited to DTC.

The Issuer will not impose any fees in respect of the book entry interests in the Notes; however, Holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in CDS, Euroclear, Clearstream, Luxembourg or DTC.

Interests in an Unrestricted Global Registered Note and a Restricted Global Registered Note will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Global Registered Notes will be credited to Euroclear participants' securities clearance accounts on the business day following the relevant issue date against payment (value such issue date), and to Clearstream, Luxembourg participants' securities custody accounts on the relevant issue date against payment in same day funds. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Notes through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement ("**SDFS**") system. DTC participant securities accounts will be credited with book-entry interests in the Notes following confirmation of receipt of payment to the Issuer on the relevant issue date.

## **CDS**

CDS was formed in November 2006 pursuant to the restructuring of The Canadian Depository for Securities Limited ("**CDS Ltd.**"). CDS Ltd., founded in 1970, remains the holding company for CDS and two other operating subsidiaries and is Canada's national securities clearing and depository services organisation. Functioning as a services utility for the Canadian financial community, CDS provides a variety of computer-automated services for financial institutions and investment dealers active in domestic and international capital markets.

CDS participants include banks, investment dealers and trust companies. Indirect access to CDS is available to other organisations that clear through or maintain a custodial relationship with a CDS participant. Transfers of ownership and other interests, including cash distributions, in Notes in CDS may only be processed through CDS participants and will be completed in accordance with existing CDS rules and procedures. CDS operates in Montreal, Toronto, Calgary and Vancouver to centralise securities clearing functions through a central securities depository.

CDS is wholly owned by CDS Ltd., a subsidiary of TMX Group Limited. CDS is the exclusive clearing house for equity trading on the Toronto Stock Exchange and also clears a substantial volume of "over the counter" trading in equities and bonds.

### ***Global Clearance and Settlement Procedures***

Initial settlement for the Notes in CDS will be made in immediately available Canadian dollar funds.

Beneficial interests in the Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in CDS.

Links have been established among CDS, DTC, Clearstream, Luxembourg and Euroclear to facilitate the initial issuance of the Notes and cross-market transfers of the Notes associated with secondary market trading. Investors may elect to hold interests in the Notes directly through any of CDS (in Canada), DTC (in the United States) or Clearstream, Luxembourg or Euroclear (in Europe) if they are participants of such systems, or indirectly through organisations which are participants in such systems. DTC will hold interests on behalf of its participants directly through its account with CDS. Clearstream, Luxembourg and Euroclear will hold interests in the Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective Canadian subcustodians, each of which is a Canadian



schedule I chartered bank ("**Canadian Subcustodians**"), which in turn will hold such interests in customers' securities accounts in the names of the Canadian Subcustodians on the books of CDS.

## **Secondary Market Trading in relation to Global Registered Notes**

***Trading between Euroclear and/or Clearstream, Luxembourg participants:*** Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

***Trading between DTC participants:*** Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's SDFS system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

***Trading between CDS participants:*** Secondary market trading between CDS participants will be in accordance with market conventions applicable to transactions in book-based Canadian domestic bonds.

***Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser:*** When book-entry interests in Notes initially settled in DTC and/or Euroclear/Clearstream, Luxembourg are to be transferred from the account of a DTC participant holding a beneficial interest in a Restricted Global Registered Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in an Unrestricted Global Registered Note (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Registered Note and (ii) increase the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Registered Note. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

***Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser:*** When book-entry interests in the Notes initially settled in DTC and/or Euroclear/Clearstream, Luxembourg are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the Restricted Global Registered Note (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Registered Note and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Registered Note.

***Trading between CDS seller and DTC, Euroclear or Clearstream purchaser:*** CDS will be directly linked to DTC. CDS will be linked to Euroclear and Clearstream, Luxembourg through the CDS accounts of the respective Canadian Subcustodians of Clearstream and Euroclear.

Cross-market transfers of Notes initially settled in CDS between persons holding directly or indirectly through CDS participants, on the one hand, and directly or indirectly through DTC, Clearstream, Luxembourg or Euroclear participants, on the other, will be effected in CDS in accordance with CDS rules; however, such cross-market transactions will require delivery of instructions to the relevant clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. The relevant clearing system will, if the transaction meets its settlement requirements, deliver instructions to CDS directly or through its Canadian Subcustodian to take action to effect final settlement on its behalf by delivering or receiving Notes in CDS, and making or receiving payment in accordance with normal procedures for settlement in CDS. DTC participants, Clearstream, Luxembourg and Euroclear participants may not deliver instructions directly to CDS or the Canadian Subcustodians.

Because of time-zone differences, credits of notes received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a CDS participant will be made during subsequent securities settlement processing and dated the business day following the CDS settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Euroclear participants or Clearstream, Luxembourg participants on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of Notes by or through a Euroclear participant or a Clearstream, Luxembourg participant to a CDS participant will be received with value on the CDS settlement date but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day following settlement in CDS.

Cross-market transfers between Clearstream, Luxembourg, Euroclear and DTC participants will be effected in CDS.

When Notes are to be transferred from the account of a DTC participant to the account of a Clearstream, Luxembourg participant or Euroclear participant, the DTC participant will transmit instructions to DTC on the settlement date. The Clearstream, Luxembourg participant or Euroclear participant will transmit instructions to Clearstream, Luxembourg or Euroclear at least one business day prior to the settlement date. One business day prior to the settlement date Clearstream, Luxembourg, and on the settlement date Euroclear, will transmit trade instructions to its respective Canadian Subcustodian. The beneficial interests in the Notes and payments for such beneficial interests will be transferred in CDS by DTC and the respective Canadian Subcustodians for Clearstream, Luxembourg and Euroclear.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg, CDS and DTC in order to facilitate the transfers of interests in the Notes among participants of Euroclear, Clearstream, Luxembourg, CDS and DTC, none of Euroclear, Clearstream, Luxembourg, CDS or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Principal Paying Agent, the Registrar, any Paying Agent, any Transfer Agent, any Dealer 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 for the performance by Euroclear, Clearstream, Luxembourg, CDS and DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

### **Republic of China Settlement and Trading**

If the Notes are to be offered or sold in the Republic of China ("**ROC**") and are to be listed on TPEx, Holders of book-entry interests in the Notes with a securities book-entry account with a ROC securities broker and a foreign currency deposit account with a ROC bank may request the approval of the Taiwan Depository & Clearing Corporation ("**TDCC**") to the settlement of the Notes through the account of TDCC with Euroclear or Clearstream, Luxembourg and, if such approval is granted by the TDCC, the Notes may be so cleared and settled. In such circumstances, TDCC will allocate the respective book-entry interest in the Notes to the securities book-entry account designated by such Holder of a book-entry interest in the Notes in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the Taipei Exchange, as domestic bonds.

In addition, a Holder of a book-entry interest in the Notes may apply to TDCC (by filing in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream, Luxembourg to the TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or *vice versa* for trading in the overseas markets.

Distributions of principal and/or interest on the Notes to Holders of book-entry interests in the Notes holding through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the Holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to the time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when Holders actually receive such distributions may vary depending upon the daily operations of the ROC bank with which a Holder has its foreign currency deposit account.

## USE OF PROCEEDS

Unless (i) otherwise specified in the relevant Final Terms or (ii) the relevant Final Terms specifies the relevant Series of Notes as being "Green Bonds" or "SDG Bonds", the net proceeds of each Series of Notes will be applied by the Issuer for general corporate purposes.

### **Green Bonds**

If the relevant Final Terms specifies that a Series of Notes are "Green Bonds", then, unless otherwise specified in the relevant Final Terms, the Issuer will use the net proceeds of the issuance of the Notes to fund eligible businesses and projects in Eligible Sectors (as defined below and further described within the HSBC Green Bond Framework dated 6 November 2015 available on the following webpage: <https://www.hsbc.com/investors/fixed-income-investors/green-and-sustainability-bonds> (the "**HSBC Green Bond Framework**")).

"*Eligible Sectors*" include the following sectors:

- Renewable Energy
- Energy Efficiency
- Efficient Buildings
- Sustainable Waste Management
- Sustainable Land Use
- Clean Transportation
- Sustainable Water Management
- Climate Change Adaptation

### ***Excluded Sectors***

Businesses and projects that are involved in the following operations will be ineligible to use the net proceeds of the Notes:

- nuclear power generation
- weapons
- alcohol
- gambling / adult entertainment

Where any portion of the net proceeds of the Notes has not been applied directly to fund eligible businesses and projects in Eligible Sectors, such proceeds may be invested according to local liquidity management guidelines.

### ***Management of Proceeds***

The Issuer will track the use of the net proceeds of the Notes via its internal information systems.

### ***Reporting on Use of Proceeds***

The Issuer will provide a green progress report (the "**Green Progress Report**") on an annual basis including:

- aggregate amounts of funds allocated to each of the Eligible Sectors together with a description of the types of business and projects financed;
- the remaining balance of unallocated proceeds of the Notes at the reporting period end; and
- confirmation that the use of the net proceeds of the Notes conforms with the HSBC Green Bond Framework.

### ***Assurance***

A second party opinion has been obtained from an appropriate provider to confirm the validity of the HSBC Green Bond Framework. The second party opinion is published on the following webpage: <https://www.hsbc.com/investors/fixed-income-investors/green-and-sustainability-bonds>.

For each issuance of Notes that are specified in the relevant Final Terms as being "Green Bonds", the Issuer will engage an appropriate external assurance provider to independently assure the Green Progress Report, on an annual basis, and opine on its conformity with the HSBC Green Bond Framework.

The annual Green Progress Report and related assurance report will be made available to the public on the following webpage: <https://www.hsbc.com/investors/fixed-income-investors/green-and-sustainability-bonds>.

### **Sustainable Development Goal Bonds**

If the relevant Final Terms specifies that a Series of Notes are "SDG Bonds", then, unless otherwise specified in the relevant Final Terms, the Issuer will use the net proceeds of the Notes to finance, in whole or in part, new and/or existing businesses and projects in the Eligible Categories (as defined below) in accordance with the Issuer's Sustainable Development Goal (SDG) Bond Framework (the "**SDG Bond Framework**") (as described below).

The term of funding to any eligible business or project under the SDG Bond Framework may be shorter or longer than the term of the Notes and may mature or be sold before or after the maturity date of the Notes. In the case of any investment that matures or is sold before the maturity date of the Notes, the Issuer expects to reallocate funds with respect to that eligible business or project back to its account either until maturity of the Notes or allocation of such amounts to new eligible businesses or projects. If funding for any eligible business or project remains outstanding after the maturity date of the Notes, neither the Issuer nor any of its consolidated subsidiaries will be required to terminate the financing of such project on the maturity date of the Notes.

Payment of principal and interest on the Notes will be made from the Issuer's general funds and will not be directly linked to the performance of any eligible business or project.

### ***Framework***

In September 2015, the UN General Assembly formally established 17 Sustainable Development Goals (the "**SDGs**") to be addressed by 2030. The goals set a common framework for public and private stakeholders to set their agendas and define their policies and strategies over the interim 15 years. The SDG Bond Framework is a step towards contributing capital towards the accomplishment of the SDGs.

The Issuer believes that the SDG Bond Framework is consistent with the International Capital Market Association's 2017 Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines and in reaching such conclusion the Issuer has relied in part on a second party opinion from Sustainalytics, an external assurance provider, confirming the alignment of the SDG Bond Framework with the International Capital Market Association's 2017 Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. The opinion is published on the following webpage: <https://www.hsbc.com/investors/fixed-income-investors/green-and-sustainability-bonds>.

### ***Eligible Categories***

In accordance with the SDG Bond Framework, the "Eligible Categories" comprise:

*Good Health and Well-being* (SDG 3)—activities that strengthen the capacity of all countries, in particular developing countries, for provision of free or subsidised healthcare, and early warning, risk reduction and management of health crises.

*Quality Education* (SDG 4)—activities that (i) expand access to primary, secondary, adult and vocational education, (ii) target women and minority inclusion in education or (iii) improve educational infrastructure.

*Clean Water and Sanitation* (SDG 6)—activities that (i) expand public access to safe and affordable drinking water, (ii) provide access to adequate sanitation facilities, (iii) improve water quality or (iv) increase water-use efficiency through water recycling, treatment and reuse (including treatment of wastewater).

*Affordable and Clean Energy* (SDG 7)—activities that involve (i) generation of energy from renewable sources, (ii) construction, maintenance and/or expansion of associated distribution networks, (iii) manufacturing of components of renewable energy technology, (iv) development of products or technology

and their implementation that reduces energy consumption of underlying asset, technology, product or system(s), (v) improved efficiency in the delivery of bulk energy services or (vi) manufacturing of components to enable energy efficiency.

*Industry Innovation and Infrastructure* (SDG 9)—activities that (i) develop quality, reliable, sustainable infrastructure (including regional and trans-border) to support affordable and equitable access for all in a manner that also benefits economic development and human well-being or (ii) upgrade and retrofit infrastructure to make it sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

*Sustainable Cities and Communities* (SDG 11)—activities that expand or maintain the supply of affordable housing or access to sustainable transport systems.

*Climate Change* (SDG 13)—activities that demonstrably contribute to reducing vulnerability to climate change identified in the project area and do not increase carbon emissions.

### ***Eligibility Criteria of Businesses and Projects***

The net proceeds will be used to finance, in whole or in part, future and/or re-finance existing businesses and projects, including the Group's own operations, that promote any of the Eligible Categories in accordance with the SDG Bond Framework.

The Issuer will determine the eligibility of businesses and projects based on whether it applies its funds to Eligible Categories and whether a significant net positive sustainability impact is achieved by them. If a business or project derives at least 90% its revenue from activities within the Eligible Categories, it would be considered for financing with the net proceeds. In these instances, the net proceeds can be used for general purposes, so long as this financing does not fund expansion into activities falling outside of the Eligible Categories.

The Issuer recognises that businesses and projects may benefit the environment and society in important ways while also degrading it in others. Accordingly, the Issuer's assessment of environmental and societal benefits will consider the balance of impact in determining the overall net benefit. The Issuer will exercise its professional judgement, discretion and sustainability knowledge in determining eligibility of businesses and projects for the use of the net proceeds.

Businesses and projects that are involved in the following operations will be ineligible: (i) nuclear power generation; (ii) weapons; (iii) alcohol; (iv) gambling / adult entertainment; and (v) palm oil. Moreover, the businesses and projects will not include any coal-fired power plants, the extraction and refining of coal, thermal coal mines or mountaintop removal.

### ***Management and Tracking of the Proceeds***

The Issuer's Green Bond Committee has responsibility for governing the SDG Bond Framework and for the ratification of eligible businesses and projects by applying the guidelines in the SDG Bond Framework. The Issuer's Green Bond Committee also will track the use of proceeds of the Notes using its internal information system, as described in the SDG Bond Framework. Where any portion of the net proceeds has not been applied to Eligible Categories, the Issuer may invest such unused proceeds according to its local liquidity management guidelines.

### ***Reporting***

The Issuer will provide a progress report the ("**SDG Progress report**") on an annual basis until all proceeds have been fully allocated including:

- aggregate amounts of funds allocated to each of the Eligible Categories, together with a description of the types of business and projects financed;
- the remaining balance of unallocated net proceeds at the reporting period end; and
- confirmation that the use of proceeds of each Series of Notes specified as "SDG Bonds" issued conforms with the SDG Bond Framework.

For each issuance of Notes that are specified in the relevant Final Terms as being "SDG Bonds", the Issuer will engage an appropriate external assurance provider to independently assure the SDG Progress Report, on an annual basis, and opine on its conformity with the SDG Bond Framework.

The annual SDG Progress Report and related assurance report will be made available to the public on the following webpage: <https://www.hsbc.com/investors/fixed-income-investors/green-and-sustainability-bonds>.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which are not Exempt Notes.*

### FINAL TERMS

Final Terms dated [•]

Series No: [•]

Tranche No: [•]

#### HSBC Holdings plc

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

#### Debt Issuance Programme

**Legal Entity Identifier (LEI): MLU0ZO3ML4LN2LL2TL39**

**Issue of**

**[Aggregate Principal Amount of Tranche]**

**[Title of Notes]**

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

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

**[Singapore Securities and Futures Act Product Classification]** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018.)<sup>1</sup>

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<sup>1</sup> [For any Notes to be offered to investors in Singapore, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer].



## 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 (the "**Conditions**") set forth in the Base Prospectus dated [●] 2020 in relation to the above Programme (incorporating the Registration Document dated [●] 2020) [and the supplements thereto dated [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129) (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. 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 Base Prospectus. Pursuant to the Prospectus Regulation, the Base Prospectus [and the supplements thereto] [is] [are] available for viewing at [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') [and at [●] during normal business hours] and copies may be obtained from [●].]

[Terms used herein shall be deemed to be defined as such for the purposes of the [2006/2008/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019] Conditions (the "**Conditions**") which are defined in, and incorporated by reference into, the Base Prospectus dated [●] 2020 in relation to the above Programme (incorporating the Registration Document dated [●] 2020) [and the supplements thereto dated [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Regulation (EU) 2017/1129) (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. 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 Base Prospectus. Pursuant to the Prospectus Regulation, the Base Prospectus [and any supplements thereto] [is] [are] available for viewing at [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') [and at [●] during normal business hours] and copies may be obtained from [●].]

- |    |  |   |
|----|--|---|
| 1. | (i) Issuer:  | HSBC Holdings plc   |
| 2. | (i) Series number:                                       | [●]   |
|    | (ii) [Tranche number:                                    | [●] [The Notes issued under these Final Terms are to be consolidated and form a single series with [●] (the " <b>Original Issue</b> ") issued on [●] [(ISIN)]: [●]].] |
|    | (iii) Date on which the Notes become fungible:           | [●] [Not Applicable]  |
| 3. | Specified Currency:                                      | [●]   |
| 4. | Aggregate Principal Amount of Notes admitted to trading: |   |
|    | [(i)] Series:  | [●]   |
|    | [(ii)] Tranche:]   | [●]   |
| 5. | Issue Price:   | [●] per cent. of the Aggregate Principal Amount [plus accrued interest from [●]]  |
| 6. | (i) Specified Denomination(s): Condition 1(d)            | [●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●]].              |
|    | (ii) Calculation Amount                                  | [●]   |
| 7. | (i) Issue Date:  | [●]   |

- (ii) Interest Commencement Date: [•] [Issue Date][Not Applicable]
- (iii) CNY Issue Trade Date: [•] [Not Applicable]
- 8. Maturity Date: [•] [Fixed] [Resettable Note] [Interest Payment Date falling in or nearest to [•]]  
(Condition 6(a))
- 9. Interest basis: [•][per cent. Fixed Rate Notes]  
(Conditions 3 to 5) [•][per cent. Resettable Notes]  
[[•] +/- [•] per cent. Floating Rate Notes]  
[Zero Coupon Notes]
- (a) Change of interest basis: [Applicable][Not Applicable]
- 10. Redemption basis: Redemption at par  
(Condition 6)
- 11. Put/Call options: [Condition 6[(c)][(d)] will apply as specified below][Not Applicable]
- 12. Status of the Notes: [Not Subordinated Notes/Subordinated Notes]  
(Condition 2)

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 13. Fixed Rate Notes and Resettable Notes: [Applicable][(in relation to the period from (and including [•] to (but excluding) [•])][Not Applicable]  
(Condition 3)
- (a) Fixed Rate Note provisions: [Applicable][Not Applicable] [The Notes are Fixed Rate Notes]  
(Condition 3(a))
  - (i) Rate of Interest: [•] per cent. per annum [payable [annually/ semi-annually/ quarterly / monthly] in arrear]
  - (ii) Fixed Coupon Amounts: [[In relation to [the [first] [•]] Interest Payment Date / the Interest Payment Date falling [in / on] [•], [•] per Calculation Amount.]  
  
[In relation to all other Interest Payment Dates] [•] per Calculation Amount.]  
  
[Not Applicable]
  - (iii) [Fixed Interest Payment Dates(s)] / [Specified Period]: [[•] in each year commencing on [•] and ending on [•], [in each case subject to adjustment in accordance with the Business Day Convention] / [•] [months]]
  - (iv) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Floating Rate Convention] [Eurodollar Convention] [No Adjustment]
  - (v) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual Canadian Compound Method] [Actual/Actual (ISDA)] [Actual/365 (Fixed)][Actual/365 (Sterling)] [Actual/360] [30/360][30E/360][30E/360 (ISDA)]

- (vi) Determination Date(s): [[•] in each year][Not Applicable]
- (b) Resettable Note provisions: [Applicable/Not Applicable] [The Notes are Resettable Notes]
- (i) Initial Rate of Interest: [•] per cent. per annum [payable [annually/semi-annually/ quarterly/monthly] in arrear]
- (ii) Resettable Coupon Amounts: [In relation to the first Resettable Note Interest Payment Date, [•] per Calculation Amount.]
- [In relation to all [subsequent] Resettable Note Interest Payment Dates up to (and including) the Resettable Note Interest Payment Date falling [in/on] [•], [•] per Calculation Amount.]
- [Not Applicable]
- (iii) First Margin: [+/-][•] per cent. per annum
- (iv) Subsequent Margin: [+/-][•] per cent. per annum [Not Applicable]
- (v) [Resettable Note Interest Payment Date(s)] / [Specified Period]: [[•] in each year commencing on [•] and ending on [•], [in each case subject to adjustment in accordance with the Business Day Convention] / [•] [months]]
- (vi) First Reset Date: [•]
- (vii) Second Reset Date: [•][Not Applicable]
- (viii) Subsequent Reset Dates: [•]
- (ix) Day Count Fraction: [Actual/Actual (ICMA)][Actual/Actual Canadian Compound Method][Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)][Actual/360] [30/360][30E/360][30E/360 (ISDA)]
- (x) Determination Date(s): [[•] in each year][Not Applicable]
- (xi) Business Day Centre(s): [•]
- (xii) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Floating Rate Convention] [Eurodollar Convention] [No Adjustment]
- (xiii) Resettable Note Reference Rate: [Mid-Swap Rate] [Resettable Note Interbank Rate] [Benchmark Gilt Rate] [Resettable Note Reference Bond Rate]
- (xiv) Mid-Swap Rate: [Single Mid-Swap Rate][Mean Mid-Swap Rate] [Not Applicable]
- (a) Relevant Screen Page: [•]
- (b) Relevant Time: [•]

- (c) Relevant Financial Centre: [As per the Conditions] [•]
- (d) Reference Banks: [As per the Conditions] [•]
- (e) Mid-Swap Maturity: [•]
- (f) Fixed Leg Swap Payment Frequency: [•]
- (g) Mid-Swap Floating Leg Benchmark Rate: [•]
- (h) Benchmark Replacement: [Applicable][Not Applicable]
- (xv) Reference Rate applicable to Resetable Note Interbank Rate: [LIBOR] [EURIBOR] [BBSW] [CDOR] [CHIBOR] [CNH HIBOR] [HIBOR] [SHIBOR] [SIBOR] [SOR] [TIBOR] [TIIE] [TAIBIR] [CD-KSDA] [Not Applicable]
- (a) Relevant Period: [•]
- (b) Relevant Screen Page: [•]
- (c) Relevant Time: [•]
- (d) Relevant Financial Centre: [As per the Conditions] [•]
- (e) ISDA Determination for Fallback provisions: [Not Applicable][Applicable]
  - (1) Floating Rate Option: [•]
  - (2) Designated Maturity: [•]
  - (3) Reset Date: [•]
- (f) Reference Banks: [As per the Conditions] [•] [Not Applicable]
- (g) Relevant Number of Quotations: [As per the Conditions] [•] [Not Applicable]
- (h) Leading Banks: [As per the Conditions] [•] [Not Applicable]
- (i) Benchmark Replacement: [Applicable][Not Applicable]
- (xvi) Resetable Note Reference Bond Rate: [Applicable][Not Applicable]
  - (a) Quotation Time: [•]
- (xvii) Benchmark Duration: [The Fixed Leg Swap Payment Frequency] [•] [Not Applicable]

14. Floating Rate Note provisions (Condition 4)	[Applicable] [(in relation to the period from (and including [•] to (but excluding) [•]) [Not Applicable] [The Notes are Floating Rate Notes]
(i) [Interest Payment Dates] / [Specified Period]:	[[•] in each year commencing on [•] and ending on [•], [in each case subject to adjustment in accordance with the Business Day Convention] / [•] [months]]
(ii) Reference Rate:	[LIBOR] [EURIBOR] [BBSW] [CDOR] [CHIBOR] [CNH HIBOR] [HIBOR] [SHIBOR] [SIBOR] [SOR] [TAIBIR] [TIIE] [TIBOR] [CD-KSDA] [SONIA] [SOFR] [€STR]
(iii) Relevant Period:	[•]
(iv) Screen Rate Determination:	[Not Applicable] [Applicable]
(a) Relevant Screen Page	[•]
(b) Relevant Time:	[•]
(c) Relevant Financial Centre:	[As per the Conditions] [•]
(d) Reference Banks:	[As per the Conditions] [•] [Not Applicable]
(e) Relevant Number of Quotations:	[As per the Conditions] [•] [Not Applicable]
(f) Leading Banks:	[As per the Conditions] [•] [Not Applicable]
(g) ISDA Determination for Fallback provisions:	[Not Applicable] [Applicable]
(1) Floating Rate Option:	[•]
(2) Designated Maturity:	[•]
(3) Reset Date:	[•]
(h) Determination Method:	[Compound Daily Rate] [Weighted Average Rate]
(i) Observation Method:	[Observation Shift] [Lag] [Lock-Out] [Payment Delay]
(i) Observation Shift Option [Specify where Observation Shift is applicable] - :	[Standard Shift] [IDD Shift]
(j) Y:	[360 – likely to be specified for GBP] [365- likely to be specified for USD] [•]
(k) "p":	[Specify if Observation Shift (Standard Shift) or Lag are applicable] [Not Applicable]
(l) ARRC Fallbacks:	[Applicable] [Not Applicable] - May be applicable if SOFR is the Reference Rate only
(i) Initial Interest Rate:	[[•] per cent. per annum - Specify only where ARRC fallbacks apply]

(m)	Benchmark Replacement	[Applicable][Not Applicable]
(n)	Effective Interest Payment Dates:	[In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days][•] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes. – <i>include if Payment Delay is specified</i> ][Not Applicable]
(v)	ISDA Determination:	[Applicable][Not Applicable]
(a)	Floating Rate Option:	[•]
(b)	Designated Maturity:	[•]
(c)	Reset Date:	[•]
(vi)	Interest Determination Date(s):	[•] [[ ]][prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day]][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day]][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 8 ( <i>Payments</i> )) – <i>use for Payment Delay only</i> ]
(vii)	Linear Interpolation:	[Not Applicable/ Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [•] shall be calculated using Linear Interpolation]
(viii)	Margin:	[+/-] [•] per cent. per annum
(ix)	Day Count Fraction:	[Actual/Actual (ICMA)][Actual/Actual Canadian Compound Method][Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)][Actual/360][30/360][30E/360][30E/360(ISDA)]
(x)	Determination Date(s):	[[•] in each year][Not Applicable]
(xi)	Business Day Centre(s): (Condition 4(b))	[•]
(xii)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Floating Rate Convention] [Eurodollar Convention] [No Adjustment]
(xiii)	Maximum Rate of Interest:	[Not Applicable] [[•] per cent. per annum]
(xiv)	Minimum Rate of Interest:	[Not Applicable / [[•]/[0]] per cent. per annum]

- |   |  |
|---|--|
| 15. Zero Coupon Note provisions:<br>(Condition 5) | [Applicable/Not Applicable]  |
| (i) Accrual Yield:                                | [•] per cent. per annum  |
| (ii) Reference Price:                             | [•]  |
| (iii) Day Count Fraction:                         | [Actual/Actual (ICMA)][Actual/Actual Canadian Compound Method][Actual/Actual (ISDA)]<br>[Actual/365(Fixed)][Actual/365(Sterling)]<br>[Actual/360][30/360][30E/360][30E/360 (ISDA)] |

## PROVISIONS RELATING TO REDEMPTION

- |   |   |
|---|---|
| 16. Issuer's optional redemption (Call):<br>(Condition 6(c))            | [Applicable][Not Applicable]  |
| (i) Early Redemption Amount (Call):                                     | [Optional Redemption Amount (Call)][Make Whole Redemption Amount]                                   |
| (ii) Optional Redemption Amount (Call):                                 | [•] per [Calculation Amount] [Not Applicable]   |
| (iii) Make Whole Redemption Amount:                                     | [Sterling Make Whole Redemption Amount][Non-Sterling Make Whole Redemption Amount] [Not Applicable] |
| (a) Redemption Margin:  | [•] per cent.   |
| (b) Reference Bond:   | [•]   |
| (c) Reference Date:   | [•]   |
| (d) Relevant Screen Page  | [•] [Not Applicable]  |
| (e) Quotation Time:   | [•]   |
| (iv) Series redeemable in part:   | [•]   |
| (v) Call option date(s):  | [•]   |
| (vi) Call option period:  | [•]   |
| 17. Noteholder's optional redemption (Put):<br>(Condition 6(d))         | [Applicable][Not Applicable]  |
| (i) Early Redemption Amount (Put):                                      | [•] per [Calculation Amount]  |
| (ii) Put option date(s):  | [•]   |
| (iii) Put option period:  | [•]   |
| 18. Redemption for taxation reasons:<br>(Condition 6(b)(iii))           | [Applicable][Not Applicable]  |
| 19. Redemption upon Capital Disqualification Event:<br>(Condition 6(h)) | [Applicable][Not Applicable]  |
| [Capital Disqualification Event Early Redemption Price]:                | [[•] per cent.][ [ ] ] per Calculation Amount]  |

20. Redemption upon Loss Absorption Disqualification Event:  
(Condition 6(i)) [Applicable][Not Applicable]
- [Loss Absorption Disqualification Event [[•] per cent.]] [[ ] per Calculation Amount]  
Early Redemption Price:
21. Early redemption amount:
- (i) Early redemption amount upon redemption for taxation reasons:  
(Condition 6(b)) [•][Not Applicable]
- (ii) Early redemption amount upon enforcement:  
(Condition 9) [•][Not Applicable]
22. Substitution or Variation:  
(Condition 6(k)) [Applicable][Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:  
(Condition 1(a))
- [Bearer/Registered]
- [Regulation S Global Registered Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg/ CDS]
- [Rule 144A Global Registered Note registered in the name of a nominee for DTC]
- [Unrestricted Global Registered Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] and Restricted Global Registered Note registered in the name of a nominee for DTC]]
24. (a) 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 Bearer Notes:  
(Condition 1(a)) [Applicable] [Not Applicable]  
[Permanent Global Note] [Definitive Global Notes]
- (iii) Permanent Global Note exchangeable for Definitive Bearer Notes: [Yes/No] [The Issuer waives its right to elect to exchange the Permanent Global Note for Definitive Bearer Notes in the circumstances described in paragraph (d) of the Permanent Global Note]



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|-------|---|---|
| (iv)  | Coupons to be attached to Definitive Bearer Notes:  | [Yes/No/Not Applicable]   |
| (v)   | Talons for future Coupons to be attached to Definitive Bearer Notes:                            | [Yes/No/Not Applicable]   |
| (vi)  | Definitive Bearer Notes to be security printed:   | [Yes/No]  |
| (vii) | Definitive Bearer Notes to be in ICMA or successor's format:                                    | [Yes/No]  |
| (b)   | If issued in registered form:   | [Applicable] [Not Applicable]   |
| (i)   | Rule 144A Global Registered Note exchangeable for U.S. Definitive Registered Notes:             | [Yes/No/Not Applicable]   |
| (ii)  | Restricted Global Registered Note exchangeable for U.S. Definitive Registered Notes:            | [Yes/No/Not Applicable]   |
| (iii) | Regulation S Global Registered Notes exchangeable for Regulation S Definitive Registered Notes: | [Yes/No/Not Applicable]   |
| (iv)  | Unrestricted Global Registered Note exchangeable for Regulation S Definitive Registered Notes:  | [Yes/No/Not Applicable]   |
| 25.   | Exchange Date for exchange of Temporary Global Note:  | [•]   |
| 26.   | Payments<br>(Condition 8)   |   |
|       | Relevant Financial Centre Day:  | [•]   |
| 27.   | U.S. Selling restrictions:  | [TEFRA D][TEFRA C][TEFRA not applicable]<br><br>[Regulation S Compliance Category 2/Rule 144A eligible] |
|       | [ROC Selling restrictions:] <sup>2</sup>  | [•]   |
| 28.   | Prohibition of Sales to EEA and UK Retail Investors:  | [Applicable/Not Applicable]   |

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<sup>2</sup> Applicable in the event that the Notes are to be listed on TPEx in Taiwan.

**CONFIRMED**

**HSBC HOLDINGS PLC**

By: .....  
*Authorised Signatory*

Date: .....

## PART B - OTHER INFORMATION

### 1. LISTING

- (i) Listing: [Application has been made for the Notes to be admitted to listing on [the Official List of the Financial Conduct Authority with effect from [•]] [both (i) the Official List of the Financial Conduct Authority with effect from [•]; and (ii) the Taipei Exchange in the Republic of China (the "TPEX")].
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on [the Main Market of the London Stock Exchange plc with effect from [•]] [both (i) the Main Market of the London Stock Exchange plc with effect from [•]; and (ii) the TPEX with effect from [•]. No assurance can be given as to whether or not, or when, such application will be granted. The TPEX is not responsible for the contents of this document, the Base Prospectus or any supplement or amendment thereto and no representation is made by the TPEX to the accuracy or completeness of this document, the Base Prospectus or any supplement or amendment thereto. The TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document, the Base Prospectus, any supplement or amendment thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes].

### 2. RATINGS

- Ratings: [The long term [senior][subordinated] debt of HSBC Holdings plc has been rated:]
- [S&P: [•]]
- [Moody's: [•]]
- [Fitch: [•]]
- [The Notes have not specifically been rated.]
- [The Notes have been rated:]
- [S&P: [•]]
- [Moody's: [•]]
- [Fitch: [•]]

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

- [[Save for the fees and commission of [•] payable to the [Managers/Dealers] in relation to the Notes, so][So] far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue.]]

4. **[YIELD]**

(i) Indication of yield: [•]

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price [for the period from the Issue Date until the First Reset Date]. It is not an indication of future yield.]

5. **[REASONS FOR THE OFFER]**

[Use of proceeds if other than for general corporate purposes:] [[The Issuer will use the net proceeds from the sale of the Notes for general corporate purposes and to further strengthen the Issuer's capital base pursuant to requirements under the EU Capital Requirements Legislative Package.] [•] [The Notes are specified as being "Green Bonds" and the net proceeds from the sale of the Notes will be used [as described in "*Use of Proceeds – Green Bonds*" in the Base Prospectus] [ ]] [The Notes are specified as being "SDG Bonds" and the net proceeds from the sale of the Notes will be used [as described in "*Use of Proceeds – SDG Bonds*" in the Base Prospectus] [ ]]

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

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

**OPERATIONAL INFORMATION**

7. ISIN Code: [•]

[(i) [Regulation S/Unrestricted] [•]]  
Global Registered Note:

[(ii) Restricted Global Registered [•]]  
Note:

8. Common Code: [•]

[(i) [Regulation S/Unrestricted] [•]]  
Global Registered Note:

[(ii) Restricted Global Registered [•]]  
Note:

9. [FISN: [•]

[(i) [Regulation S/Unrestricted] [•]]  
Global Registered Note:

[(ii) Restricted Global Registered [•]]  
Note:

10. [CFI code: [•]

[(i) [Regulation S/Unrestricted] [•]]  
Global Registered Note:

[(ii) Restricted Global Registered [•]]  
Note:

11. CUSIP Number: [•][Not Applicable]
- [(i) [Regulation S/Unrestricted] Global Registered Note: [•]]
- [(ii) [Rule 144A/Restricted] Global Registered Note: [•]]
12. New Global Note or Classic Global Note: [New Global Note/Classic Global Note][Not Applicable]
13. New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Not Applicable]
- [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- [Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
14. Registered Global Notes intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Not Applicable]
- [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- [Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper and arrange for them to be registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will

then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

15. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [None][DTC][CDS][•]
16. Settlement procedures: [Eurobond/Medium Term Note][•]
17. Name and Address of Initial Paying Agent(s): [HSBC Bank plc] [8 Canada Square, London E14 5HQ] [•]
18. Additional Paying Agent(s) (if any): [•]
19. Calculation Agent: [HSBC Bank plc][•][Not Applicable]
20. City in which specified office of Registrar to be maintained: [New York][•][Not Applicable]  
(Condition 11)
21. CPDI Notes: [Applicable][Not Applicable]
- Projected Payment schedule:

Projected Payment	Comparable yield

## DISTRIBUTION

22. Method of distribution: [Syndicated/Non-syndicated]
23. (i) If syndicated, names of Relevant Dealer/ Lead Manager(s): [Not Applicable][•]
- (ii) If syndicated, names of other Dealers/ Managers: [Not Applicable][•]
- (iii) Date of Subscription Agreement: [•]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable][•]
24. If non-syndicated, name of Relevant Dealer: [Not Applicable][•]

## BENCHMARKS

25. Details of benchmarks administrators and registration under Benchmarks Regulation: [[specify benchmark] is provided by [administrator legal name]. As at the date hereof, [administrator legal name] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [administrator legal name] is not currently required to

obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]/[Not Applicable]

## FORM OF PRICING SUPPLEMENT

Set out below is the form of pricing supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.

### PRICING SUPPLEMENT

Pricing Supplement dated [•]

Series No: [•]

Tranche No: [•]

#### HSBC Holdings plc

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

#### Debt Issuance Programme

**Legal Entity Identifier (LEI): MLU0ZO3ML4LN2LL2TL39**

#### Issue of

**[Aggregate Principal Amount of Tranche]**

**[Title of Notes]**

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

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

**[Singapore Securities and Futures Act Product Classification]** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018.)<sup>3</sup>

<sup>3</sup> [For any Notes to be offered to investors in Singapore, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer].



**No prospectus is required in accordance with Regulation (EU) 2017/1129 for this issue of Notes. The Financial Conduct Authority, in its capacity as competent authority under the Financial Services and Markets Act 2000, has neither approved nor reviewed the information contained in this Pricing Supplement.**

## **PART A – CONTRACTUAL TERMS**

[This document constitutes the Pricing Supplement 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 (the "**Conditions**") set forth in the Base Prospectus dated [•] 2020 in relation to the above Programme (incorporating the Registration Document dated [•] 2020) [and the supplements thereto dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus [and the supplements thereto] [is] [are] available for viewing at [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') [and at [•] during normal business hours] and copies may be obtained from [•].]

[Terms used herein shall be deemed to be defined as such for the purposes of the [2016/2017/2018/2019] Conditions (the "**Conditions**") which are defined in, and incorporated by reference into, the Base Prospectus dated [•] 2020 in relation to the above Programme (incorporating the Registration Document dated [•] 2020 [and the supplements thereto dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus [and any supplements thereto] [is] [are] available for viewing at [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') [and at [•] during normal business hours] and copies may be obtained from [•].]

- |    |        |  |  |
|----|--------|--|--|
| 1. | (i)    | Issuer:  | HSBC Holdings plc  |
| 2. | (i)    | Series number:   | [•]  |
|    | (ii)   | [Tranche number:   | [•] [The Notes issued under this Pricing Supplement are to be consolidated and form a single series with [•] (the " <b>Original Issue</b> ") issued on [•] [(ISIN): [•]].] |
|    | (iii)  | Date on which the Notes become fungible:                 | [•] [Not Applicable]   |
| 3. |        | Specified Currency:                                      | [•]  |
| 4. |        | Aggregate Principal Amount of Notes admitted to trading: |  |
|    | [(i)]  | Series:  | [•]  |
|    | [(ii)] | Tranche:]  | [•]  |
| 5. |        | Issue Price:   | [•] per cent. of the Aggregate Principal Amount [plus accrued interest from [•]]   |
| 6. | (i)    | Specified Denomination(s): Condition 1(d)                | [•] [and integral multiples of [•] in excess thereof up to and including [•]. No Notes in definitive form will be issued with a denomination above [•]].                   |
|    | (ii)   | Calculation Amount                                       | [•]  |
| 7. | (i)    | Issue Date:  | [•]  |
|    | (ii)   | Interest Commencement Date:                              | [•] [Issue Date][Not Applicable]   |

- (iii) CNY Issue Trade Date: [•] [Not Applicable]
8. Maturity Date: [•] [Fixed] [Resettable Note] [Interest Payment Date falling in or nearest to [•]]  
(Condition 6(a))
9. Interest basis: [•][per cent. Fixed Rate Notes]  
(Conditions 3 to 5) [•][per cent. Resettable Notes]  
[[•] +/- [•] per cent. Floating Rate Notes]  
[Zero Coupon Notes]
- (a) Change of interest basis: [Applicable][Not Applicable]
10. Redemption basis: Redemption at par  
(Condition 6)
11. Put/Call options: [Condition 6[(c)][(d)] will apply as specified below][Not Applicable]
12. Status of the Notes: [Not Subordinated Notes/Subordinated Notes]  
(Condition 2)

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Notes and Resettable Notes: [Applicable] [(in relation to the period from (and including [•] to (but excluding) [•])] [Not Applicable]  
(Condition 3)
- (a) Fixed Rate Note provisions: [Applicable][Not Applicable] [The Notes are Fixed Rate Notes]  
(Condition 3(a))
- (i) Rate of Interest: [•] per cent. per annum [payable [annually/ semi-annually/ quarterly / monthly] in arrear]
- (ii) Fixed Coupon Amounts: [[In relation to [the [first] [•]] Interest Payment Date / the Interest Payment Date falling [in / on] [•], [•] per Calculation Amount.]  
[In relation to all other Interest Payment Dates] [•] per Calculation Amount.]  
[Not Applicable]
- (iii) [Fixed Interest Payment Dates(s)] / [Specified Period]: [[•] in each year commencing on [•] and ending on [•], [in each case subject to adjustment in accordance with the Business Day Convention] / [•] [months]]
- (iv) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Floating Rate Convention] [Eurodollar Convention] [No Adjustment]
- (v) Day Count Fraction: [Actual/Actual (ICMA)][Actual/Actual Canadian Compound Method][Actual/Actual (ISDA)] [Actual/365(Fixed)][Actual/365(Sterling)][Actual/360] [30/360][30E/360][30E/360(ISDA)]
- (vi) Determination Date(s): [[•] in each year][Not Applicable]

(b)	Resettable Note provisions: (Condition 3(b))	[Applicable/Not Applicable] [The Notes are Resettable Notes]
(i)	Initial Rate of Interest:	[•] per cent. per annum [payable [annually/semi-annually/ quarterly/monthly] in arrear]
(ii)	Resettable Coupon Amounts:	[In relation to the first Resettable Note Interest Payment Date, [•] per Calculation Amount.]  [In relation to all [subsequent] Resettable Note Interest Payment Dates up to (and including) the Resettable Note Interest Payment Date falling [in/on] [•], [•] per Calculation Amount.]  [Not Applicable]
(iii)	First Margin:	[+/-][•] per cent. per annum
(iv)	Subsequent Margin:	[+/-][•] per cent. per annum [Not Applicable]
(v)	[Resettable Note Interest Payment Date(s)] / [Specified Period]:	[[•] in each year commencing on [•] and ending on [•], [in each case subject to adjustment in accordance with the Business Day Convention] / [•] [months]]
(vi)	First Reset Date:	[•]
(vii)	Second Reset Date:	[•][Not Applicable]
(viii)	Subsequent Reset Dates:	[•]
(ix)	Day Count Fraction:	[Actual/Actual (ICMA)][Actual/Actual Canadian Compound Method][Actual/Actual (ISDA)] [Actual/365(Fixed)][Actual/365(Sterling)][Actual/360] [30/360][30E/360][30E/360(ISDA)]
(x)	Determination Date(s):	[[•] in each year][Not Applicable]
(xi)	Business Day Centre(s):	[•]
(xii)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Floating Rate Convention] [Eurodollar Convention] [No Adjustment]
(xiii)	Resettable Note Reference Rate:	[Mid-Swap Rate] [Resettable Note Interbank Rate] [Benchmark Gilt Rate] [Resettable Note Reference Bond Rate]
(xiv)	Mid-Swap Rate:	[Single Mid-Swap Rate][Mean Mid-Swap Rate] [Not Applicable]
(a)	Relevant Screen Page:	[•]
(b)	Relevant Time:	[•]
(c)	Relevant Financial Centre:	[As per the Conditions] [•]

- (d) Reference Banks: [As per the Conditions] [•]
- (e) Mid-Swap Maturity: [•]
- (f) Fixed Leg Swap Payment Frequency: [•]
- (g) Mid-Swap Floating Leg Benchmark Rate: [•]
- (h) Benchmark Replacement: [Applicable][Not Applicable]
- (xv) Reference Rate applicable to Resetable Note Interbank Rate: [LIBOR] [EURIBOR] [BBSW] [CDOR] [CHIBOR] [CNH HIBOR] [HIBOR] [SHIBOR] [SIBOR] [SOR] [TIBOR] [TIIE] [TAIBIR] [CD-KSDA] [Not Applicable]
- (a) Relevant Period: [•]
- (b) Relevant Screen Page: [•]
- (c) Relevant Time: [•]
- (d) Relevant Financial Centre: [As per the Conditions] [•]
- (e) ISDA Determination for Fallback provisions: [Not Applicable][Applicable]
- (1) Floating Rate Option: [•]
- (2) Designated Maturity: [•]
- (3) Reset Date: [•]
- (f) Reference Banks: [As per the Conditions] [•] [Not Applicable]
- (g) Relevant Number of Quotations: [As per the Conditions] [•] [Not Applicable]
- (h) Leading Banks: [As per the Conditions] [•] [Not Applicable]
- (i) Benchmark Replacement: [Applicable][Not Applicable]
- (xvi) Resetable Note Reference Bond Rate: [Applicable][Not Applicable]
- (a) Quotation Time: [•]
- (xvii) Benchmark Duration: [The Fixed Leg Swap Payment Frequency] [•] [Not Applicable]

14. Floating Rate Note provisions (Condition 4)	[Applicable/Not Applicable] [The Notes are Floating Rate Notes]
(i) [Interest Payment Dates] / [Specified Period]:	[[•] in each year commencing on [•] and ending on [•], [in each case subject to adjustment in accordance with the Business Day Convention] / [•] [months]]
(ii) Reference Rate:	[LIBOR] [EURIBOR] [BBSW] [CDOR] [CHIBOR] [CNH HIBOR] [HIBOR] [SHIBOR] [SIBOR] [SOR] [TAIBIR] [TIE] [TIBOR] [CD-KSDA] [SONIA] [SOFR] [€STR]
(iii) Relevant Period:	[•]
(iv) Screen Rate Determination:	[Not Applicable/ Applicable]
(a) Relevant Screen Page	[•]
(b) Relevant Time:	[•]
(c) Relevant Financial Centre:	[As per the Conditions] [•]
(d) Reference Banks:	[As per the Conditions] [•] [Not Applicable]
(e) Relevant Number of Quotations:	[As per the Conditions] [•] [Not Applicable]
(f) Leading Banks:	[As per the Conditions] [•] [Not Applicable]
(g) ISDA Determination for Fallback provisions:	[Not Applicable][Applicable]
(1) Floating Rate Option:	[•]
(2) Designated Maturity:	[•]
(3) Reset Date:	[•]
(h) Determination Method:	[Compound Daily Rate][Weighted Average Rate]
(i) Observation Method:	[Observation Shift][Lag][Lock-Out][Payment Delay]
(i) Observation Shift Option [Specify where Observation Shift is applicable]- :	[Standard Shift][IDD Shift]
(j) Y:	[360 – likely to be specified for GBP][365- likely to be specified for USD][•]
(k) "p":	[Specify if Observation Shift (Standard Shift) or Lag are applicable][Not Applicable]
(l) ARRC Fallbacks:	[Applicable][Not Applicable] - May be applicable is SOFR is the Reference Rate only
(i) Initial Interest Rate:	[[•] per cent. per annum - Specify only where ARRC fallbacks apply]

	(m)	Benchmark Replacement	[Applicable][Not Applicable]
	(n)	Effective Interest Payment Dates:	[In respect of each Interest Period other than the final Interest Period, the date falling [two][•] [Business Days][•] following the Interest Payment Date, and in respect of the final Interest Period, the Maturity Date or redemption date (as applicable) of the Notes. – <i>include if Payment Delay is specified</i> ][Not Applicable]
	(v)	ISDA Determination:	[Applicable][Not Applicable]
	(a)	Floating Rate Option:	[•]
	(b)	Designated Maturity:	[•]
	(c)	Reset Date:	[•]
	(vi)	Interest Determination Date(s):	[•] [[ ]][prior to the [The][first] day of each Interest Period]] [The [second][ ] [Business Day]][•] falling prior to Interest Payment Date][Each Interest Payment Date, provided that in respect of the final Interest Period, the Interest Determination Date shall be the [second][ ] [Business Day]][•] falling prior to Interest Payment Date ([not] taking into account any adjustment made pursuant to Condition 8 ( <i>Payments</i> )) – <i>use for Payment Delay only</i> ]
	(vii)	Linear Interpolation:	[Not Applicable/ Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [•] shall be calculated using Linear Interpolation]
	(viii)	Margin:	[+/-] [•] per cent. per annum
	(ix)	Day Count Fraction:	[Actual/Actual (ICMA)][Actual/Actual Canadian Compound Method][Actual/Actual (ISDA)] [Actual/365(Fixed)][Actual/365(Sterling)][Actual/360] [30/360][30E/360][30E/360(ISDA)]
	(x)	Determination Date(s):	[[•] in each year][Not Applicable]
	(xi)	Business Day Centre(s): (Condition 4(b))	[•]
	(xii)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Floating Rate Convention] [Eurodollar Convention] [No Adjustment]
	(xiii)	Maximum Rate of Interest:	[Not Applicable][[•] per cent. per annum]
	(xiv)	Minimum Rate of Interest:	[Not Applicable / [[•]/[0]] per cent. per annum]
15.		Zero Coupon Note provisions: (Condition 5)	[Applicable/Not Applicable]
	(i)	Accrual Yield:	[•] per cent. per annum

- |       |                     |   |
|-------|---------------------|---|
| (ii)  | Reference Price:    | [•]   |
| (iii) | Day Count Fraction: | [Actual/Actual(ICMA)][Actual/Actual Canadian Compound Method][Actual/Actual (ISDA)]<br>[Actual/365(Fixed)][Actual/365(Sterling)][Actual/360] [30/360][30E/360][30E/360(ISDA)] |

## PROVISIONS RELATING TO REDEMPTION

- |       |   |   |
|-------|---|---|
| 16.   | Issuer's optional redemption (Call):<br>(Condition 6(c))                    | [Applicable][Not Applicable]  |
| (i)   | Early Redemption Amount (Call):   | [Optional Redemption Amount (Call)][Make Whole Redemption Amount]                                   |
| (ii)  | Optional Redemption Amount (Call):  | [•] per [Calculation Amount] [Not Applicable]   |
| (iii) | Make Whole Redemption Amount:   | [Sterling Make Whole Redemption Amount][Non-Sterling Make Whole Redemption Amount] [Not Applicable] |
| (a)   | Redemption Margin:  | [•] per cent.   |
| (b)   | Reference Bond:   | [•]   |
| (c)   | Reference Date:   | [•]   |
| (d)   | Relevant Screen Page:   | [•][Not Applicable]   |
| (e)   | Quotation Time:   | [•]   |
| (iv)  | Series redeemable in part:  | [•]   |
| (v)   | Call option date(s):  | [•]   |
| (vi)  | Call option period:   | [•]   |
| 17.   | Noteholder's optional redemption (Put):<br>(Condition 6(d))                 | [Applicable][Not Applicable]  |
| (i)   | Early Redemption Amount (Put):  | [•] per [Calculation Amount]  |
| (ii)  | Put option date(s):   | [•]   |
| (iii) | Put option period:  | [•]   |
| 18.   | Redemption for taxation reasons:<br>(Condition 6(b)(iii)):                  | [Applicable][Not Applicable]  |
| 19.   | Redemption upon Capital Disqualification Event:<br>(Condition 6(h))         | [Applicable][Not Applicable]  |
|       | [Capital Disqualification Event Early Redemption Price:                     | [[•] per cent.]] [[ ] per Calculation Amount]   |
| 20.   | Redemption upon Loss Absorption Disqualification Event:<br>(Condition 6(i)) | [Applicable][Not Applicable]  |

- |  |   |
|--|---|
| [Loss Absorption Disqualification Event<br>Early Redemption Price: | [[•] per cent.]] [[ ] per Calculation Amount] |
|--|---|
21. Early redemption amount:
- |   |                     |
|---|---------------------|
| (i) Early redemption amount upon redemption for taxation reasons:<br>(Condition 6(b)) | [•][Not Applicable] |
| (ii) Early redemption amount upon enforcement:<br>(Condition 9)                       | [•][Not Applicable] |
22. Substitution or Variation:  
(Condition 6(k))
- |  |                              |
|--|------------------------------|
|  | [Applicable][Not Applicable] |
|--|------------------------------|

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:  
(Condition 1(a))
- |  |  |
|--|--|
|  | [Bearer/Registered]  |
|  | [Regulation S Global Registered Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg/ CDS]  |
|  | [Rule 144A Global Registered Note registered in the name of a nominee for DTC]   |
|  | [Unrestricted Global Registered Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] and Restricted Global Registered Note registered in the name of a nominee for DTC]] |
24. (a) 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 Bearer Notes:<br>(Condition 1(a)) | [Applicable] [Not Applicable]<br>[Permanent Global Note] [Definitive Global Notes]   |
| (iii) Permanent Global Note exchangeable for Definitive Bearer Notes:   | [Yes/No] [The Issuer waives its right to elect to exchange the Permanent Global Note for Definitive Bearer Notes in the circumstances described in paragraph (d) of the Permanent Global Note] |
| (iv) Coupons to be attached to Definitive Bearer Notes:   | [Yes/No/Not Applicable]  |



- |       |   |   |
|-------|---|---|
| (v)   | Talons for future Coupons to be attached to Definitive Bearer Notes:                            | [Yes/No/Not Applicable]                                 |
| (vi)  | Definitive Bearer Notes to be security printed:   | [Yes/No]  |
| (vii) | Definitive Bearer Notes to be in ICMA or successor's format:                                    | [Yes/No]  |
| (b)   | If issued in registered form:   | [Applicable] [Not Applicable]                           |
| (i)   | Rule 144A Global Registered Note exchangeable for U.S. Definitive Registered Notes:             | [Yes/No/Not Applicable]                                 |
| (ii)  | Restricted Global Registered Note exchangeable for U.S. Definitive Registered Notes:            | [Yes/No/Not Applicable]                                 |
| (iii) | Regulation S Global Registered Notes exchangeable for Regulation S Definitive Registered Notes: | [Yes/No/Not Applicable]                                 |
| (iv)  | Unrestricted Global Registered Note exchangeable for Regulation S Definitive Registered Notes:  | [Yes/No/Not Applicable]                                 |
| 25.   | Exchange Date for exchange of Temporary Global Note:  | [•]   |
| 26.   | Payments<br>(Condition 8)   |   |
|       | Relevant Financial Centre Day:  | [•]   |
| 27.   | U.S. Selling restrictions:  | [TEFRA D][TEFRA C][TEFRA not applicable]                |
|       |   | [Regulation S Compliance Category 2/Rule 144A eligible] |
|       | [ROC Selling restrictions:] <sup>4</sup>  | [•]   |
| 28.   | Prohibition of Sales to EEA and UK Retail Investors:  | [Applicable/Not Applicable]                             |

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<sup>4</sup> Applicable in the event that the Notes are to be listed on TPEx in Taiwan.

**CONFIRMED**

**HSBC HOLDINGS PLC**

By: .....  
*Authorised Signatory*

Date: .....

## PART B - OTHER INFORMATION

### 1. LISTING

- (i) Listing: Application has been made for the Notes to be admitted to listing on [the Taipei Exchange in the Republic of China (the "TPEX")][•].
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on the TPEX with effect from [•]. No assurance can be given as to whether or not, or when, such application will be granted. The TPEX is not responsible for the contents of this document, the Base Prospectus, any supplement or amendment thereto and no representation is made by the TPEX to the accuracy or completeness of this document, the Base Prospectus or any supplement or amendment thereto. The TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document, the Base Prospectus or any supplement or amendment thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes.] [Application has been made for the Notes to be admitted to trading on the International Securities Market.] [•]

### 2. RATINGS

- Ratings: [The long term [senior][subordinated] debt of HSBC Holdings plc has been rated:]
- [S&P: [•]]
- [Moody's: [•]]
- [Fitch: [•]]
- [The Notes have not specifically been rated.]
- [The Notes have been rated:]
- [S&P: [•]]
- [Moody's: [•]]
- [Fitch: [•]]

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

[[Save for the fees and commission of [•] payable to the [Managers/Dealers] in relation to the Notes, so][So] far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue.] [Not Applicable]

4. **[YIELD]**

(i) Indication of yield: [•]

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price [for the period from the Issue Date until the First Reset Date]. It is not an indication of future yield.] [Not Applicable]

5. **[REASONS FOR THE OFFER]**

[Use of proceeds if other than for general corporate purposes:] [[The Issuer will use the net proceeds from the sale of the Notes for general corporate purposes and to further strengthen the Issuer's capital base pursuant to requirements under the EU Capital Requirements Legislative Package.] [•]] [The Notes are specified as being "Green Bonds" and the net proceeds from the sale of the Notes will be used [as described in "*Use of Proceeds – Green Bonds*" in the Base Prospectus] [ ]] [The Notes are specified as being "SDG Bonds" and the net proceeds from the sale of the Notes will be used [as described in "*Use of Proceeds – SDG Bonds*" in the Base Prospectus] [ ]]

6. **ESTIMATE OF THE TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING**

[It is estimated that the total expenses to be incurred in relation to the admission to trading of the Notes will be:[•].] [Not Applicable]

**OPERATIONAL INFORMATION**

7. ISIN Code: [•]

[(i) [Regulation S/Unrestricted] [•]]  
Global Registered Note:

[(ii) Restricted Global Registered [•]]  
Note:

8. Common Code: [•]

[(i) [Regulation S/Unrestricted] [•]]  
Global Registered Note:

[(ii) Restricted Global Registered [•]]  
Note:

9. CUSIP Number: [•][Not Applicable]

[(i) [Regulation S/Unrestricted] [•]]  
Global Registered Note:

[(ii) [Rule 144A/Restricted] [•]]  
Global Registered Note:

10. New Global Note or Classic Global Note: [New Global Note/Classic Global Note][Not Applicable]

11. New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Not Applicable]  
[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited

with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

12. Registered Global Notes intended to be held in a manner which would allow Eurosystem eligibility:

[Yes][No][Not Applicable]

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

[Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper and arrange for them to be registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

13. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):

[None][DTC][CDS][•]

14. Settlement procedures: [Eurobond/Medium Term Note][•]
15. Name and Address of Initial Paying Agent(s): [HSBC Bank plc] [8 Canada Square, London E14 5HQ] [•]
16. Additional Paying Agent(s) (if any): [•]
17. Calculation Agent: [HSBC Bank plc][•][Not Applicable]
18. City in which specified office of Registrar to be maintained: [New York][•][Not Applicable]  
(Condition 11)
19. CPDI Notes: [Applicable][Not Applicable]

Projected Payment schedule:

Projected Payment	Comparable yield

## DISTRIBUTION

20. Method of distribution: [Syndicated/Non-syndicated]
21. (i) If syndicated, names of Relevant Dealer/ Lead Manager(s): [Not Applicable][•]
- (ii) If syndicated, names of other Dealers/ Managers: [Not Applicable][•]
- (iii) Date of Subscription Agreement: [•]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable][•]
22. If non-syndicated, name of Relevant Dealer: [Not Applicable][•]

## BENCHMARKS

23. Details of benchmarks administrators and registration under Benchmarks Regulation: [[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[Not Applicable]

## TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a Series of Notes (the "**Notes**") issued pursuant to the debt issuance programme (the "**Programme**") established by HSBC Holdings plc (the "**Issuer**") and is constituted by and issued subject to and with the benefit of a Trust Deed dated 28 June 2000 (such Trust Deed as last modified and restated on or about 30 March 2020 and as further modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**" which expression shall wherever the context so admits include its successors) and has the benefit of an Agency Agreement dated 28 June 2000 (such Agency Agreement as last modified and restated on or about 30 March 2020 and as further modified and/or supplemented and/or restated from time to time, the "**Agency Agreement**") each made between, amongst others, the Issuer, the Principal Paying Agent (the "**Principal Paying Agent**" which expression shall wherever the context so admits include its successors as such, and, together with any successor or additional paying agent appointed in respect of the Notes, the "**Paying Agents**", which expression shall wherever the context so admits include any successor and/or additional paying agents), the Registrar (the "**Registrar**" which expression shall wherever the context so admits include any successor or additional person appointed as such in respect of the Notes), the Transfer Agent (the "**Transfer Agents**", which expression shall wherever the context so admits include any successor or additional person appointed as such in respect of the Notes), the Calculation Agent (the "**Calculation Agent**" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of the Notes or any Series of Notes) each named therein and the Trustee. The initial Principal Paying Agent, the initial Registrar and (if applicable) the initial Calculation Agent are as named herein. The Trustee shall exercise the duties, power, trusts, authorities and discretions vested in it by the Trust Deed separately in relation to each Series of Notes in accordance with the provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours by prior arrangement at the registered office for the time being of the Trustee and at the specified office of each of the Principal Paying Agent, the other Paying Agents (if any), the Registrar and the Transfer Agents appointed from time to time pursuant to the terms of the Agency Agreement. The Holders (as defined in Condition 1(e) (*Title*)) for the time being of Notes (the "**Noteholders**") and of any coupons ("**Coupons**") or talons ("**Talons**") (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions.

References in these terms and conditions (the "**Conditions**") to "Notes" shall, where the context so requires include the temporary global Notes, the permanent global Notes, subordinated Notes ("**Subordinated Notes**"), Notes which are not subordinated and such other Notes as may from time to time be issued under the Programme, as the case may be, and the term "**Notes**" includes debt instruments, by whatever name called, issued under the Programme. All Notes will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes. Each Tranche will be the subject of a Final Terms (the "**Final Terms**"), a copy of which will be attached to or incorporated by reference in each Note of such Tranche, **provided that** in the case of a Tranche of Exempt Notes which is the subject of a pricing supplement (a "**Pricing Supplement**"), each reference to Final Terms or to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to the Pricing Supplement or to such information being specified or identified in the relevant Pricing Supplement, unless the context requires otherwise. 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, bearing interest, if any, on the same basis and issued on identical terms will constitute one Tranche of Notes.

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

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

1. **Form, Denomination and Title**

(a) ***Form***

Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") as set out in the relevant Final Terms.

(b) ***Form of Bearer Notes***

Bearer Notes will be in substantially the relevant form (subject to amendment and completion) scheduled to the Trust Deed or in such other form as from time to time may be agreed. Interest-bearing Bearer Notes will, if so specified in the relevant Final Terms, have attached at the time of their initial delivery Coupons, presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest-bearing Bearer Notes will also, if so specified in the relevant Final Terms, have attached at the time of their initial delivery a Talon exchangeable for further Coupons and the expression "Coupons" shall, where the context so requires, include Talons.

(c) ***Form of Registered Notes***

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

(d) ***Denomination***

Bearer Notes will be in the Specified Denomination(s) set out in the relevant Final Terms. Registered Notes will be in the denomination(s) and multiples set out in the relevant Final Terms.

(e) ***Title***

Title to Bearer Notes, Coupons and Talons will pass by delivery. Title to Registered Notes passes by registration in the register (the "**Register**") which is kept by the Registrar. References herein to the "**Holders**" of Bearer Notes or of Coupons are to the bearers of such Bearer Notes or such Coupons and 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 and subject to the provisions of the fourth paragraph of Condition 13(a) (*Notices*) while the Notes of any Series are represented by a Note or Notes in global form, the Issuer, the Principal Paying Agent, any other Paying Agents, the Transfer Agents, the Calculation Agent and the Registrar may deem and treat the Holder of any Bearer Note or of any Coupon and 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 such Note shall be overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of receiving payment on account thereof and for all other purposes.

(f) ***Transfer of Registered Notes***

Subject as provided in the final sentence of this Condition 1(f), a Registered Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part only upon the surrender of the Registered Note to be transferred, together with the form of transfer (including, without limitation, any certification as to compliance with restrictions on transfer included in such form of transfer) endorsed on it duly completed and executed, at the specified office of the Registrar or any of the Transfer Agents together with such evidence as the Registrar, or as the case may be, the relevant Transfer Agent may reasonably require to prove the title of the transferor and the authority of the persons who have executed the form of transfer. A



new Registered 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. No Holder may require the transfer of a Registered Note to be registered during the period of 15 calendar days ending on the due date for any payment (whether of principal, redemption amount, interest or otherwise) in respect of such Note.

(g) ***Delivery***

Each new Registered Note to be issued upon the transfer of a Registered Note will, within five Relevant Banking Days (as defined in Condition 12 (*Replacement and Transfer*)) of the Transfer Date (as defined in Condition 12 (*Replacement and Transfer*)), be available for delivery at the specified office of the Registrar or, as the case may be, the relevant Transfer Agent or (at the request and risk of the Holder of such Registered Note) be mailed by uninsured post to such address as may be specified by such Holder. For these purposes, a form of transfer received by the Registrar or any of the Transfer Agents after the Record Date (as defined in Condition 8(b) (*Registered Notes*)) in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or such Transfer Agent until the day following the due date for such payment.

(h) ***No charge***

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

(i) ***Regulations concerning transfer and registration of Registered 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 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 Agent.

(j) ***Rule 144A Legend***

Upon the transfer, exchange or replacement of Registered Notes bearing the private placement legend (the "**Rule 144A Legend**") for the purpose of Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**"), set forth in the form of Registered Note scheduled to the Trust Deed, the Registrar shall deliver only Registered Notes that also bear such legend unless there is delivered to the Issuer and to the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such Registered Notes are not "**restricted securities**" within the meaning of Rule 144 under the Securities Act. The Issuer has covenanted and agreed in the Trust Deed that it will not acquire any beneficial interest, and will cause its affiliates not to acquire any beneficial interest, in any Registered Note bearing the Rule 144A Legend unless it notifies the Registrar in writing of such acquisition. The Registrar and all Holders shall be entitled to rely without further investigation on any such notification (or lack thereof).

(k) ***No Exchange***

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

2. **Status and Subordination**

The Notes of each Series (other than Subordinated Notes) constitute direct, 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.

The Notes of each Series of Subordinated Notes constitute direct, unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves. The rights of Holders of Subordinated Notes will, in the event of the winding up of the Issuer in England, (i) be subordinated in right of payment to the claims of Senior Creditors (as defined in the Trust Deed) in the manner provided in the Trust Deed and (ii) rank senior to the Issuer's ordinary shares, preference shares and any junior subordinated obligations or other securities of the Issuer which by law rank, or by their terms are expressed to rank, junior to the Subordinated Notes in the manner provided in the Trust Deed.

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

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

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

Notes which are specified in the relevant Final Terms as being Fixed Rate Notes (each a "**Fixed Rate Note**") will bear interest on the principal amount of each Note as at the Issue Date at the applicable fixed rate or rates per annum specified in the relevant Final Terms as the Rate of Interest from the Interest Commencement Date specified in the relevant Final Terms. Interest will be payable in arrear on the Fixed Interest Payment Date(s). The first payment of interest will be made on the first Fixed Interest Payment Date following the Interest Commencement Date.

(b) ***Interest on Resettable Notes***

Notes which are specified in the relevant Final Terms as being Resettable Notes (each a "**Resettable Note**") will bear interest on the principal amount of each Note as at the Issue Date:

- (i) from (and including) the Interest Commencement Date specified in the relevant Final Terms until (but excluding) the First Reset Date at the Initial Rate of Interest;
- (ii) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date, at the First Reset Rate of Interest; and
- (iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest.

Interest will be payable in arrear on the Resettable Note Interest Payment Date(s). The first payment of interest will be made on the first Resettable Note Interest Payment Date following the Interest Commencement Date.

(c) ***Determination of Resetable Note Reference Rate, First Reset Rate of Interest and Subsequent Reset Rate of Interest***

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

(i) *Mid-Swap Rate*

(A) if Mid-Swap Rate is specified in the relevant Final Terms as the Resetable Note Reference Rate, the Mid-Swap Rate in relation to a Reset Determination Date (each such a rate, a "**Mid-Swap Rate**") shall be either:

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

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

(y) commencing on the relevant Resetable Note Reset Date,

which appears on the Relevant Screen Page; or

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

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

(y) commencing on the relevant Resetable Note Reset Date,

which appear on the Relevant Screen Page,

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

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

the Specified Currency on the Reset Determination Date in question; provided that:

- (1) if two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin with such sum converted as set out in the definition of First Reset Rate of Interest or Subsequent Reset Rate of Interest (as applicable), all as determined by the Calculation Agent; and
- (2) if only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 3(c)(i), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Note Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest (though substituting, where the Subsequent Margin to be applied to the relevant Reset Period differs from the First Margin or Subsequent Margin (as applicable) which applied to the last preceding Reset Period, the Subsequent Margin relating to the relevant Reset Period in place of the First Margin or Subsequent Margin (as the case may be) relating to that preceding Reset Period);

(ii) *Resettable Note Interbank Rate*

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

- (A) references therein to 'Rate of Interest' were to 'First Reset Rate of Interest' or 'Subsequent Reset Rate of Interest' (as applicable);
- (B) references therein to 'Interest Determination Date' were to 'Reset Determination Date'; and
- (C) references therein to 'Interest Period' were to 'Reset Period',

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

(iii) *Benchmark Gilt Rate*

if Benchmark Gilt Rate is specified in the relevant Final Terms as the Resettable Note Reference Rate, then the Calculation Agent will, in respect of a Reset Period, calculate the gross redemption yield (in accordance with generally accepted

market practice at such time) on a semi-annual compounding basis (rounded up (if necessary) to four decimal places) of the Reset Benchmark Gilt, with the price of the Reset Benchmark Gilt for this purpose being the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered prices of such Reset Benchmark Gilt quoted by the Reference Banks at 3.00 p.m. (London time) on the relevant Reset Determination Date on a dealing basis for settlement on the next following Business Day in London (such yield, the "**Benchmark Gilt Rate**"), provided that:

- (A) if at least four quotations are provided, the Benchmark Gilt Rate in respect of such Reset Period will be determined by reference to the arithmetic mean (rounded as aforesaid) of the quotations provided, eliminating the highest quotation (or, in the event of more than one highest quotation, one of the highest) and the lowest quotation (or, in the event of more than one lowest quotation, one of the lowest);
- (B) if only two or three quotations are provided, the Benchmark Gilt Rate will be determined by reference to the arithmetic mean (rounded as aforesaid) of the quotations provided; and
- (C) if only one quotation is provided, the Benchmark Gilt Rate will be determined by reference to the quotation provided (rounded as aforesaid),

and the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the Benchmark Gilt Rate as determined in accordance with the above provisions and the First Margin or Subsequent Margin (as applicable) with such sum converted as set out in the definition of "First Reset Rate of Interest" or "Subsequent Reset Rate of Interest" (as applicable), all as determined by the Calculation Agent; **provided, however, that** if no quotations are provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Note Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest (though substituting, where the Subsequent Margin to be applied to the relevant Reset Period differs from the First Margin or Subsequent Margin (as applicable) which applied to the last preceding Reset Period, the Subsequent Margin relating to the relevant Reset Period in place of the First Margin or Subsequent Margin (as the case may be) relating to that preceding Reset Period); and

(iv) *Resettable Note Reference Bond Rate*

if Resettable Note Reference Bond Rate is specified in the relevant Final Terms as the Resettable Note Reference Rate, the Calculation Agent will, in respect of the Reset Period, determine the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price (determined by reference to one or more Reference Government Bond Dealer Quotations) for such Reset Period (such yield, the "**Resettable Note Reference Bond Rate**"), and the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the Resettable Note Reference Bond Rate as determined in accordance with this Condition 3(c)(iv) and the First Margin or Subsequent Margin (as applicable) with such sum converted as set out in the definition of "First Reset Rate of Interest" or "Subsequent Reset Rate of Interest" (as applicable), all as determined by the Calculation Agent; **provided, however, that**, if no Reference Government Bond Dealer Quotations are received, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Note Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest (though substituting,

where the Subsequent Margin to be applied to the relevant Reset Period differs from the First Margin or Subsequent Margin (as applicable) which applied to the last preceding Reset Period, the Subsequent Margin relating to the relevant Reset Period in place of the First Margin or Subsequent Margin (as the case may be) relating to that preceding Reset Period).

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

The Calculation Agent will cause the First Reset Rate of Interest or (if applicable) the relevant Subsequent Reset Rate of Interest for each interest period to be notified to the Issuer, the Principal Paying Agent and, for as long as such Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, to such listing authority, stock exchange and/or quotation system in accordance with the rules thereof, and, for as long as such Notes are represented by Global Notes, Euroclear and/or Clearstream, Luxembourg and/or such other clearing system or depository as may be set out in the relevant Final Terms as soon as possible after the determination thereof but in any event no later than the fourth business day thereafter. In respect of Resettable Notes which are Definitive Notes, the Calculation Agent will give notice to the Noteholders of the First Reset Rate of Interest and (if applicable) the relevant Subsequent Reset Rate of Interest in accordance with the provisions of Condition 13 (*Notices*).

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

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

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

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

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

- (i) in the case of Fixed Rate Notes or, as the case may be, Resettable Notes which are represented by a Global Note, the principal amount of the Notes represented by such Global Note during such Interest Period; or
- (ii) in the case of Fixed Rate Notes or, as the case may be, Resettable Notes in definitive form, the Calculation Amount (as defined in Condition 19) during such Interest Period, as so specified in the applicable Final Terms,

in each case, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest applicable sub-unit of the currency in which the Note is denominated or, as the case may be, in which such interest is payable (one half of any

sub-unit being rounded upwards or otherwise in accordance with applicable market convention, as determined by the Calculation Agent). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where the Specified Denomination of a Fixed Rate Note or, as the case may be, Resettable Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts determined in the manner provided above for each Calculation Amount comprising the Specified Denomination without any further rounding.

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

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

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

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

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

Interest will cease to accrue on each Fixed Rate Note or Resettable Note on the due date for redemption thereof unless, upon due presentation thereof or, in the case of a Registered Note, upon such due date, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before any judgment) up to and including the date on which, in the case of a Bearer Note, upon further presentation thereof, payment in full of the principal amount due in respect of such Fixed Rate Note or (as the case may be) Resettable Note is made or (if earlier) the date upon which notice is duly given to the Holder of such Fixed Rate Note or (as the case may be) Resettable Note that sufficient funds for payment of the principal amount due in respect of it, together with accrued interest, have been received by the Principal Paying Agent or the Trustee or, in the case of a Registered Note, the date on which payment in full is made.

4. **Interest on Floating Rate Notes**

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

Notes which are specified in the relevant Final Terms as being Floating Rate Notes (each a "**Floating Rate Note**") bear interest on the principal amount of each Note as at its Issue Date from the Interest Commencement Date specified in the relevant Final Terms.

Interest will cease to accrue on each Floating Rate Note on the due date for redemption thereof unless, upon due presentation thereof or, in the case of a Registered Note, upon

such due date, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before any judgment) up to and including the date on which, in the case of a Bearer Note, upon further presentation thereof, payment in full of the principal amount due in respect of such Note is made or (if earlier) the date upon which notice is duly given to the Holder of such Note that sufficient funds for payment of the principal amount due in respect of it, together with accrued interest, have been received by the Principal Paying Agent or the Trustee or, in the case of a Registered Note, the date on which payment in full is made.

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

Interest on each Floating Rate Note will be payable in arrear on the Interest Payment Date(s). The first payment of interest will be made on the first Interest Payment Date following the Interest Commencement Date.

(c) ***Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR or €STR***

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

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the rate of the relevant Reference Rate for the Relevant Period as being, the rate which appears on the Relevant Screen Page for the Relevant Period as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period or generally in relation to the Notes in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates for the relevant Reference Rate which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
  - (A) one such rate shall be determined as if the Relevant Period were the period of time for which rates for the relevant Reference Rate are available next shorter than the length of the relevant Interest Period; and
  - (B) the other such rate shall be determined as if the Relevant Period were the period of time for which rates for the relevant Reference Rate are available next longer than the length of the relevant Interest Period,

**provided, however, that** if no such rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent, acting in a commercially reasonable manner, shall determine such rate for the relevant Reference Rate at such time and by reference to such sources as it determines appropriate;
- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the rates for the relevant Reference Rate for the Relevant Period which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if a Screen Rate Fallback Trigger has occurred, then:
  - (A) if ISDA Determination for Fallback provisions is specified in the relevant Final Terms as being applicable, the Calculation Agent will determine the relevant Floating Rate for the relevant Interest Determination Date in accordance with Condition 4(f) (*ISDA Determination*) on the basis of the



Floating Rate Option, Designated Maturity and Reset Date specified in the relevant Final Terms;

- (B) if ISDA Determination for Fallback provisions is not specified in the relevant Final Terms as being applicable, the Specified Currency is AUD and the Reference Rate is BBSW, the Calculation Agent will, in its discretion, determine the rate for the relevant Interest Determination Date for the Relevant Period having regard to comparable indices then available;
- (C) if ISDA Determination for Fallback provisions is not specified in the relevant Final Terms as being applicable, the Specified Currency is CAD and the Reference Rate is CDOR, the Calculation Agent will:
  - (1) request the principal Toronto office of each of four major Canadian Schedule 1 chartered banks to provide a quotation of their bid rate for CAD bankers acceptances for the Relevant Period at approximately 10.00 a.m. Toronto time on the Interest Determination Date; and
  - (2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations; and
  - (3) if fewer than two quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the bid rates for CAD bankers acceptances for the Relevant Period quoted by major banks in Toronto, selected by the Calculation Agent, at approximately 10.00 a.m. Toronto time on the first day of the relevant Interest Period and in a representative amount accepted by those banks;
- (D) if ISDA Determination for Fallback provisions is not specified in the relevant Final Terms as being applicable, the Specified Currency is EUR and the Reference Rate is EURIBOR, the Calculation Agent will:
  - (1) request the principal Euro-zone office of each of five major banks in the Euro-zone interbank market to provide a quotation at approximately 11.00 a.m. Brussels time on the Interest Determination Date of the rate offered by it to prime banks in the Euro-zone interbank market for a period equal to the Relevant Period and in an amount that is representative for a single transaction in that market at that time; and
  - (2) discard the highest and lowest quotation and determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of the remaining quotations; and
  - (3) if fewer than three quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks in the Euro-zone interbank market, selected by the Calculation Agent, at approximately 11.00 a.m. Brussels time on the first day of the relevant Interest Period for loans in EUR to leading Euro-zone banks for a period equal to the Relevant Period and in an amount that is representative for a single transaction in that market at that time;

- (E) if ISDA Determination for Fallback provisions is not specified in the relevant Final Terms as being applicable, the Specified Currency is SGD and the Reference Rate is SOR, the Calculation Agent will:
- (1) request the principal Singapore offices of three major banks in the Singapore interbank market selected by the Calculation Agent in consultation with the Issuer to provide the Calculation Agent with quotations(s) of their swap offer rates for a duration of the Relevant Period at the close of business in Singapore on the Business Day immediately following the Interest Determination Date; and
  - (2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such offered quotations; and
  - (3) if only one of such banks provides the Calculation Agent with such a quotation, determine the rate as being the rate quoted by that bank;
- (F) if ISDA Determination for Fallback provisions is not specified in the relevant Final Terms as being applicable, the Specified Currency is TWD and the Reference Rate is TAIBIR, the Calculation Agent will:
- (1) request the principal Taipei offices of five leading dealers in the Taipei Secondary Market Bills to provide quotations of the Taiwan Secondary Markets Bills Rates offered by them to prime banks in the Taipei interbank market for the Relevant Period at approximately 11 a.m. Taipei time on the Interest Determination Date; and
  - (2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations; and
  - (3) if fewer than four quotations are provided as requested, the Calculation Agent will determine the rate in its discretion;
- (G) if ISDA Determination for Fallback provisions is not specified in the relevant Final Terms as being applicable, the Specified Currency is KRW and the Reference Rate is CD-KSDA, the Calculation Agent will:
- (1) request the principal Seoul offices of five major dealers in negotiable KRW Certificates of Deposit to provide a quotation of the secondary market final closing rates for 91 day certificates of deposit at approximately 4.30 p.m. Seoul time on the Interest Determination Date; and
  - (2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations; and
  - (3) if fewer than four quotations are provided as requested, the Calculation Agent will determine the rate in its discretion;
- (H) if ISDA Determination for Fallback provisions is not specified in the relevant Final Terms as being applicable, the Specified Currency is MXN and the Reference Rate is TIIE, the Calculation Agent will:
- (1) request the principal Mexico City office of the Reference Banks to provide a quotation of their mid-market cost of funds for MXN for the Relevant Period at approximately 11.00 a.m.

Mexico City time on the Interest Determination Date in an amount that is representative for a single transaction in that market at that time; and

- (2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations; and
  - (3) if fewer than two quotations are provided as requested, the Calculation Agent will determine the rate in its discretion, using a representative rate;
- (I) in all other cases where ISDA Determination for Fallback provisions is not specified in the relevant Final Terms as being applicable, the Calculation Agent will:
- (1) request the Relevant Financial Centre office of each of the Reference Banks to provide a quotation at approximately the Relevant Time on the Interest Determination Date of the rate offered by it to prime banks in the Relevant Financial Centre interbank market for a period equal to the Relevant Period and in an amount that is representative for a single transaction in that market at that time; and
  - (2) determine the arithmetic mean (rounded, if necessary, to the nearest four decimal places, with 0.00005 being rounded upwards) of such quotations; and
  - (3) if fewer than the Relevant Number of Quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks in the Relevant Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately the Relevant Time in the Relevant Financial Centre of the Specified Currency on the first day of the relevant Interest Period for loans in the Specified Currency to Leading Banks for a period equal to the Relevant Period and in an amount that is representative for a single transaction in that market at that time,

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

(d) **Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR or €STR**

- (i) If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate is specified in the relevant Final Terms as being "SONIA", "SOFR" or "€STR", the Rate of Interest applicable to the Notes for each Interest Period will be sum of the Margin and the Relevant Rate, all as determined by the Calculation Agent on the Interest Determination Date for such Interest Period.
- (ii) If the Notes become due and payable in accordance with Condition 9 (*Enforcement*), the final Interest Determination Date shall, notwithstanding any

Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which the Notes became due and payable and the Rate of Interest applicable to the Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

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

- (iv) *Definitions*

**"Applicable Period"** means,

- (A) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, in relation to any Interest Period, the Observation Period relating to such Interest Period; and
- (B) where "Lag", "Lock-Out" or "Payment Delay" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period.

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

**"d<sub>0</sub>"** means the number of Reference Rate Business Days in the Applicable Period.

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

**"i"** means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Reference Rate Business Day in the Applicable Period in chronological order from (and including) the first Reference Rate Business Day in the Applicable Period (each a **"Reference Rate Business Day(i)"**).

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

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

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

- (A) where "Standard Shift" is specified as applicable in the relevant Final Terms, the period from (and including) the date which is "p" Reference Rate Business Days prior to the first day of such Interest Period (and in respect of the first Interest Period, the Interest Commencement Date) and ending on (but excluding) the date which is "p" Reference Rate Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Reference Rate Business Days prior to such earlier date, if any, on which the Notes become due and payable); and
- (B) where "IDD Shift" is specified as applicable in the relevant Final Terms, the period from (and including) the Reference Rate Business Day falling prior to the Interest Determination Date for the immediately preceding Interest Payment Date to (but excluding) the last Reference Rate Business Day falling prior to the Interest Determination Date for such Interest Period, provided that the first Observation Period shall commence on (and include) the last Reference Rate Business Day falling

prior to the date falling two Business Days prior to the Interest Commencement Date.

"**p**" means the whole number specified as such in the Final Terms representing a number of Reference Rate Business Days;

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

- (A) where "Lock-Out" is specified as the Observation Method in the relevant Final Terms and "SONIA" is specified as the relevant Reference Rate, in relation to any Interest Period, the Reference Rate Business Day immediately prior to the Interest Determination Date;
- (B) where either "Lock-Out" or "Lag" are specified as the Observation Method in the relevant Final Terms and a Reference Rate other than SONIA is specified as the relevant Reference Rate, in relation to any Interest Period, the second Reference Rate Business Day falling prior to the Interest Determination Date;
- (C) where "Payment Delay" is specified as the Observation Method in the relevant Final Terms, and:
  - (I) "SONIA" is specified as the relevant Reference Rate, the Reference Rate Business Day immediately prior to the Interest Determination Date in relation to the final Interest Period only;
  - (II) a Reference Rate other than SONIA is specified as the relevant Reference Rate is specified as the relevant Reference Rate:
    - (i) in respect of any Interest Period other than the final Interest Period, second the Reference Rate Business Day falling prior to the Interest Determination Date in relation to the final Interest Period only; and
    - (ii) in respect of the final Interest Period, the second Reference Rate Business Day falling prior to the Interest Determination Date; and
- (D) in any other circumstances, no Rate Cut-Off Date shall apply.

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

- (A) where "SONIA" is specified as the Reference Rate in the relevant Final Terms, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such Reference Rate Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the Reference Rate Business Day immediately following such Reference Rate Business Day;
- (B) where "SOFR" is specified as the Reference Rate in the relevant Final Terms, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) published at or around 3:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding Reference Rate Business Day for trades made on such Reference Rate Business Day.
- (C) where "€STR" is specified as the Reference Rate in the relevant Final Terms, a reference rate equal to the daily euro short-term rate for such Reference Rate Business Day as published by the European Central

Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank currently at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank (the "**ECB's Website**") on the Reference Rate Business Day immediately following such Reference Rate Business Day.

**"Reference Rate(i)" or "REF<sub>i</sub>"** means in relation to any Reference Rate Business Day(i), the Reference Rate for the Reference Rate Determination Date in relation to such Reference Rate Business Day(i), *provided that* where (A) either "Lock Out" or "Payment Delay" are specified as the Observation Method in the relevant Final Terms or (B) "Lag" is specified as the Observation Method and the Reference Rate is not SONIA, Reference Rate(i) (or REF<sub>i</sub>) in respect of each Non-Reset Date (if any) in an Applicable Period shall be Reference Rate(i) (or REF<sub>i</sub>) as determined in relation to the Rate Cut-Off Date.

**"Reference Rate Business Day"**

- (A) where "SONIA" is specified as the Reference Rate in the relevant Final Terms, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;
- (B) where "SOFR" is specified as the Reference Rate in the relevant Final Terms, means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association ("**SIFMA**") recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and
- (C) where "€STR" is specified as the Reference Rate in the relevant Final Terms, a Euro Business Day.

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

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

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

- (A) where "Compounded Daily Rate" is specified as the Determination Method in the relevant Final Terms, the rate of return of a daily compound interest investment (with the applicable Reference Rate specified in the Final Terms as reference rate for the calculation of interest) calculated as follows, with the resulting percentage rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

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

- (B) where "Weighted Average Rate" is specified as the Determination Method in the relevant Final Terms the arithmetic mean of Reference Rate(i) for each Reference Rate Business Day during such Applicable Period (each "**Reference Rate Business Day(i)**"), calculated by multiplying the relevant Reference Rate(i) for any Reference Rate

Business Day(i) by the number of days such Reference Rate(i) is in effect (being the number of calendar days from (and including) such Reference Rate Business Day(i) up to (but excluding) the next following Reference Rate Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Applicable Period; and

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

- (v) Additional Provisions applicable where "SONIA" is specified as the Reference Rate in the relevant Final Terms:

Subject to the operation of Condition 4(e) (*Benchmark Replacement*):

- (A) if, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors in respect of the related Reference Rate Determination Date, Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the sum of: (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the related Reference Rate Determination Date; plus (B) the mean of the spread of the Reference Rate to the Bank Rate over five days preceding the Reference Rate Determination Date on which the Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); and
- (B) if the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

- (vi) Additional Provisions applicable where "SOFR" is specified as the Reference Rate in the relevant Final Terms:

- (A) If, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published as provided in the relevant definition thereof for the related Reference Rate Determination Date, and:
  - (I) where "ARRC Fallbacks" are specified as applicable in the relevant Final Terms, a SOFR Transition Event and a related SOFR Replacement Date have not both occurred; or

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

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

- (B) Where "ARRC Fallbacks" are specified as applicable in the relevant Final Terms, if;

- (I) in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published as provided in the relevant definition thereof for the related Reference Rate Determination Date; and
- (II) the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines that a SOFR Transition Event and the related SOFR Replacement Date have occurred in relation to the Reference Rate (or any SOFR Replacement Rate previously determined in accordance with this Condition 4(d)(vi)) on the Reference Rate Business Day on which a determination of Reference Rate is due to be made,

the SOFR Replacement Rate will replace the then-current Reference Rate for all purposes and in respect of all determinations on such Reference Rate Business Day and (without prejudice to the further operation of this Condition 4(d)(vi)) all subsequent determinations; provided that, if the Issuer (in consultation, to the extent practicable, with the calculation agent) or our designee (in consultation with the Issuer) is unable to or do not determine a SOFR Replacement Rate in accordance with the provisions below prior to 5:00 p.m. (New York time) on the relevant Interest Determination Date, the interest rate for the related Interest Period will be equal to (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

- (C) If "ARRC Fallbacks" are not specified as applicable in the relevant Final Terms, if:

- (I) in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published as provided in the relevant definition thereof for the related Reference Rate Determination Date; and
- (II) the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determines that a SOFR Index Cessation Event and



SOFR Index Cessation Effective Date have occurred (the first date on which (I) and (II) occur, being the "**Rate Switch Date**"),

Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the rate that was recommended as the replacement for the daily Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads) as determined in relation to related Reference Rate Determination Date for such Reference Rate Business Day(i); **provided, however, that**, if no such rate has been recommended within one Reference Rate Business Day of the Rate Switch Date, then:

- (1) subject to (2) below, Reference Rate(i) in relation to each Reference Rate Business Day(i) falling on or after the Rate Switch Date shall be equal to the rate determined in accordance with the definition of Reference Rate(i) or Condition 4(d)(vi)(A) (as applicable), but as if:
  - (aa) references in Condition 4(d)(i)-(iv) to "Reference Rate Business Day" were to "New York City Banking Day", but so that in the case of the Applicable Period in which the SOFR Index Cessation Effective Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the Rate Switch Date and (y) the number of New York City Banking Days in the Applicable Period relating to such Interest Period from (and including) the Rate Switch Date (and "i" shall be construed accordingly);
  - (bb) references to "daily Secured Overnight Financing Rate" were to the "daily Overnight Bank Funding Rate";
  - (cc) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and
  - (dd) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and
- (2) if, (A) in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate is not published as provided in (1) above for the related Reference Rate Determination Date and (B) an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred (the first date on which (A) and (B) occur, being the "**OBFR Switch Date**"), then, in relation to each Reference Rate Business Day(i) falling on or after the later of the Rate Switch Date and the OBFR Switch Date, Reference Rate(i) shall be equal to the rate determined in accordance with the definition of Reference Rate(i) or Condition 4(d)(vi)(A) (as applicable), but as if:
  - (aa) references in Condition 4(d)(i)-(iv) to "Reference Rate Business Day" were to "New York City Banking Day", but so that in the case of the Applicable Period in which

the OBFR Switch Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of Reference Rate Business Days in the Applicable Period up to (but excluding) the OBFR Switch Date and (y) the number of New York City Banking Days in the Applicable Period relating to such Interest Period from (and including) the OBFR Switch Date (and "i" shall be construed accordingly);

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

(D) The Issuer (in consultation with the Calculation Agent) may at any time, specify any SOFR Replacement Conforming Changes which changes shall apply to the Notes for all future Interest Periods (without prejudice to the further operation of this Condition 4(d)(vi) and, for the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, and having received a certificate from the Issuer, signed by two Authorised Signatories, confirming that the Issuer has made the relevant determinations in accordance with this Condition 4(d)(vi) and attaching the proposed amendments to the Conditions, be obliged to concur with the Issuer to effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as the Trustee may deem appropriate in order to give effect to this Condition 4(d)(vi) and the Trustee shall not be liable to any person for any consequences thereof, save as provided in the Trust Deed. No consent of the Noteholders of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with effecting such changes, including for the execution of any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required)). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Issuer shall promptly following the determination of any changes pursuant to Condition 4(d)(vi) give notice thereof to the

Trustee, the Principal Paying Agent, the Calculation Agent and the Noteholders (in accordance with Condition 13 (*Notices*)).

(E) Definitions

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

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

"**Initial Interest Rate**" means the rate per annum specified in the applicable Final Terms;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

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

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

"**New York City Banking Day**" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

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

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

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

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

- (B) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) has ceased or will cease to provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the daily Overnight Bank Funding Rate; or
- (C) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

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

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

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

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

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

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

publish or provide the daily Secured Overnight Financing Rate; or

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

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

- (A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (B) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate the ISDA Fallback Adjustment; or
- (C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer (in consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) giving due consideration to any industry-accepted spread adjustments, or method for calculating or determining such spread adjustment, for the replacement of the then-current Reference Rate with the applicable Unadjusted SOFR Replacement for U.S. dollar-denominated floating rate notes at such time.

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

consultation, to the extent practicable, with the Calculation Agent) or the Issuer's designee (in consultation with the Issuer) determine is appropriate (acting in good faith)).

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

- (a) in the case of clause (1) or (2) of the definition of "SOFR Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Reference Rate permanently or indefinitely ceases to provide the Reference Rate (or such component); or
- (b) in the case of clause (3) of the definition of "SOFR Transition Event," the date of the public statement or publication of information referenced therein.

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

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

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

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

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

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

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

- (vii) Additional Provisions applicable where "€STR" is specified as the Reference Rate in the relevant Final Terms:

Subject to the operation of Condition 4(e) (*Benchmark Replacement*), if, in respect of any Reference Rate Business Day(i) in the relevant Applicable Period, the Reference Rate has not been published as provided in the definition thereof in respect of the related Reference Rate Determination Date (the "**Relevant Reference Rate Determination Date**"), Reference Rate(i) in respect of such Reference Rate Business Day(i) shall be the Reference Rate as determined on the Reference Rate Business Day preceding the Relevant Reference Rate Determination Date on which the Reference Rate has been published as provided in the definition thereof.

- (e) ***Benchmark Replacement***

If any of Condition 4(c) (*Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR or €STR*), Condition 3(c)(i) (*Mid-Swap Rate*) or Condition

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

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

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

- (ii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall subsequently be used in place of such Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for each of the future Interest Periods or Reset Periods (as applicable) (subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(e) (*Benchmark Replacement*)); provided, however, that if sub-paragraph (i)(B) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date or Reset Determination Date (as applicable), the Rate of Interest applicable to the next succeeding Interest Period or Reset Period (as applicable) shall be equal to the Rate of Interest applicable to the Notes in respect of the Interest Period or Reset Period (as applicable) preceding such Interest Period or Reset Period; for the avoidance of doubt, the proviso in this sub-paragraph (ii) shall apply to the relevant Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) shall be subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(e) (*Benchmark Replacement*);
- (iii) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer (in consultation, to the extent practicable, with the Calculation Agent and acting in good faith and in a commercially reasonable manner) determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to



determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

- (iv) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and, in each case, any Adjustment Spread in accordance with the above provisions, the Independent Adviser or the Issuer (in consultation, to the extent practicable, with the Calculation Agent) (as applicable), may also specify changes to these Conditions, including but not limited to the Relevant Time, Relevant Financial Centre, Reference Banks, Relevant Number of Quotations, Leading Banks, Day Count Fraction, Business Day Convention, Business Days and/or Interest Determination Date applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate, the Alternative Reference Rate (as applicable) and/or the Adjustment Spread, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(e) (*Benchmark Replacement*)). For the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, and having received a certificate from the Issuer, signed by two Authorised Signatories, confirming that the Issuer or the Independent Adviser has made the relevant determinations in accordance with this Condition 4(e) (*Benchmark Replacement*); and attaching the proposed amendments to the Conditions, be obliged to concur with the Issuer to effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and the Agency Agreement as the Trustee may deem appropriate in order to give effect to this Condition 4(e) (*Benchmark Replacement*); and the Trustee shall not be liable to any person for any consequences thereof, save as provided in the Trust Deed. No consent of the Holders of the Notes of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with implementing the Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions; and
- (v) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread, give notice thereof to the Trustee, the Principal Paying Agent, the Calculation Agent and the Holders of the Notes (in accordance with Condition 13 (*Notices*)), which notice shall specify the effective date(s) for such Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread and any consequential changes made to these Conditions.

Notwithstanding any other provision of this Condition 4(e) (*Benchmark Replacement*), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the Loss Absorption Regulations or as own funds instruments for the purposes of the Applicable Rules.

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

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

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Reference Rate), the Independent Adviser (in consultation with the Issuer) or the Issuer (in consultation, to the extent practicable, with the Calculation Agent) (as applicable) determines is customarily applied to the relevant Successor Rate or Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) (if the Independent Adviser or the Issuer determines that there is no customarily applied spread in relation to the Successor Rate or Alternative Reference Rate (as the case may be) as envisaged by limb (ii) above), the Independent Adviser (in consultation with the Issuer) or the Issuer (in consultation, to the extent practicable, with the Calculation Agent) (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be);

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

**"Benchmark Event"** means:

- (i) (A) the Original Reference Rate has ceased to be published for a period of at least 5 Business Days or has ceased to exist; (B) the making of a public statement by the administrator of the Original Reference Rate that it has ceased publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (ii) the later of (A) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (B) the date falling six months prior to such date specified in (A); or
- (iii) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the date specified in (A); or
- (iv) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally, or in respect of the Notes and (B) the date falling six months prior to the date specified in (A); or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original

Reference Rate is no longer representative of an underlying market or, in any case, should be used for informational purposes only rather than as a benchmark Reference Rate for securities such as the Notes; or

- (vi) it has or will prior to the next Interest Determination Date or Reset Determination Date, as applicable, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Securityholder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011 (as amended), if applicable);

**"Original Reference Rate"** means (A) the benchmark or screen rate (as applicable) originally specified in the applicable Final Terms for the purposes of determining the relevant Rate of Interest (or any component part(s) thereof) in respect of the Notes or (B) (if applicable) any other Successor Rate or Alternative Reference Rate (or any component part(s) thereof) determined and applicable to the Notes pursuant to the earlier operation of this Condition 4(e) (*Benchmark Replacement*);

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the benchmark or screen rate (as applicable) relates, or any other central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the benchmark or screen rate (as applicable) relates, (B) any other central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (C) a group of the aforementioned central banks or other supervisory authorities, (D) the International Swaps and Derivatives Association, Inc. or any part thereof, or (E) the Financial Stability Board or any part thereof; and

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate (for the avoidance of doubt, whether or not such Original Reference Rate (as applicable) has ceased to be available) which is formally recommended by any Relevant Nominating Body.

(f) ***ISDA Determination***

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

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is as specified in the relevant Final Terms; and
- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be

calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

- (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period;

**provided, however, that** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

The relevant Final Terms may specify a maximum rate of interest (a "**Maximum Rate of Interest**") and/or a minimum rate of interest (a "**Minimum Rate of Interest**"). If a Maximum Rate of Interest and/or a Minimum Rate of Interest is so specified in the relevant Final Terms, then the Rate of Interest in respect of an Interest Period shall in no event be greater than the Maximum Rate of Interest or be less than the Minimum Rate of Interest.

In no event shall the Rate of Interest in respect of any Interest Period be less than zero.

(h) ***Determination of Rate of Interest and Calculation of Interest Amount***

The Calculation Agent will (i) as soon as practicable in respect of Floating Rate Notes subject to the provisions of Condition 4(d) (*Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR or ESTR*) and (ii) as soon as practicable after the Relevant Time in respect of any other Floating Rate Notes, on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable in respect of each denomination of the relevant Floating Rate Notes (the "**Interest Amount**") for the relevant Interest Period.

The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the principal amount of the Notes represented by such Global Note during such Interest Period; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount during such Interest Period, as so specified in the applicable Final Terms,

and in each case multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention, as determined by the Calculation Agent). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts determined in the manner provided above for each Calculation Amount comprising the Specified Denomination without any further rounding.

(i) ***Notification of Rate of Interest and Interest Amount***

The Calculation Agent will cause the Rate of Interest, the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Principal Paying Agent, for as long as such Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, to such listing authority, stock exchange and/or quotation system in accordance with the rules thereof, and, for as long as such Notes are represented by Global Notes, Euroclear and/or Clearstream, Luxembourg and/or such other clearing system or depositary as may be set out in the relevant Final Terms as soon as possible after the determination thereof but in any event no later than the fourth business day thereafter. In respect of Floating Rate Notes which are Definitive Notes, the Calculation Agent will give<sup>9</sup>

notice to the Noteholders of the Rate of Interest, the Interest Amount and the relevant Interest Payment Date in accordance with the provisions of Condition 13 (*Notices*). The Interest Amount and the Interest Payment Date so notified in respect of any Notes may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified, for as long as such Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, to such listing authority, stock exchange and/or quotation system in accordance with the rules thereof.

(j) ***Determination or Calculation by agent appointed by the Trustee***

If the Calculation Agent does not at any time for any reason determine the Rate of Interest or calculate the Interest Amount, the Trustee may (at the expense of the Issuer) appoint an agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent appointed by the Trustee shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

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

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of this Condition 4 whether by the Calculation Agent, the Independent Adviser or any agent appointed by the Trustee shall (in the absence of manifest error) be final and binding on the Issuer, the Trustee (or such agent appointed by the Trustee), the Paying Agents, (where appropriate) the Registrar and the Holders of Notes and of the Coupons appertaining thereto. No Holder of Notes or of the Coupons appertaining thereto shall be entitled to proceed against the Calculation Agent, the Independent Adviser, the Trustee or any agent appointed by the Trustee, the Paying Agents, the Registrar or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including, without limitation, in respect of any notification, opinion, communication, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 4.

5. **Zero Coupon Notes**

If any amount in respect of any Note which is non-interest bearing (a "**Zero Coupon Note**") is improperly withheld or refused, they shall be redeemed at a redemption amount equal to the sum of:

- (a) the Reference Price as specified in the applicable Final Terms; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding):
  - (i) in the case of a Bearer Note, (A) the date on which such Note has been presented and payment in full of the principal amount due in respect of such Note is made

or (B) (if earlier) the date upon which notice is duly given to the Holder of such Note that sufficient funds for payment of the principal amount due in respect of it have been received by the Principal Paying Agent or the Trustee (except to the extent that there is subsequent default in payment); or

- (ii) in the case of a Registered Note, the date on which payment is made in full.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 5 or, if none is so specified, a Day Count Fraction of 30E/360.

6. **Redemption and Purchase; Substitution or Variation**

(a) ***Final Redemption***

Unless previously redeemed or purchased and cancelled as specified below, Notes will be redeemed at their principal amount or such other redemption amount as may be specified in the relevant Final Terms on the Maturity Date specified in the relevant Final Terms.

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

If the Issuer satisfies the Trustee immediately prior to the giving of the notice referred to below that:

- (i) on a subsequent date for the payment of interest on any Series of Notes the Issuer would be required to pay any additional amounts in accordance with the provisions of Condition 7 (*Taxation*); or
- (ii) if the Issuer were to seek to redeem the Notes (for which purpose no regard shall be had as to whether or not the Issuer would otherwise be entitled to redeem such Notes), the Issuer would (notwithstanding its having made such endeavours as the Trustee shall consider reasonable) be required to pay any additional amounts in accordance with the provisions of Condition 7 (*Taxation*); or
- (iii) unless the relevant Final Terms specify that this Condition 6(b)(iii) does not apply, on a subsequent date for the payment of interest on any Series of Notes, interest payments (or funding costs of the Issuer as recognised in its accounts) under or with respect to the Notes are no longer fully deductible for UK corporation tax purposes,

then, subject to the final two paragraphs of this Condition 6(b) and Condition 6(j) (*Supervisory Consent*), the Issuer may, having given not less than 30 nor more than 45 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the Noteholders in respect of such Series of Notes, redeem all, but not some only, of the Notes, at their principal amount or such other redemption amount as may be specified in the relevant Final Terms together with interest accrued and unpaid, if any, to the date fixed for redemption **provided that** no such notice of redemption shall be given earlier than 90 days (or in the case of Floating Rate Notes a number of days which is equal to the aggregate of the number of days in the then current Interest Period plus 60 days **provided that** such aggregate number of days shall not be greater than 90 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or (if applicable) is unable to make such deduction, were a payment in respect of the Notes then due.

The Issuer may exercise such option in respect of any Note notwithstanding the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6(d) (*Redemption at the Option of the Noteholders*) below, if the due date for redemption under this Condition 6(b) would occur prior to that under Condition 6(d) (*Redemption at the Option of the Noteholders*) but not otherwise and, in such circumstances, the exercise of the option under Condition 6(d) (*Redemption at the Option of the Noteholders*) shall be rendered ineffective.

Subject only to the obligation of the Issuer to use such endeavours as aforesaid, it shall be sufficient, to establish the circumstances required to be established pursuant to this Condition 6(b), if the Issuer shall deliver to the Trustee a certificate or opinion of an independent legal adviser or accountant satisfactory to the Trustee to the effect either that such circumstances do exist or that, upon a change in or amendment to the laws (including any regulations pursuant thereto), or in the interpretation, application or administration thereof, of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, which at the date of such certificate or opinion is proposed and in the opinion of such legal adviser or accountant is reasonably expected to become effective on or prior to the date on which the relevant payment of principal or interest in respect of the Notes would otherwise be made, becoming so effective, such circumstances would exist and, for these purposes, the Trustee shall accept such certificate or opinion without further enquiry as sufficient evidence of the existence of such circumstances and such certificate or opinion shall be conclusive and binding on the Noteholders and Couponholders.

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

If this Condition 6(c) is stated to be applicable in the relevant Final Terms, Notes shall be redeemable at the option of the Issuer, subject to Condition 6(j) (*Supervisory Consent*). In such case, the Issuer may at any time (in the case of Fixed Rate Notes, Resettable Notes or Zero Coupon Notes), or on any Interest Payment Date (in the case of Floating Rate Notes), on giving (in accordance with Condition 13 (*Notices*)) not less than 30 nor more than 60 days' notice to the Noteholders (or such other period specified in the relevant Final Terms) (such notice being irrevocable) specifying the date fixed for such redemption, on the date so fixed, redeem all of such Notes (or, if so specified in the relevant Final Terms and subject as therein specified, some only of the Notes) at the Early Redemption Amount (Call), together with interest accrued and unpaid thereon, if any, to the date fixed for redemption.

If the Notes of a Series are to be redeemed in part only on any date in accordance with this Condition 6(c):

- (i) in the case of Bearer Notes (other than a temporary global Note or permanent global Note), the Notes to be redeemed shall be drawn by lot in such European city as the Principal Paying Agent may specify, or identified in such other manner or in such other place as the Principal Paying Agent and the Trustee may approve and deem appropriate and fair; and
- (ii) in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, **provided always that** the amount redeemed in respect of each Note shall be equal to the minimum denomination thereof or an appropriate multiple thereof,

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

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Condition 12 (*Replacement and Transfer*) which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

(d) ***Redemption at the Option of the Noteholders***

If this Condition 6(d) is stated to be applicable in the relevant Final Terms, Notes shall be redeemable at the option of the Noteholders. In such case, upon any Noteholder giving to the Issuer notice of redemption (such notice being irrevocable) the Issuer will redeem in whole (but not in part) the Note(s) specified in such notice at the Early Redemption Amount (Put), together with interest accrued and unpaid thereon, if any, to the date fixed for redemption.

In order to give such notice, the Holder must, not less than 45 days before the date for redemption as set out in the relevant Final Terms (or such other period as may be set out in the Final Terms), deposit the relevant Note (together, in the case of an interest-bearing definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent, or, in the case of a Registered Note, the Registrar or any Transfer Agent together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar or any Transfer Agent. The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under Condition 6(b) (*Redemption for Taxation Reasons*), 6(c) (*Redemption at the Option of the Issuer*) or Condition 6(i) (*Redemption upon Loss Absorption Disqualification Event*).

(e) ***Purchases***

Subject to Condition 6(j) (*Supervisory Consent*), the Issuer or any holding or subsidiary company of the Issuer or any subsidiary of any such holding company may purchase Notes at any price in the open market or otherwise and may resell the same.

(f) ***Cancellation***

All Notes redeemed pursuant to Condition 6(a) (*Final Redemption*), 6(b) (*Redemption for Taxation Reasons*), 6(c) (*Redemption at the Option of the Issuer*), 6(d) (*Redemption at the Option of the Noteholders*), 6(h) (*Redemption upon Capital Disqualification Event*) or 6(i) (*Redemption upon Loss Absorption Disqualification Event*) shall, and all Notes purchased pursuant to Condition 6(e) (*Purchases*) may, at the option of the Issuer, be cancelled forthwith (together with, in the case of Definitive Bearer Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) by the Paying Agent through which they are redeemed or by the Principal Paying Agent to which they are surrendered. All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or resold.

(g) ***Zero Coupon Notes***

Where Zero Coupon Notes are redeemed by the Issuer prior to the Maturity Date specified in the relevant Final Terms, they shall be redeemed at a redemption amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 6(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) ***Redemption upon Capital Disqualification Event***

This Condition 6(h) may only be specified as being applicable to Subordinated Notes.

If this Condition 6(h) is specified as being applicable in the relevant Final Terms, then, following the occurrence of a Capital Disqualification Event and subject to Condition 6(j) (*Supervisory Consent*), the Issuer may, within 90 days of the occurrence of the relevant Capital Disqualification Event and on giving not less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the Trustee (with a copy to the Principal Paying Agent) and to the Noteholders in accordance with Condition 13 (*Notices*), at its option, redeem all, but not some only, of the Subordinated Notes (such option to redeem being referred to herein as a "**Capital Disqualification**



**Event Early Redemption Option")** at the Capital Disqualification Event Early Redemption Price specified in the relevant Final Terms, together with interest accrued and unpaid, if any, to the date fixed for redemption.

Prior to giving the above notice to the Trustee pursuant to this Condition 6(h), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories stating that a Capital Disqualification Event has occurred and is continuing, the Trustee shall accept such certificate without further inquiry as sufficient evidence of the same and it shall be conclusive and binding on the Noteholders.

(i) ***Redemption upon Loss Absorption Disqualification Event***

This Condition 6(i) may only be specified as being applicable to Notes which are not Subordinated Notes.

If this Condition 6(i) is specified as being applicable in the relevant Final Terms, then, following the occurrence of a Loss Absorption Disqualification Event and subject to Condition 6(j) (*Supervisory Consent*), the Issuer may, within 90 days of the occurrence of the relevant Loss Absorption Disqualification Event and on giving not less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the Trustee (with a copy to the Principal Paying Agent) and to the Noteholders in accordance with Condition 13 (*Notices*), at its option, redeem all, but not some only, of the Notes (such option to redeem being referred to herein as a "**Loss Absorption Disqualification Event Early Redemption Option**") at the Loss Absorption Disqualification Event Early Redemption Price specified in the relevant Final Terms, together with interest accrued and unpaid, if any, to the date fixed for redemption.

The Issuer may exercise the Loss Absorption Disqualification Event Early Redemption Option in respect of any Note notwithstanding the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6(d) (*Redemption at the Option of the Noteholders*) if the due date for redemption under this Condition 6(i) (*Redemption upon Loss Absorption Disqualification Event*) would occur prior to that under Condition 6(d) (*Redemption at the Option of the Noteholders*) but not otherwise and, in such circumstances, the exercise of the option under Condition 6(d) (*Redemption at the Option of the Noteholders*) shall be rendered ineffective.

Prior to giving the above notice to the Trustee pursuant to this Condition 6(i), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories stating that a Loss Absorption Disqualification Event has occurred and is continuing, the Trustee shall accept such certificate without further inquiry as sufficient evidence of the same and it shall be conclusive and binding on the Noteholders.

This Condition 6(i) will not apply if such application would cause a Loss Absorption Disqualification Event to occur.

(j) ***Supervisory Consent***

The Issuer may only exercise a right to redeem or purchase Notes pursuant to Conditions 6(b) (*Redemption for Taxation Reasons*), 6(c) (*Redemption at the Option of the Issuer*), 6(e) (*Purchases*), 6(h) (*Redemption upon Capital Disqualification Event*) or Condition 6(i) (*Redemption upon Loss Absorption Disqualification Event*):

- (i) in the case of a redemption pursuant to Condition 6(h) (*Redemption upon Capital Disqualification Event*) where the date fixed for redemption falls before the fifth anniversary of the issue date of the most recently issued Tranche of the relevant Series, if the Issuer has first complied with the Regulatory Preconditions and obtained any Relevant Supervisory Consent; and
- (ii) in any other case, unless (x) the relevant Notes have (or will have on the date fixed for redemption or purchase) ceased fully to qualify as part of the Issuer's regulatory capital or own funds and eligible liabilities or loss absorbing capacity instruments, as the case may be or (y) the relevant Notes are repurchased for

market-making purposes in accordance with any permission given by the Lead Regulator applicable to the Issuer pursuant to Applicable Rules (including, without limitation, Article 29(3) of Commission Delegated Regulation (EU) No. 241/2014) within the limits prescribed in such permission, or (z) the relevant Notes are being redeemed or repurchased pursuant to any general prior permission granted by the Lead Regulator applicable to the Issuer or the Relevant UK Resolution Authority pursuant to Applicable Rules or Loss Absorption Regulations within the limits prescribed in such permission, if the Issuer has first:

- (A) obtained any Relevant Supervisory Consent; and
- (B) in the case of a redemption of Subordinated Notes pursuant to Condition 6(b) (*Redemption for Taxation Reasons*) or a purchase of Subordinated Notes pursuant to Condition 6(e) (*Purchases*), where the date fixed for redemption or repurchase falls before the fifth anniversary of the issue date of the most recently issued Tranche of the relevant Series, complied with the Regulatory Preconditions.

For these purposes, as between the Issuer and the Noteholders, the Issuer shall be deemed to have complied with items (i) or (ii) above (as and where applicable) if it has obtained a Relevant Supervisory Consent, and a certificate signed by two Authorised Signatories stating that it has obtained a Relevant Supervisory Consent delivered to the Trustee (who shall accept such certificate without further inquiry as sufficient evidence of the same) shall be conclusive as to the Issuer having obtained such consent and shall be binding on the Noteholders.

(k) ***Substitution or Variation***

If this Condition 6(k) is specified as being applicable in the relevant Final Terms, then following the occurrence of a Relevant Disqualification Event in relation to any Notes (the "**Existing Notes**"), the Issuer may, subject to the other provisions of this Condition 6(k) (without any requirement for the consent or approval of the Noteholders or the Trustee (but subject to the notice requirements below)), either substitute all (but not some only) of such Existing Notes for, or vary the terms of such Existing Notes so that they remain or, as appropriate, become, Compliant Securities. Upon the expiry of the notice required by this Condition 6(k), the Issuer shall either substitute or vary the terms of the Existing Notes in accordance with this Condition 6(k) and, subject as set out below, the Trustee shall agree to such substitution or variation.

In connection with any substitution or variation in accordance with this Condition 6(k), the Issuer shall comply with the rules of any listing authority, stock exchange and/or quotation system on which the Existing Notes are for the time being admitted to listing, trading and/or quotation.

Any substitution or variation in accordance with this Condition 6(k) is subject to the Issuer (i) obtaining any Relevant Supervisory Consent and (ii) giving not less than 30 nor more than 60 days' notice to the Trustee (with a copy to the Principal Paying Agent) and to the Noteholders in accordance with Condition 13 (*Notices*), which notice shall be irrevocable.

Any substitution or variation in accordance with this Condition 6(k) shall not otherwise give the Issuer an option to redeem the relevant Existing Notes under the Conditions.

Prior to the publication of any notice of substitution or variation pursuant to this Condition 6(k), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories stating that the Relevant Disqualification Event giving rise to the right to substitute or vary has occurred and is continuing and the Trustee shall accept such certificate without any further inquiry as sufficient evidence of the same and it shall be conclusive and binding on the Noteholders.

The Trustee shall concur in the substitution of the Existing Notes for Compliant Securities, or the variation of the terms of the Existing Notes so that they remain or become Compliant

Securities, as the case may be, provided that the Trustee shall not be obliged to concur in any such substitution or variation if the terms of the proposed Compliant Securities or the concurring in such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its satisfaction.

## 7. **Taxation**

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 (or any authority or political subdivision therein or thereof having power to tax) unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges.

In that event, the Issuer will pay such additional amounts in respect of payments of interest only (and not principal) as may be necessary in order that the net amounts received by the Noteholders or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts which would have been received by them in respect of the relevant payments of interest in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) to, or to a third party on behalf of, a Holder of a Note or Coupon who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (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 a Paying Agent or the relevant tax authorities (as applicable) or by notifying (and/or presenting evidence of such notification to) any tax authorities of such payment of principal or interest or by presenting the relevant Note or Coupon at the specified office of another Paying Agent (whether within or outside the European Union); or
- (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; or
- (d) in the case of Registered Notes, unless the Holder, immediately upon becoming the Holder, (i) is eligible for the benefits of a tax treaty with the United Kingdom that provides for a complete exemption from withholding taxes on payments under the Notes, or (ii) is otherwise entitled to a complete exemption from withholding taxes on payments under the Notes; or
- (e) to, or to a third party on behalf of, a Holder who is not the sole beneficial owner of the Note or any Coupon, or a portion of either, or that is a fiduciary or partnership, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due but, in the case of Bearer Notes, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect shall have been duly given to the relevant Noteholders in accordance with Condition 13 (*Notices*).

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

- (i) any additional amounts which may be payable under this Condition 7 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the principal amount payable on the relevant Notes on the Maturity Date specified in the relevant Final Terms;
- (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 Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

## 8. **Payments**

### (a) ***Bearer Notes***

Payments of principal and interest (if any) in respect of Bearer Notes will (subject as provided below) be made against presentation and surrender of the relevant Note or, in the case of payments of interest, surrender of the relevant Coupon at the specified office of any Paying Agent outside the United States (subject to the next paragraph).

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

If the due date for payment of any amount due in respect of any Bearer Note is not both a Relevant Financial Centre Day and (unless the Notes are in global form) a Local Banking Day (each as defined below), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 3 (*Interest on Fixed Rate Notes and Resettable Notes*) or Condition 4 (*Interest on Floating Rate Notes*), as appropriate.

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

Definitive Bearer Notes which are Fixed Rate Notes should be presented for payment with all unmatured Coupons appertaining thereto, failing which the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, that portion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to

the total amount of principal due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 7 (*Taxation*)) for the payment of such principal, whether or not such Coupon has become void pursuant to Condition 10 (*Prescription*) or, if later, five years from the date on which such Coupon would have become due.

Notwithstanding the above, if any Definitive Bearer Notes should be issued with a Maturity Date and an interest rate or rates such that, on the presentation for payment of any such Definitive Bearer Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Bearer Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

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

In relation to Definitive Bearer Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside the United States (save as provided above) in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 (*Prescription*). Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

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

(b) ***Registered Notes***

Payment of the amount due on final redemption (the "**Final Redemption Amount**") in respect of Registered Notes will be made against presentation and, save in the case of partial payment of the Final Redemption Amount, surrender of the relevant Registered Notes at the specified office of the Registrar or any Transfer Agent.

Payment of amounts (whether principal, interest or otherwise) due (other than the Final Redemption Amount) 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 kept by the Registrar at the close of business (local time in the place of the specified office of the Registrar) on the 15th day prior to the due date for such payment (the "**Record Date**").

If the due date for payments of amounts in respect of any Registered Note is not both a Relevant Financial Centre Day and (if such Note is not in global form and in relation to payments of redemption amount only) a Local Banking Day, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 3 (*Interest on*

*Fixed Rate Notes and Resettable Notes*) or Condition 4 (*Interest on Floating Rate Notes*), as appropriate.

(c) ***Renminbi-denominated Notes - Payment of U.S. Dollar Equivalent***

This Condition 8(c) only applies to Notes in relation to which the Specified Currency of denomination and payment is Renminbi.

Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi in Hong Kong, the Issuer may, on giving not less than five or more than 30 calendar days' irrevocable notice to the Principal Paying Agent and Holders in accordance with Condition 13 (*Notices*) prior to the due date for payment, settle any such payment in U.S. Dollars on the due date (or if such date is not a Relevant Business Day, on the next succeeding Relevant Business Day) at the U.S. Dollar Equivalent of any such Renminbi-denominated amount.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8(c) by the Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Paying Agents and all Holders.

(d) ***General Provisions***

The following provisions apply to both Bearer Notes and Registered Notes. Payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the currency in which such amount is due by transfer to an account denominated in the relevant currency (or, if that currency is euro, any other account to which euro may be credited or transferred) specified and maintained by the payee with a bank in the principal financial centre of that currency (or, if that currency is euro, the relevant principal financial centre of any Member State of the European Union), except where payments of amounts due (whether principal, interest or otherwise) in respect of Notes are in Renminbi, in which case such payments will be made by credit or transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong in accordance with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in Hong Kong). Payments of principal, interest and other amounts (if any) in respect of Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment but without prejudice to the provisions of Condition 7 (*Taxation*).

Without prejudice to the generality of the foregoing, the Issuer reserves the right to require any person receiving payment of principal, interest and/or other sums or, as the case may be, payment of interest with respect to any Note or Coupon to provide a Paying Agent with such certification or information as may be required to enable the Issuer to comply with the requirements of U.S. federal income tax laws or such other laws as the Issuer may be required to comply with.

9. **Enforcement**

- (a) If default is made for a period of 14 days or more in the repayment of any principal or interest due on the Notes of any Series or any of them, then the Trustee may, in order to enforce payment, at its discretion and without further notice institute proceedings for the winding up of the Issuer in England, provided that it shall not be such a default to withhold or refuse any such payment:
- (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment; or
  - (ii) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time during the said period of 14 days, as the case may be, by independent legal advisers acceptable to the Trustee as to such validity or applicability.

- (b) The Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit and may, subject as hereinafter provided, institute proceedings for the winding up of the Issuer in England and/or prove in any winding-up or administration of the Issuer in England, to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed in relation to any Series of Notes or under such Notes or the Coupons appertaining thereto (other than any obligation for the payment of any principal, interest or expenses in respect of such Notes or Coupons or any other payment obligation in respect thereof) **provided that** the Issuer shall not by virtue of the institution of any such proceedings other than proceedings for the winding up of the Issuer be obliged to pay any sum or sums (whether in respect of principal or interest or other sums in respect of the relevant Notes or the Coupons appertaining thereto or by way of damages in respect of any breach of any such obligation, condition or provision or otherwise howsoever). The Trustee may only institute proceedings for the winding up of the Issuer to enforce the obligations above referred to in this paragraph and/or prove in any winding-up or administration of the Issuer in England if a default by the Issuer thereunder is not remedied to the satisfaction of the Trustee within 60 days (or such longer period as the Trustee may permit) after notice of such default has been given to the Issuer by the Trustee requiring such default to be remedied.

*NB: The restriction on the payment of damages would have the effect of limiting the remedies available to the Trustee in the event of a breach of certain covenants by the Issuer.*

- (c) In the case of any Series of Notes, in the event of an order being made or an effective resolution being 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 the Trustee or by an Extraordinary Resolution of the Holders of the relevant Series of Notes) the Trustee may declare the Notes of the relevant Series to be due and redeemable immediately (and such Notes shall thereby become so due and redeemable) at their principal amount together with accrued interest as provided in the Trust Deed or at such other amount specified as the "Early redemption amount upon enforcement" in the relevant Final Terms.
- (d) The Trustee shall not in any event be bound to take any of the actions referred to in Condition 9(a), Condition 9(b) or Condition 9(c) in respect of any Series of Notes unless (i) it shall have been so requested in writing by the Holders of at least one-fifth of the principal amount of the Notes of the relevant Series then outstanding or it shall have been so directed by an Extraordinary Resolution of the Holders of the Notes of the relevant Series and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.
- (e) No remedy against the Issuer (including any right of set-off) other than as specifically provided by this Condition 9 or the Trust Deed shall be available to the Trustee, the Noteholders or Couponholders in respect of any Series of Notes whether for the recovery of amounts owing in respect of such Notes or the Coupons appertaining thereto or under the Trust Deed or in respect of any breach by the Issuer of any obligation, condition or provision under the Trust Deed or such Notes or Coupons or otherwise, and no Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or to proceed in any winding up of the Issuer in England unless the Trustee, having become bound to proceed, fails to do so within a reasonable period and such failure shall be continuing in which case any such Holder may itself institute proceedings for the relevant remedy and/or prove in any winding up of the Issuer in England in respect of his Notes or, as the case may be, Coupons to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

#### 10. **Prescription**

Notes and Coupons will become void unless presented for payment within a period of 10 years and five years, respectively, from the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect thereof. Any monies paid by the Issuer to the Principal Paying Agent or the Trustee for the payment of the principal or interest in respect of any Notes or Coupons and remaining unclaimed when such

Notes or Coupons become void will then revert to the Issuer and all liability of the Principal Paying Agent or the Trustee with respect thereto will thereupon cease.

There shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 8 (*Payments*).

11. **Paying Agents, Transfer Agents, Calculation Agent and Registrar; Rounding**

(a) The Agency Agreement contains provisions indemnifying the Principal Paying Agent, the Paying Agents and Transfer Agents (if any), the Calculation Agent and the Registrar and absolving them from responsibility in connection with certain matters. The Agency Agreement may be amended by the parties thereto in relation to any Series of Notes if, in the opinion of the Issuer and the Trustee, the amendment will not materially adversely affect the interests of the relevant Holders.

(b) The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, any Paying Agent or Transfer Agent, the Calculation Agent or the Registrar and to appoint additional or other Paying Agents and/or Transfer Agents or a substitute Calculation Agent or a substitute Registrar, provided that it will, so long as any Notes are outstanding, maintain (i) a Calculation Agent, (ii) a Paying Agent having a specified office in a city approved by the Trustee (such approval not to be unreasonably withheld or delayed) in Europe which, so long as any Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, shall be the place required by such listing authority, stock exchange and/or quotation system, and (iii) in the case of any Registered Notes, a Registrar with a specified office in England or such city as may be specified in the relevant Final Terms. Notice of all changes in the identities or specified offices of any Paying Agent, Calculation Agent or Registrar will be given by the Issuer to Noteholders in accordance with Condition 13 (*Notices*).

(c) ***Rounding***

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), all percentages resulting from such calculations will be rounded, if necessary, to five decimal places (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

12. **Replacement and Transfer**

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

Upon the terms and subject to the conditions set out in the Agency Agreement, a Registered Note 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 office of the Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Registrar, duly executed by the Holder or Holders thereof or his or their attorney duly authorised in writing. A new Registered 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.

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



As used herein:

- (i) "**Relevant Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located; and
- (ii) the "**Transfer Date**" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with the foregoing provisions.

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

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

### 13. Notices

- (a) All notices to the Holders of Bearer Notes or the Coupons appertaining thereto will be valid if published in one leading daily newspaper with general circulation in London (which is expected to be the *Financial Times*) and, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe and, if the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system by publication in a manner such that the rules of such listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation have been complied with. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

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

Any notices to Holders of Registered Notes will be deemed to have been validly given if mailed to their registered addresses (as advised by the Registrar) or to that of the first named of them in the case of joint Holders. Any such notice shall be deemed to be given on the second day after the date of mailing.

Notwithstanding the foregoing, while the Notes of any Series are represented by a Note or Notes in global form ("**Global Notes**") and such Global Notes are deposited with, or with a depositary for or on behalf of, Euroclear and/or Clearstream, Luxembourg and/or any other clearing system or depositary, each person who has for the time being a particular principal amount of the Notes credited to his securities account in the records of Euroclear or Clearstream, Luxembourg or such other clearing system or depositary shall be treated as the Holder in respect of that principal amount of the Notes for all purposes other than for the purposes of payment of principal and interest on such Notes, and in such case notices to the Holders may be given by delivery of the relevant notice to the relevant clearing system or depositary and such notices shall be deemed to have been given to the Holders holding through the relevant clearing system or depositary on the date of delivery to the relevant clearing system or depositary.

Notwithstanding the foregoing, in respect of all forms of Notes described in this Condition 13(a), so long as they are listed on any stock exchange, notices will also be published as required by the rules and regulations of such stock exchange.

- (b) Notices given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or other Paying Agent (if any) at its specified office.

- (c) For so long as any Registered Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer has agreed under the Trust Deed that it shall, during any period in which it is neither subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934 (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish to any Holder of, or beneficial owner of an interest in, such Registered Notes, or to any prospective purchaser thereof, upon request of such Holder, such information as is required to be provided pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with the resale of such restricted securities.

14. **Modification of Terms, Waiver and Substitution**

The Trust Deed contains provisions for convening meetings of the Holders of the Notes of any Series to consider any matter affecting their interests, including, subject to the agreement of the Issuer, the modification by Extraordinary Resolution of the terms and conditions of such Notes or the provisions of the Trust Deed with respect to such Notes. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders of Notes whatever the principal amount of the Notes so held or represented; provided, however, that the modification of certain terms concerning, among other things, the amount and currency and the postponement of the due date of payment of the Notes and the Coupons appertaining thereto or interest or other amount payable in respect thereof, may only be sanctioned by an Extraordinary Resolution passed at a meeting the quorum at which is persons holding or representing two-thirds, or at any adjourned such meeting not less than one third, in principal amount of the Notes of such Series for the time being outstanding.

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-quarters of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-quarters in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-quarters in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Holders of Notes. An Extraordinary Resolution passed at any meeting of the Holders of the Notes of any Series will be binding on all Holders of Notes of that Series, whether or not they are present at the meeting, and on the Holders of Coupons appertaining to the Notes of that Series.

The Trust Deed contains provisions for convening a single meeting of holders of Notes of more than one Series in certain circumstances where the Trustee so decides.

Subject to certain exceptions, the Trustee may agree, without the consent of the Holders of Notes of any Series or the Holders of the Coupons appertaining thereto (if any) to any modification to these Conditions or the provisions of the Trust Deed, the Agency Agreement or the Notes or Coupons if, in the opinion of the Trustee, such modification (i) is of a formal, minor or technical nature, (ii) is made to correct a manifest error or (iii) is not materially prejudicial to the interests of the Holders of Notes of that Series. The Trustee may also, without the consent of the Holders of Notes of any Series or the Holders of the Coupons appertaining thereto (if any), waive or authorise any breach or prospective breach by the Issuer of any of the provisions of the Trust Deed or the Notes or Coupons or determine that any Default (as defined in the Trust Deed) or any event which with the lapse of time and/or the giving of notice would be a Default shall not be treated as such, provided that in the opinion of the Trustee the interests of Holders of Notes of the relevant Series will not be materially prejudiced thereby. In addition, the Trustee shall be obliged to agree to such modifications to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to (i) Condition 4(e) (*Benchmark Replacement*) in connection with effecting any Alternative Reference Rate, Successor Rate or related changes, (ii) Condition 4(d)(vi) in connection with effecting any changes in connection to the replacement of SOFR, or (iii) any substitution, or variation of the terms, of any Notes pursuant to Condition 6(k) (*Substitution or Variation*), in each case without requirement for the consent or sanction of the Noteholders or

Couponholders (provided, however, that the Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (i) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions.). Any such modification, waiver, authorisation or determination shall be binding on the Holders of Notes of that Series and the Holders of the Coupons appertaining thereto and, unless the Trustee agrees otherwise, shall be notified to the Holders of Notes of that Series as soon as practicable thereafter.

Subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Holders of Notes of any Series or the Holders of the Coupons appertaining thereto (if any), the Trustee may also agree, subject to such Notes and the Coupons appertaining thereto being irrevocably guaranteed by the Issuer (on a subordinated basis in the case of Subordinated Notes), to the substitution of a subsidiary or holding company of the Issuer or any subsidiary of any such holding company in place of the Issuer as principal debtor under such Notes and the Coupons appertaining thereto (if any) and the Trust Deed insofar as it relates to such Notes.

In the case of a substitution under this Condition 14, the Trustee may agree, without the consent of the Holders of the Notes of any Series or of the Coupons appertaining thereto, to a change of the law governing the Notes of any Series or the Coupons appertaining thereto and/or the Trust Deed insofar as it relates to such Series of Notes, as further described in Condition 16 (*Law and Jurisdiction*).

In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to those in relation to any proposed modification, waiver, authorisation, or substitution as aforesaid) the Trustee shall have regard to the interests of the Holders of the Notes of the relevant Series as a class and in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from the individual Noteholders or Couponholders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

15. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, to the extent permitted by applicable laws and regulations, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of Notes having the benefit of the Trust Deed.

16. **Law and Jurisdiction**

The Trust Deed, the Notes and the Coupons (if any) and any non-contractual obligations arising from or connected with the Trust Deed, the Notes and the Coupons (if any) are governed by, and shall be construed in accordance with, English law. The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with the Notes (including any non-contractual obligations arising out of or in connection with the Notes).

In the case of a substitution under Condition 14 (*Modification of terms, Waiver and Substitution*), the Trustee may agree, without the consent of the Holders of the Notes of any Series or of the Coupons appertaining thereto, to a change of the law governing the Notes of any Series or the Coupons appertaining thereto and/or the Trust Deed insofar as it relates to such Series of Notes **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Holders of the Notes of such Series, but the Trustee shall, in giving such agreement, have regard to the interests of the Holders of the Notes of such Series as a class and in particular, but without limitation, shall not have regard to the consequences of such change for individual Noteholders or Couponholders 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 the

Trustee shall not be entitled to require, nor shall any Holders of the Notes of any Series or of the Coupons appertaining thereto be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequences of any such substitution upon individual Holders of the Notes of any Series or of the Coupons appertaining thereto.

17. **Third Party Rights**

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

18. **Agreement with Respect to the Exercise of the UK Bail-in Power**

(a) Notwithstanding and to the exclusion of any other term of any Series of Notes or any other agreements, arrangements or understandings between the Issuer and any Noteholder, by its acquisition of any Notes, each Noteholder (which, for these purposes, includes each holder of a beneficial interest in the Notes), acknowledges and accepts that the Amounts Due (as defined below) arising under any Notes may be subject to the exercise of UK Bail-in Power (as defined below) by the Relevant UK Resolution Authority (as defined below), and acknowledges, accepts, consents and agrees to be bound by:

- (i) the effect of the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority, that may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the Amounts Due; (ii) the conversion of all, or a portion, of the Amounts Due on any Series of Notes into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of such Series of Notes; (iii) the cancellation of any Series of Notes; (iv) the amendment or alteration of the date for redemption of any Series of Notes or amendment of the amount of interest payable on any Series of Notes, or the Interest Payment Dates relating thereto, including by suspending payment for a temporary period; and
- (ii) the variation of the terms of any Series of Notes, if necessary, to give effect to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

No repayment or payment of Amounts Due on any Series of Notes shall become due and payable or be paid after the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

**"Amounts Due"** means, in relation to the Notes of any Series, the principal amount of, and any accrued but unpaid interest (including any additional amounts payable pursuant to Condition 7 (*Taxation*)) on, such Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

**"Bail-In Legislation"** means, any law or regulation applicable in the United Kingdom implementing Article 48 of BRRD, including, without limitation, Part I of the Banking Act 2009, and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

**"Relevant UK Resolution Authority"** means any authority with the ability to exercise a UK Bail-in Power.

**"UK Bail-in Power"** means the powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to

provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability.

- (b) Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of UK Bail-in Power by the Relevant UK Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to any Notes will constitute a default under the Notes for any purpose.
- (c) Upon the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to any Notes, the Issuer shall immediately notify the Trustee and Paying Agent in writing of such exercise and give notice of the same to Noteholders in accordance with Condition 13 (*Notices*). For avoidance of doubt, any delay or failure by the Issuer in delivering any notice referred to in this Condition 18(c) shall not affect the validity and enforceability of the UK Bail-in Power.

## 19. Definitions

**"Accrual Yield"** means the percentage rate per annum specified as such in the relevant Final Terms;

**"Applicable Rules"** means, at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy (including, without limitation, as to leverage) then in effect in the United Kingdom including, without limitation to the generality of the foregoing, the EU Capital Requirements Legislative Package, BRRD and any delegated or implementing acts (such as implementing or regulatory technical standards) adopted by the European Commission and applicable to the Issuer from time to time and any regulations, requirements, guidelines and policies relating to capital adequacy adopted by the Lead Regulator applicable to the Issuer from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer or to the Issuer and any holding or subsidiary company of the Issuer or any subsidiary of any such holding company);

**"AUD"** means the lawful currency of Australia;

**"Authorised Signatory"** means any person who is represented by the Issuer as being for the time being authorised to sign (whether alone or with another person or other persons) on behalf of the Issuer and so as to bind it;

**"BBSW"** means the Australian Bank Bill Swap Rate;

**"Benchmark Duration"** means the duration specified as such in the Final Terms;

**"BRRD"** means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms as amended, supplemented or replaced from time to time (including, without limitation, by Directive (EU) 2017/2399 and by Directive (EU) 2019/879);

**"Business Day"** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Centre(s) specified for this purpose in the relevant Final Terms;

**"Business Day Centre(s)"** means the centre(s) specified as such in the relevant Final Terms;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;

- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months or other period specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred; **provided, however, that:**
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months or other period after the calendar month in which the preceding such date occurred.
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"CAD"** means the lawful currency of Canada;

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

**"Capital Disqualification Event"** means an event that shall be deemed to have occurred if the Issuer determines at any time after the Issue Date, that there is a change in the regulatory classification of the Subordinated Notes that results in or will result in:

- (a) their exclusion in whole or in part from the regulatory capital of the Group; or
- (b) their reclassification in whole or in part as a form of regulatory capital of the Group that is lower than Tier 2 capital (if any);

**"Capital Disqualification Event Early Redemption Price"** means the price specified as such in the relevant Final Terms;

**"CD-KSDA"** means the Korean bond rate for 91-day certificates of deposit published by the Korean Securities Dealers Association;

**"CDOR"** means the Canadian dollar offered rate;

**"CHIBOR"** means the China inter-bank offered rate;

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

**"CNH HIBOR"** means the CNH Hong Kong interbank offered rate;

**"CNY"** means the lawful currency of the PRC;

**"Compliant Securities"** means, in relation to any Existing Notes, securities:

- (a) that are issued directly by the Issuer;

- (b) that have a ranking at least equal to the Existing Notes;
- (c) that are listed on a recognised stock exchange within the meaning of Section 1005 of the Income Tax Act 2007 (as the same may be amended, supplemented or replaced from time to time) and/or are admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, in each case to the extent, and on the same such other listing authority, stock exchange and/or quotation system, that the Existing Notes were so listed or admitted to listing, trading, and/or quotation (as the case may be) immediately prior to such substitution or variation; and
- (d) where the Existing Notes had a published rating from one or more Rating Agencies immediately prior to their substitution or variation, to which each such Rating Agency has assigned, or informed the Issuer by an announcement or otherwise of its intention to assign, an equal or higher published rating;

**provided that** such securities:

- (i) contain terms such that they comply with the then Applicable Rules in relation to Tier 2 capital (in the case of Existing Notes which are Subordinated Notes) or Loss Absorption Regulations (in relation to Existing Notes other than Subordinated Notes);
- (ii) include terms which provide for the same Rate of Interest, Interest Payment Dates, Maturity Date and amounts payable on redemption as apply from time to time to the Existing Notes immediately prior to such substitution or variation;
- (iii) shall preserve any existing rights under the Conditions to any accrued interest, principal and/or premium which have not been satisfied;
- (iv) do not contain terms providing for the mandatory or voluntary deferral of payments of principal and/or interest;
- (v) do not contain contractual terms providing for loss absorption through principal write-down, write-off or conversion into ordinary shares (other than a contractual provision recognising the UK Bail-in Power on terms substantially similar to Condition 18 (*Agreement with Respect to the Exercise of the UK Bail-in Power*)); and
- (vi) have terms not materially less favourable to Noteholders than the terms of the Existing Notes (as reasonably determined by the Issuer in consultation with an Independent Adviser, and provided that a certification to such effect of two Authorised Signatories shall have been delivered to the Trustee prior to the issue of the relevant securities);

"**CRD**" means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended, supplemented or replaced from time to time (including, without limitation, by Directive (EU) 2019/878);

"**CRR**" means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as amended, supplemented or replaced from time to time (including, without limitation, by Regulation (EU) 2019/876);

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**") such day count fraction as may be specified in the relevant Final Terms and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the

product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (ii) where the Calculation Period is longer than one Regular Period, the sum of:
  - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if "**Actual/Actual Canadian Compound Method**" is so specified, means, (i) in respect of a Calculation Period which relates to a regular semi-annual interest payment, if any, "30/360" as defined in paragraph (g) below, and (ii) in respect of a Calculation Period less than one full year, other than where (i) applies, the actual number of days in such Calculation Period, divided by 365;
- (c) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (d) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (e) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case that the last day of the Calculation Period falls in a leap year, 366;
- (f) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (g) if "**30/360**" is so specified, means the number of days in the Calculation Period in respect of which payment is being made in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day of the Calculation Period, expressed as a number, unless such number would be 31, in which case D<sub>1</sub> will be 30; and



"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

Day Count Fraction =

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

Day Count Fraction =

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day of the Calculation Period, expressed as a number, of the Calculation Period unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

"**Determination Agent**" means an investment bank or financial institution of international standing selected by the Issuer (and which may be an affiliate of the Issuer);

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

"**Early Redemption Amount (Call)**" means, in relation to any Notes to be redeemed pursuant to Condition 6(c) (*Redemption at the Option of the Issuer*):

- (a) the Optional Redemption Amount (Call); or
- (b) the Make Whole Redemption Amount,

as specified in the relevant Final Terms;

"**Early Redemption Amount (Put)**" means, in relation to any Notes to be redeemed pursuant to Condition 6(d) (*Redemption at the Option of the Noteholders*), the amount specified as such in the relevant Final Terms;

"**EU Capital Requirements Legislative Package**" means the CRD and the CRR;

"**EURIBOR**" means, in respect of any Specified Currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks;

"**euro**" and "**EUR**" means the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty;

"**Euro Business Day**" means a day on which the TARGET2 is open for settlements of payments in euro;

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

"**Exempt Notes**" means Notes for which no prospectus is required to be published under the Prospectus Regulation;

"**Existing Notes**" has the meaning given to it in Condition 6(k) (*Substitution or Variation*);

"**First Margin**" means the margin specified as such in the relevant Final Terms;

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

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date;

"**First Reset Rate of Interest**" means, subject to Condition 3(c) (*Determination of Resettable Note Reference Rate, First Reset Rate of Interest and Subsequent Reset Rate of Interest*), the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Resettable Note Reference Rate plus the First Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Duration to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be made by the Calculation Agent));

"**Fixed Coupon Amount**" means the amount specified as such in the relevant Final Terms;

**"Fixed Interest Payment Date"** means:

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

**"Fixed Leg Swap Payment Frequency"** means the payment frequency specified as such in the relevant Final Terms;

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

**"Gross Redemption Yield"** means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent appointed by the Issuer on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 5, Section One: Price/Yield Formulae "*Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable);

**"Group"** means the Issuer and its consolidated subsidiaries;

**"HIBOR"** means the Hong Kong inter-bank offered rate;

**"Hong Kong"** means the Hong Kong Special Administrative Region of the PRC;

**"Illiquidity"** means where the general Renminbi exchange market in Hong Kong becomes illiquid and, as a result thereof, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay an amount due (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

**"Inconvertibility"** means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date (or, if earlier, any CNY Issue Trade Date as specified in the relevant Final Terms) and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

**"Initial Rate of Interest"** means the initial rate of interest per annum specified as such in the relevant Final Terms;

**"Interest Commencement Date"** means:

- (a) the date specified as such in the Final Terms;
- (b) in the case of Notes where "Change of interest basis" is specified as applicable in the relevant Final Terms, following such change in interest basis references in these Conditions to the "Interest Commencement Date" shall be deemed to be references to the date on which such change is effective.

**"Interest Determination Date"** means the date specified as such in the relevant Final Terms or, if not specified, the day determined by the Calculation Agent to be customary for fixing the Reference Rate in the Specified Currency for the relevant Interest Period;

**"Interest Payment Date"** means:

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

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

**"ISDA Definitions"** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc.;

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

**"JPY"** means the lawful currency of Japan;

**"KRW"** means the lawful currency of Korea;

**"Lead Regulator applicable to the Issuer"** means the PRA or any successor or other entity primarily responsible for the prudential supervision of the Issuer;

**"Leading Banks"** means the banks specified as such in the relevant Final Terms, or, if no banks are so specified:

- (a) if the Specified Currency is JPY and the Reference Rate is TIBOR, leading Japanese banks;
- (b) if the Specified Currency is SGD and the Reference Rate is SIBOR, leading banks in Singapore; and
- (c) in any other case, leading European banks,

in each case selected by the Calculation Agent;

**"LIBOR"** means, in respect of any Specified Currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the

administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks;

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

**"Loss Absorption Disqualification Event"** in relation to any Series of Notes other than Subordinated Notes, shall be deemed to have occurred if such Series of Notes becomes fully or partially ineligible to meet the Issuer's and/or the Group's minimum requirements for (A) eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as determined in accordance with and pursuant to the relevant Loss Absorption Regulations applicable to the Issuer and/or the Group, as a result of any:

- (a) Loss Absorption Regulation becoming effective after the Issue Date of the first Tranche of such Series of Notes; or
- (b) amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, in any such case becoming effective on or after the Issue Date of the first Tranche of such Series of Notes,

**provided, however, that** a Loss Absorption Disqualification Event shall not occur where the exclusion of the Notes from the relevant minimum requirement(s) is due to the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirement(s) under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Group on the Issue Date of the first Tranche of Notes of the relevant Series;

**"Loss Absorption Regulations"** means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies from time to time relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments in effect in the United Kingdom, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as implementing or regulatory technical standards) adopted by the European Commission and applicable to the Issuer from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer or to the Issuer and any holding or subsidiary company of the Issuer or any subsidiary of any such holding company);

**"Make Whole Redemption Amount"** means, in respect of any Notes to be redeemed pursuant to Condition 6(c) (*Redemption at the Option of the Issuer*):

- (a) if **"Sterling Make Whole Redemption Amount"** is specified as being applicable in the relevant Final Terms, an amount equal to the higher of (i) 100 per cent. of the principal amount outstanding of such Notes and (ii) the principal amount outstanding of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer and the Trustee by the Determination Agent (if applicable), at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Determination Agent; or
- (b) if **"Non-Sterling Make Whole Redemption Amount"** is specified as being applicable in the relevant Final Terms, an amount equal to the higher of (i) 100 per cent. of the principal amount outstanding of such Notes and (ii) the principal amount outstanding of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer and the Trustee by the Determination Agent (if applicable), at which the yield to maturity on such Notes on the Reference Date (calculated on the same basis as the Reference Bond Rate) is equal to the Reference Bond Rate at the Quotation Time on the Reference Date, plus the Redemption Margin, all as determined by the Issuer or by a Determination Agent appointed by the Issuer;

**"Margin"** means the percentage specified as such in the relevant Final Terms;

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

**"Mid-Market Swap Rate"** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Fixed Leg Swap Payment Frequency specified in the relevant Final Terms during the relevant Reset Period (calculated on the basis of the day count fraction customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Resetable Note Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (calculated on the basis of the day count fraction customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Swap Floating Leg Benchmark Rate"** means the benchmark rate specified as such in the Final Terms;

**"Mid-Swap Maturity"** means the period specified as such in the relevant Final Terms;

**"MXN"** means the lawful currency of United Mexican States;

**"Non-transferability"** means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date (or, if earlier, any CNY Issue Trade Date as specified in the relevant Final Terms) and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

**"PRA"** means the Prudential Regulation Authority;

**"PRC"** means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

**"Prospectus Regulation"** means Regulation (EU) 2017/1129;

**"Quotation Time"** shall be as specified in the relevant Final Terms;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms.

**"Rating Agency"** means Fitch Ratings Limited, Moody's Investors Service Ltd., S&P Global Ratings Europe Limited or any of their respective affiliates or successors;

**"Redemption Margin"** shall be as specified in the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, means:

- (a) for the purposes of Condition 3(c)(i) (*Mid-Swap Rate*), five leading swap dealers in the principal interbank market relating to the Specified Currency selected by the Calculation Agent in its discretion after consultation with the Issuer;

- (b) for the purposes of Condition 3(c)(iii) (*Benchmark Gilt Rate*), five brokers of gilts and/or gilt-edged market-makers selected by the Calculation Agent in its discretion after consultation with the Issuer; and
- (c) for the purposes of Condition 4(c) (*Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR or €STR*), four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Bond"** means:

- (a) in the case of any Resetable Notes and the determination of the Resetable Note Reference Rate in respect of any Reset Period, the selected government security or securities agreed between the Issuer and an investment bank or financial institution determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent, if applicable) as having an actual or interpolated maturity date on or about the last day of such Reset Period, that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency; and
- (b) in any other case, the security or securities specified in the relevant Final Terms or, if none is so specified or to the extent that any such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the Selected Bond;

**"Reference Bond Price"** means, with respect to any Reference Date or Reset Determination Date, as the case may be (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such Reference Date or Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, (ii) if fewer than five, but more than one, such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations, or (iii) if only one such Reference Government Bond Dealer Quotation is received, such quotation;

**"Reference Bond Rate"** means, with respect to any Reference Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

**"Reference Date"** means:

- (a) in the case of any Resetable Notes and the determination of the Resetable Note Reference Rate in respect of any Reset Period, the relevant Reset Determination Date; and
- (b) in any other case, the date which is two Business Days prior to the despatch of the notice of redemption under Condition 6(c) (*Redemption at the Option of the Issuer*) or such other date as may be specified in the relevant Final Terms;

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market-makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to each Reference Government Bond Dealer and any Reference Date or Reset Determination Date, as the case may be, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date or Reset Determination Date, as the case may be:

- (a) which appear on the Relevant Screen Page as at the Quotation Time on the Reference Date or Reset Determination Date, as the case may be; or
- (b) to the extent that, in the case of (a) above, either such bid and offered prices do not appear on that page, fewer than two such Reference Government Bond Dealer bid and offered

prices appear on that page, or if the Relevant Screen Page is unavailable, then as quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

**"Reference Price"** has the meaning given to it in the relevant Final Terms;

**"Reference Rate"** means (i) LIBOR, (ii) EURIBOR, (iii) BBSW, (iv) CD-KSDA (v) CDOR, (vi) CHIBOR, (vii) CNH HIBOR, (viii) HIBOR, (ix) SHIBOR, (x) SIBOR, (xi) SOR, (xii) TAIBIR, (xiii) TIBOR, (xiv) TIIE, (xv) SONIA, (xvi) SOFR or (xvii) €STR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

**"Regular Period"** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to such date and ending on the first Determination Date after such date);

**"Regulatory Preconditions"** means:

- (a) in the case of a redemption pursuant to Condition 6(b) (*Redemption for Taxation Reasons*), the Issuer has demonstrated to the satisfaction of the Lead Regulator applicable to the Issuer that the relevant Taxation Event is a change in the applicable tax treatment of the relevant Subordinated Notes which is material and was not reasonably foreseeable on the issue date of the most recently issued Tranche of the relevant Series;
- (b) in the case of a redemption pursuant to Condition 6(h) (*Redemption upon Capital Disqualification Event*), the Issuer has demonstrated to the satisfaction of the Lead Regulator applicable to the Issuer that the relevant change in the regulatory classification of the relevant Subordinated Notes was not reasonably foreseeable on the issue date of the most recently issued Tranche of the relevant Series; or
- (c) in any circumstances, the Issuer having demonstrated to the satisfaction of the Lead Regulator that the Issuer has (or will have), before or at the same time as such redemption or purchase, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Lead Regulator having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances;

**"Relevant Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and in New York City;

**"Relevant Disqualification Event"** means:

- (a) in relation to Subordinated Notes, a Capital Disqualification Event; and
- (b) in relation to Notes other than Subordinated Notes, a Loss Absorption Disqualification Event;

**"Relevant Financial Centre"** shall be as specified in the relevant Final Terms or, if not so specified, means:

- (a) London, in the case of a determination of LIBOR;
- (b) Brussels, in the case of a determination of EURIBOR;
- (c) Sydney, in the case of a determination of BBSW;
- (d) Seoul, in the case of a determination of CD-KSDA;
- (e) Toronto, in the case of a determination of CDOR;
- (f) Shanghai, in the case of a determination of CHIBOR and SHIBOR;
- (g) Hong Kong, in the case of a determination of CNH HIBOR and HIBOR;



- (h) Singapore, in the case of a determination of SIBOR and SOR;
- (i) Taipei, in the case of a determination of TAIBIR;
- (j) Tokyo, in the case of a determination of TIBOR; and
- (k) Mexico City, in the case of a determination of TIIE;

**"Relevant Financial Centre Day"** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre or centres for the currency in which payment falls to be made (or, (i) in the case of payments which fall to be made in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; or (ii) in the case of payments which fall to be made in euro, a Euro Business Day) and in any other place set out in the Final Terms;

**"Relevant Number of Quotations"** means the number of quotations specified in the relevant Final Terms or, if no number of quotations is so specified, two quotations;

**"Relevant Period"** has the meaning given in the relevant Final Terms;

**"Relevant Screen Page"** means:

- (a) the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or (in the case of any Relevant Screen Page or Alternative Screen Page) such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and
- (b) only for the purposes of determining Reference Government Bond Dealer Quotations for the purposes of determining the relevant Reference Bond Price and the Resettable Note Reference Rate, the page, section or part of a particular information service (including, without limitation, Reuters) determined by the Issuer in consultation with the Determination Agent at the relevant time;

**"Relevant Supervisory Consent"** means, in relation to any redemption or purchase of any Notes, or any substitution or variation of Notes pursuant to Condition 6(k) (*Substitution and Variation*), any required permission of the Lead Regulator applicable to the Issuer or the Relevant UK Resolution Authority for such redemption or purchase, or substitution or variation, under the prevailing Applicable Rules or Loss Absorption Regulations;

**"Relevant Time"** means the time specified as such in the relevant Final Terms;

**"Relevant UK Resolution Authority"** has the meaning given to it in Condition 18(a) (*Agreement with Respect to the Exercise of the UK Bail-in Power*);

**"Renminbi"** or **"RMB"** means the lawful currency of the PRC;

**"Renminbi Dealer"** means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

**"Reset Benchmark Gilt"** means, in respect of a Reset Period, such United Kingdom government security or securities agreed between the Issuer and an investment bank or financial institution determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent, if applicable) as having an actual or interpolated maturity date on or about the last day of such Reset Period;

**"Reset Determination Date"** means:

- (a) in respect of the First Reset Period, the second Business Day prior to the First Reset Date;
- (b) in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date; and
- (c) in respect of each Reset Period thereafter, the second Business Day prior to the first day of each such Reset Period;

**"Reset Period"** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**"Resettable Coupon Amount"** has the meaning given in the relevant Final Terms;

**"Resettable Note Interbank Rate"** means, in relation to a Reset Determination Date and subject to Condition 4(e) (*Benchmark Replacement*), the Reference Rate specified as such in the relevant Final Terms;

**"Resettable Note Interest Payment Date"** means:

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

**"Resettable Note Reference Rate"** means (i) the Mid-Swap Rate, (ii) the Resettable Note Interbank Rate, (iii) the Benchmark Gilt Rate or (iv) the Resettable Note Reference Bond Rate, as specified in the applicable Final Terms;

**"Resettable Note Reset Date"** means the First Reset Date, the Second Reset Date and every Subsequent Reset Date as may be specified as such in the relevant Final Terms;

**"Screen Rate Fallback Trigger"** means the occurrence of any of the following events or circumstances:

- (a) if the Specified Currency is AUD and the Reference Rate is BBSW:
  - (i) the Reference Rate does not appear on the Relevant Screen Page by 10.30 a.m. Sydney time, on the relevant Interest Determination Date; or
  - (ii) the Reference Rate does so appear but the Calculation Agent determines that there is an obvious error in the rate;
- (b) if the Specified Currency is RMB and the Reference Rate is CNH HIBOR:
  - (i) the Reference Rate does not appear on the Relevant Screen Page; or
  - (ii) fewer than three rates appear on the Relevant Screen Page;
- (c) if the Specified Currency is SGD and the Reference Rate is SOR:
  - (i) the Reference Rate does not appear on the Relevant Screen Page; or
  - (ii) the Relevant Screen Page does not appear; and

- (d) in all other cases,
- (i) if Condition 4(c)(i) (*Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR or €STR*) applies, the Reference Rate does not appear on the Relevant Screen Page;
  - (ii) if Condition 4(c)(ii) (*Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR or €STR*) applies, either of the required rates do not appear on the required Relevant Screen page;
  - (iii) if Condition 4(c)(iii) (*Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR or €STR*) applies, fewer than two rates appear on the Relevant Screen Page; or
  - (iv) in any case, the Relevant Screen Page is unavailable;

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

**"Selected Bond"** means the selected government security or securities agreed between the Issuer and an investment bank or financial institution determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Determination Agent, if applicable) as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

**"SGD"** means the lawful currency of Singapore;

**"SHIBOR"** means the Shanghai inter-bank offered rate;

**"SIBOR"** means the Singapore inter-bank offered rate;

**"SOR"** means the SGD swap offered rate;

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

**"Specified Denomination"** means the denomination specified as such in the relevant Final Terms;

**"Specified Period"** means the period specified as such in the relevant Final Terms;

**"Spot Rate"** means, on any date, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Relevant Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Spot Rate Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Spot Rate Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Relevant Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate;

**"Spot Rate Determination Date"** means, in relation to any payment subject to Condition 8(c) (*Renminbi-denominated Notes - Payment of U.S. Dollar Equipment*), the day which is two Relevant Business Days before the due date for such payment under these Conditions;

**"Subsequent Margin"** means the margin(s) specified as such in the relevant Final Terms;

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

**"Subsequent Reset Period"** means the period from (and including) the Second Reset Date to (but excluding) the next Resettable Note Reset Date, and each successive period from (and including) a Resettable Note Reset Date to (but excluding) the next succeeding Resettable Note Reset Date;

**"Subsequent Reset Rate of Interest"** means, in respect of any Subsequent Reset Period and subject to Condition 3(c) (*Determination of Resettable Note Reference Rate, First Reset Rate of Interest and Subsequent Reset Rate of Interest*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Resettable Note Reference Rate plus the applicable Subsequent Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Duration to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be made by the Calculation Agent));

**"TAIBIR"** means the Taiwan Secondary Markets Bills Rates;

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

**"Taxation Event"** means any of the applicable events or circumstances set out in items (i) to (iii) of Condition 6(b) (*Redemption for Taxation Reasons*);

**"TIBOR"** means the Tokyo inter-bank offered rate;

**"Tier 2 capital"** has the meaning given to it by the Lead Regulator applicable to the Issuer from time to time;

**"TIE"** means the *Tasa de Interes Interbancaria de Equilibrio* (Interbank Equilibrium Interest Rate) for MXN which is published in the "*Diario oficial de la Federacion*" (Official Gazette of the Federation);

**"Treaty"** means the Treaty establishing the European Community, as amended;

**"TWD"** means the lawful currency of the Republic of China (Taiwan); and

**"U.S. Dollar Equivalent"** means, in relation to any Renminbi amount payable under the Notes on any date, such Renminbi amount converted into U.S. Dollars using the Spot Rate for the Spot Rate Determination Date.

## TAXATION

The tax laws of the investor's jurisdiction and of the Issuer's jurisdiction of incorporation may have an impact on the income received from the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

The following is a general description of certain United Kingdom, European, United States and Republic of China tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

### 1. UNITED KINGDOM

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue & Customs ("HMRC"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective 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 and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

#### (A) United Kingdom Withholding Tax

1. Interest on Notes issued for a term of less than one year (and which are not issued under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax.
2. Notes issued by the Issuer which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange within the meaning of Section 1005 of the Income Tax Act 2007 (the "**Act**") for the purposes of Section 987 of the Act or admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange (within the meaning of Section 987 of the Act). Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on such Notes may be made without withholding or deduction for or on account of United Kingdom income tax.
3. 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 6 of the Financial Services and Markets Act 2000) 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 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 Main Market of that exchange.

The International Securities Market of the London Stock Exchange is a multilateral trading facility operated by a regulated recognised stock exchange for the purposes of Section 987 of the Act.

4. In all cases falling outside the exemption described above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

**(B) Other Rules relating to United Kingdom Withholding Tax**

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in (A) above.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax provisions as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders or Couponholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. 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 and Couponholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "**interest**" or "**principal**" as those terms are understood in United Kingdom tax law.
5. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions completed by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to 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.
6. The above summary under the heading "*United Kingdom Taxation*" assumes that there will be no substitution of the Issuer pursuant to Condition 14 (*Modification of Terms, Waiver and Substitution*) of the Notes and does not consider the tax consequences of any such substitution.

**2. CERTAIN EUROPEAN TAXATION MATTERS**

**The proposed financial transactions tax ("FTT")**

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

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

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

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

### 3. UNITED STATES TAXATION

The following summary describes certain of the principal U.S. federal income tax consequences resulting from the purchase, ownership and disposition of Notes other than Subordinated Notes, and references in the following summary to "**Notes**" shall be construed accordingly.

This summary does not purport to consider all the possible U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes and is not intended to reflect the individual tax position of any beneficial owner of Notes. The summary is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed U.S. Treasury regulations promulgated thereunder, published rulings by the U.S. Internal Revenue Service ("**IRS**") and court decisions, all in effect as of the date hereof, all of which authorities are subject to change or differing interpretations, which changes or differing interpretations could apply retroactively. This summary is limited to investors who purchase the Notes at initial issuance and hold the Notes as "**capital assets**" within the meaning of Section 1221 of the Code (i.e., generally, property held for investment) and does not purport to deal with investors in special tax situations, such as financial institutions, tax exempt organisations, insurance companies, regulated investment companies, dealers in securities or currencies, persons purchasing Notes other than at original issuance, persons holding notes as a hedge against currency risks or as a position in a "**straddle**," "**conversion transaction**," or "**constructive sale**" transaction for tax purposes, persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognised on an applicable financial statement or U.S. Holders (as defined below) whose functional currency (as defined in Section 985 of the Code) is not the U.S. dollar. The summary does not include any description of the tax laws of any state, local or foreign governments that may be applicable to the Notes or the holders thereof.

Prospective purchasers of the Notes should consult their own tax advisers concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Note who or which is for U.S. federal income tax purposes is (i) an individual who is a citizen or resident of the United States, (ii) a corporation created or organised in or under the laws of the United States or of any state thereof including the District of Columbia, or (iii) any other person that is subject to U.S. federal income taxation on a net income basis with respect to the Notes. As used herein, the term "**Non-U.S. Holder**" means a beneficial owner of a Note that is not a U.S. Holder. In the case of a holder of Notes that is a partnership for U.S. federal income tax purposes, each partner will take into account its allocable share of income or loss from the Notes, and will take such income or loss into account under the rules of taxation applicable to such partner, taking into account the activities of the partnership and the partner.

#### Treatment of Notes

Except as otherwise provided in a prospectus supplement, the Issuer intends to treat Notes that are principal protected as indebtedness for U.S. federal income tax purposes; however, the IRS is not bound by this determination and the Notes could be recharacterised. Any such recharacterisation could materially affect the timing or character of the income required to be recognised by U.S. Holders for U.S. federal income tax purposes. Prospective investors are urged to consult with their tax advisers as to the likelihood and

likely effect of any such recharacterisation. The remainder of this summary assumes the Notes discussed herein are properly characterised as indebtedness for U.S. federal income tax purposes.

## **U.S. Holders of Notes**

### ***Payments of Interest***

Generally, payments of interest on a Note that is not a Discount Note will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

### ***Original Issue Discount***

#### ***General***

The following summary is a general discussion of the U.S. federal income tax consequences to U.S. Holders of the purchase, ownership and disposition of a Note issued with original issue discount ("**OID on a Discount Note**"). Special rules apply to OID on a Discount Note that is denominated in a foreign currency. See "*Foreign Currency Notes — OID*".

For U.S. federal income tax purposes, OID is the excess of the stated redemption price at maturity of a Note over its issue price, if such excess equals or exceeds a *de minimis* amount (generally defined as  $\frac{1}{4}$  of 1-per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity from its issue date). The issue price of each Note in an issue of Notes is the first price at which a substantial amount of such issue of Notes has been sold to the public (ignoring sales to bond houses, broker-dealers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers). The stated redemption price at maturity of a Note generally is the sum of all payments provided for by the Note other than qualified stated interest payments. The term "**qualified stated interest**" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

Payments of qualified stated interest on a Note are taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. A U.S. Holder of a Discount Note having a maturity of more than one year from the issue date must include OID in income as ordinary interest income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting. In general, the amount of OID included in income by the initial U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to such Discount Note for each day during the taxable year on which such U.S. Holder held such Discount Note. The "**daily portions**" of OID on any Discount Note are determined by allocating to each day in an accrual period a rateable portion of the OID allocable to that accrual period. An "**accrual period**" may be of any length and the accrual periods may vary in length over the term of the Discount Note as long as (i) each accrual period is no longer than one year and (ii) each scheduled payment of principal and interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of OID allocable to each accrual period is generally equal to the excess of (i) the product of the Discount Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) over (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "**adjusted issue price**" of a Discount Note at the beginning of the first accrual period is its issue price. Thereafter, the "**adjusted issue price**" of a Discount Note is the sum of the issue price of the Discount Note plus the amount of OID previously includable in the gross income of the holder reduced by the amount of any payments previously made on the Discount Note other than payments of qualified stated interest. Under these rules, U.S. Holders generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

#### ***Election to Treat all Interest as OID***

A U.S. Holder of a Note may elect to include in gross income all interest that accrues on the Note by using the constant yield method described in "*Original Issue Discount — General*" with certain modifications. The election must be made for the taxable year in which the U.S. Holder acquires the Note and will generally apply only to the Note (or Notes) identified by the U.S. Holder in a statement attached to the U.S.



Holder's timely filed U.S. federal income tax return. The election may not be revoked without the consent of the IRS. If a U.S. Holder makes the election with respect to a Note with "amortisable bond premium" (as described in "*Amortisable Bond Premium*"), then the electing U.S. Holder is deemed to have elected to apply amortisable bond premium against interest with respect to all debt instruments with amortisable bond premium (other than debt instruments the interest on which is excludable from gross income) held by the electing U.S. Holder as of the beginning of the taxable year in which any Note (with respect to which the election is made) is acquired and any such debt instruments thereafter acquired. The deemed election with respect to amortisable bond premium may not be revoked without the consent of the IRS.

### ***Short-Term Notes***

Generally, an individual or other cash-basis U.S. Holder of Notes having a fixed maturity date not more than 1 year from the Issue Date ("**Short-Term Notes**") is not required to accrue OID for U.S. federal income tax purposes unless it elects to do so. An election by a cash-basis U.S. Holder applies to all short-term obligations acquired on or after the beginning of the first taxable year to which the election applies, and for all subsequent taxable years unless consent is secured from the IRS to revoke the election. Accrual-basis U.S. Holders and certain other U.S. Holders, including banks, regulated investment companies, dealers in securities, common trust funds, U.S. Holders who hold Short-Term Notes as part of certain identified hedging transactions, certain pass-through entities and cash-basis U.S. Holders who so elect, are required to accrue OID on Short-Term Notes on either a straight-line basis or, at the election of the U.S. Holder, under the constant yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Notes will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

### ***Market Discount***

If a U.S. Holder purchases a Note (other than a Short-Term Note) for an amount that is less than its stated redemption price at maturity or, in the case of a Discount Note, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. Holder will be required to treat any principal payment (or, in the case of a Discount Note, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Note, including disposition in certain non-recognition transactions, as ordinary income to the extent of the market discount accrued on the Note at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. Holder pursuant to an election by the Holder to include market discount in income as it accrues. An election to include market discount in income as it accrues applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which such election applies and may not be revoked without the consent of the IRS. In addition, a U.S. Holder that does not elect to include market discount in income currently may be required to defer, until the maturity of the Note or its earlier disposition (including certain non-taxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Note.

Market discount will accrue on a straight line basis unless a U.S. Holder makes an election on a Note to accrue on the basis of a constant interest rate. This election is irrevocable once made.

### ***Variable Rate Debt Instruments***

Generally, a Note that is issued with a variable rate of interest (a "**Variable Rate Debt Instrument**") will qualify as a "**variable rate debt instrument**" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Rate Debt Instrument by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date or (ii) 15 per cent. of the total non-contingent principal payments, (b) it does not provide for any stated interest other than stated interest paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a

qualified inverse floating rate, and (c) it provides that a qualified floating rate or objective rate in effect at any time during the term of the Note is set at a current value of that rate (i.e., the value of the rate on any day that is no earlier than three months prior to the first rate day on which the value is in effect and no later than one year following that first day).

A "**qualified floating rate**" is any variable rate such that variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Rate Debt Instruments are denominated. Although a multiple of a qualified floating rate will generally not itself constitute a qualified floating rate, a variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35 will constitute a qualified floating rate. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Rate Debt Instruments will together constitute a single qualified floating rate. Two or more qualified floating rates will be conclusively presumed to meet the requirements of the previous sentence if the values of all rates on the issue date are within 25 basis points of each other. A variable rate is not a qualified floating rate if it is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Variable Rate Debt Instrument or are not reasonably expected to significantly affect the yield on the Variable Rate Debt Instrument.

Under proposed U.S. Treasury regulations, Notes referencing an IBOR that are treated as having a qualified floating rate for purposes of the above will not fail to be so treated merely because the terms of the Notes provide for a replacement of the IBOR in the case of a Benchmark Event. In particular, under such proposed regulations, the IBOR referencing rate and the replacement rate are treated as a single qualified rate. Taxpayers may rely on the proposed regulations until final regulations adopting such rules are published in the Federal Register. U.S. Holders should consult their tax advisers regarding the consequences to them of the potential occurrence of a Benchmark Event.

An "**objective rate**" is a rate other than a qualified floating rate that is determined using a single fixed formula and that is based upon objective financial or economic information, other than information that is within the control of the issuer or a related party, or that is unique to the circumstances of the issuer or a related party such as dividends, profits or the value of the issuer's (or a related party's) stock (but not the issuer's credit quality). Despite the foregoing, a variable rate of interest on Variable Rate Debt Instruments will not constitute an objective rate if it is reasonably expected that the average value of such rate during the first half of the Variable Rate Debt Instruments' term will be either significantly less or significantly greater than the average value of the rate during the final half of the Variable Rate Debt Instruments' term. A "**qualified inverse floating rate**" is any objective rate that is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to reflect inversely contemporaneous variations in the qualified floating rate (disregarding any caps, floors, governors or other restrictions that are fixed throughout the term of the Variable Rate Debt Instruments or are not reasonably expected to significantly affect the yield on the Variable Rate Debt Instruments).

Generally, if a Variable Rate Debt Instrument provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the Variable Rate Debt Instruments' issue date is intended to approximate the fixed rate, then the fixed rate and the variable rate together will constitute either a single qualified floating rate or an objective rate, as the case may be. A fixed rate and a variable rate will be conclusively presumed to meet the previous requirements if the value of the variable rate on the issue date of the Variable Rate Debt Instruments does not differ from the value of the fixed rate by more than 25 basis points.

If a Variable Rate Debt Instrument provides for stated interest at a single qualified floating rate or objective rate that is unconditionally payable in cash or in property (other than debt instruments of the issuer), or that will be constructively received by the U.S. Holder at least annually, then (a) all stated interest with respect to the Note is qualified stated interest, (b) the amount of qualified stated interest and the amount of OID, if any, are determined by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Note, and (c) the qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an

accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period under the foregoing rules.

If a Variable Rate Debt Instrument does not provide for stated interest at a single qualified floating rate or objective rate, or at a single fixed rate (other than at a single fixed rate for an initial period), the amount of qualified stated interest and OID on the Note are generally determined by (i) determining a fixed rate substitute for each variable rate provided under the Variable Rate Debt Instrument (generally, the value of each variable rate as of the issue date or, in the case of an objective rate that is not a qualified inverse floating rate, a rate that reflects the yield that is reasonably expected for the Note), (ii) constructing the equivalent fixed rate debt instrument (using the fixed rate substitutes described above), (iii) determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument (by applying the general OID rules as described in "*Original Issue Discount — General*"), and (iv) making the appropriate adjustments for actual variable rates during the applicable accrual period.

If a Variable Rate Debt Instrument provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate and in addition provides for stated interest at a single fixed rate (other than a single fixed rate for an initial period of one year or less), the amount of interest and OID is determined as in the immediately preceding paragraph with the modification that the Variable Rate Debt Instrument is treated, for purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or qualified inverse floating rate, if the Note provides for a qualified inverse floating rate) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Note as of the issue date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for a qualified floating rate (or qualified inverse floating rate) rather than a fixed rate.

### ***Acquisition Premium***

A U.S. Holder that purchases a Note for an amount less than or equal to the sum of all amounts payable on the Note after its acquisition date (other than payments of qualified stated interest) (this excess being "**acquisition premium**") and that does not make the election described above under "*Original Issue Discount- Election to Treat All Interest as OID*" is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the Note's stated redemption price at maturity over the Note's adjusted issue price. No OID will accrue on a Note purchased for more than its stated redemption price at maturity. In the event the Notes are denominated in a currency other than the U.S. dollar, acquisition premium will be computed in units of the foreign currency, and acquisition premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date acquisition premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate of exchange in effect on that date, and on the date the Notes were acquired by the U.S. Holder.

### ***Notes that are Contingent Payment Debt Instruments***

#### ***Interest Accruals on the Notes***

For U.S. federal income tax purposes certain of the Notes may be contingent payment debt instruments ("**CPDIs**"). A CPDI is any class of Notes which provide for one or more payments, either of interest or principal, that are contingent (usually as to timing of payment or amount of payment). If the Issuer intends to treat a Note as a CPDI, this will be specified in the applicable Final Terms with respect to such Note.

Under Treasury Regulations governing the treatment of CPDIs (the "**CPDI Regulations**"), regardless of a U.S. Holder's regular method of accounting, accruals of income, gain, loss and deduction with respect to a CPDI are determined under the "*noncontingent bond method*." Under the noncontingent bond method, a U.S. Holder of a CPDI will accrue OID over the term of such Note based on the Notes' comparable yield. In general, the comparable yield of a CPDI is equal to the yield at which the Issuer would issue a fixed rate, noncontingent debt instrument with terms and conditions otherwise similar to those of the CPDI, including level of subordination, term, timing of payments, and general market conditions. The applicable Final Terms for any Note that is a CPDI will specify its comparable yield. A U.S. Holder will accrue OID at the comparable yield even if the comparable yield differs from the stated interest rate on the CPDI (if any).

The amount of OID allocable to each accrual period will be the product of the "adjusted issue price" of the CPDI at the beginning of each such accrual period and the comparable yield. The "adjusted issue price" of a CPDI at the beginning of an accrual period will equal the issue price *plus* the amount of OID previously includible in the gross income of U.S. Holder *minus* the amount of any Projected Payments with respect to such Note. The amount of OID includible in the income of each U.S. Holder will generally equal the sum of the "daily portions" of the total OID on the CPDI allocable to each day on which a U.S. Holder held such Note. Generally, the daily portion of the OID is determined by allocating to each day in any accrual period a rateable portion of the OID allocable to such accrual period. Such OID is included in income and taxed at ordinary income rates.

The Issuer also is required by the CPDI Regulations to determine, solely for U.S. federal income tax purposes, a projected payment schedule of the projected amounts of payments (the "**Projected Payments**") on any Note that is a CPDI. The schedule must produce the comparable yield. The applicable Final Terms for any Note that is a CPDI will specify the Projected Payments for such Note. Under the noncontingent bond method, the Projected Payments are not revised to account for changes in circumstances that occur while the Notes are outstanding. See "*Adjustments to Interest Accruals*" below.

For U.S. federal income tax purposes, the Issuer's reasonable determination of the comparable yield and schedule of Projected Payments is generally respected and will be binding on the holders of the Notes, unless such holder timely discloses and justifies the use of other estimates to the IRS.

THE COMPARABLE YIELD AND THE SCHEDULE OF PROJECTED PAYMENTS ARE NOT PROVIDED FOR ANY PURPOSE OTHER THAN THE DETERMINATION OF U.S. HOLDERS' INTEREST ACCRUALS AND ADJUSTMENTS THEREOF AND DO NOT CONSTITUTE AN ASSURANCE BY THE ISSUER AS TO THE ACTUAL YIELD OF THE NOTES. THE ISSUER MAKES NO REPRESENTATION AS TO WHAT SUCH ACTUAL YIELD WILL BE, AND THE COMPARABLE YIELD DOES NOT NECESSARILY REFLECT THE EXPECTATIONS OF THE ISSUER REGARDING THE ACTUAL YIELD.

#### *Adjustments to Interest Accruals*

If, during any taxable year, the sum of any actual payments with respect to a CPDI for that taxable year (including, in the case of the taxable year which includes the maturity date, the amount of cash received at maturity) exceeds the total amount of Projected Payments for that taxable year, the difference will produce a "Net Positive Adjustment" under the CPDI Regulations, which will be treated as additional interest for the taxable year. If the actual amount received in a taxable year is less than the amount of Projected Payments for that taxable year, the difference will produce a "Net Negative Adjustment" under the CPDI Regulations, which will (i) reduce the U.S. Holder's interest income for that taxable year and (ii) to the extent of any excess after the application of (i), give rise to an ordinary loss to the extent of the U.S. Holder's interest income on the Notes during prior taxable years (reduced to the extent such interest was offset by prior Net Negative Adjustments).

#### *Amortisable Bond Premium*

Generally, a U.S. Holder that purchases a Note for an amount in excess of the sum of all amounts payable on the Note after its acquisition date (other than payments of qualified stated interest) will be considered to have purchased the Note with "amortisable bond premium" equal to such excess. A U.S. Holder of such a Note will not be subject to OID, and may elect to amortise such premium using a constant yield method over the remaining term of the Note and offset qualified stated interest otherwise required to be included in respect of the Note with respect to an accrual period by the bond premium allocable to the accrual period. If the bond premium allocable to the accrual period exceeds the qualified stated interest allocable to the accrual period, the excess is treated as a bond premium deduction for the accrual period. However, the amount treated as a bond premium deduction is limited to the amount by which the U.S. Holder's total interest inclusions on the Note in prior accrual periods exceed the total amount treated by the U.S. Holder as a bond premium deduction on the Note in prior accrual periods. If the bond premium allocable to an accrual period exceeds the sum of the qualified stated interest allocable to the accrual period and the amount treated as a bond premium deduction for the accrual period, as described above, the excess is carried forward to the next accrual period and is treated as bond premium allocable to that period. Special rules apply for determining the amortisation of bond premium on Notes that are classified as "variable rate debt instruments", Notes that provide for certain alternative payment schedules, and Notes that provide for certain contingencies. Any election to amortise bond premium with respect to any Note (or other general

debt obligations) applies to all taxable debt obligations held by the U.S. Holder at the beginning of the first taxable year to which the election applies and to all debt obligations thereafter acquired in such taxable year and all subsequent tax years. The election may not be revoked without the consent of the IRS.

#### ***Sale, Exchange or Retirement of a Note***

Except as discussed above, upon the sale, exchange or retirement of a Note, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest, which amounts will be taxable as ordinary income) and such U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal such U.S. Holder's initial investment in the Note increased by any OID or market discount included in income, decreased by the amount of any payments that are not payments of qualified stated interest and any amortisable bond premium applied to reduce interest income with respect to such Note. Such gain or loss generally will be long-term capital gain or loss if the Note has been held by such U.S. Holder for more than one year at the time of such sale, exchange or retirement.

Certain of the Notes may be redeemable at the option of the Issuer prior to their stated maturity and/or may be repayable at the option of the holder prior to their stated maturity. Notes containing such features may be subject to rules that differ from the general rules discussed above. U.S. Holders intending to purchase Notes with such features should consult their own tax advisers regarding the U.S. federal income tax consequences to them of the purchase, holding and disposition of such Notes, since the OID consequences will depend, in part, on the particular terms and features of such Notes.

#### ***Foreign Currency Notes***

The following summary relates to Notes that are denominated in a currency or basket of currencies other than the U.S. dollar ("**Foreign Currency Notes**"). It does not apply to U.S. Holders whose functional currency is not the U.S. dollar.

##### ***Payments of Interest in a Foreign Currency***

###### ***Cash Method***

A U.S. Holder that uses the cash method of accounting for U.S. federal income tax purposes and receives a payment of interest on a Note (other than OID) will be required to include in income the U.S. dollar value of the Foreign Currency payment (determined on the date such payment is actually or constructively received) regardless of whether the payment is in fact converted to U.S. dollars at that time, and such U.S. dollar value will be the U.S. Holder's tax basis in such Foreign Currency.

###### ***Accrual Method***

A U.S. Holder who uses the accrual method of accounting for U.S. federal income tax purposes, or who otherwise is required to accrue interest prior to receipt, will be required to include in income the U.S. dollar value of the amount of interest income (including OID and reduced by amortisable bond premium to the extent applicable) that has accrued or is otherwise required to be taken into account with respect to a Note during an accrual period. The U.S. dollar value of such accrued income will be determined by translating such income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the first taxable year. A U.S. Holder may elect, however, to translate such accrued interest income using the rate of exchange on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, using the rate of exchange on the last day of the first taxable year. If the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. Holder may translate such interest using the rate of exchange on the date of receipt. The above election will apply to other obligations held by the U.S. Holder and may not be revoked without the consent of the IRS. Prior to making such an election, a U.S. Holder of Notes should consult that person's own tax adviser as to the consequences resulting from such an election with respect to that person's own particular situation.

A U.S. Holder will recognise exchange gain or loss (which will be treated as ordinary income or loss) with respect to accrued interest income on the date such income is received. The amount of ordinary income or loss recognised will equal the difference, if any, between the U.S. dollar value of the Foreign Currency payment received (determined on the date such payment is received) in respect of such accrual period and the U.S. dollar value of interest income that has accrued during such accrual period (as determined above).

### *Market Discount*

Market discount that is accrued by a U.S. Holder on a Foreign Currency Note will be accrued in such foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Foreign Currency Note, the U.S. dollar value of the amount accrued, calculated at the spot rate of exchange on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

### *Purchase, Sale, Exchange and Retirement of Notes*

A U.S. Holder that purchases a Note with previously owned Foreign Currency will recognise ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the Foreign Currency and the U.S. dollar fair market value of the Foreign Currency used to purchase the Note, determined on the date of purchase.

Generally, upon the sale, exchange or retirement of a Note, a U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and such U.S. Holder's adjusted tax basis in the Note. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the Note has been held by such U.S. Holder for more than one year. To the extent the amount realised represents accrued but unpaid interest, however, such amounts must be taken into account as ordinary interest income, with exchange gain or loss computed as described in "*— Payments of Interest in a Foreign Currency*" above. If a U.S. Holder receives Foreign Currency on such a sale, exchange or retirement, the amount realised will be based on the U.S. dollar value of the Foreign Currency on the date the payment is received or the instrument is disposed of (or deemed disposed of). A U.S. Holder's adjusted tax basis in a Note will equal the cost of the Note to such U.S. Holder, increased by the amounts of any OID previously included in income by the U.S. Holder with respect to such Note and reduced by any amortised acquisition or other premium and any principal payments received by the U.S. Holder. A U.S. Holder's tax basis in a Note, and the amount of any subsequent adjustments to such holder's tax basis, will be the U.S. dollar value of the Foreign Currency amount paid for such Note, or of the Foreign Currency amount of the adjustment, determined on the date of such purchase or adjustment.

Gain or loss realised upon the sale, exchange or retirement of a Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between the U.S. dollar value of the Foreign Currency principal amount of the Note, determined on the date such payment is received or the Note is disposed of, and the U.S. dollar value of the Foreign Currency principal amount of the Note, determined on the date the U.S. Holder acquired the Note. Such Foreign Currency gain or loss will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange or retirement of the Note.

### *OID*

In the case of a Discount Note or Short-Term Note, (i) OID is determined in units of the Foreign Currency, (ii) accrued OID is translated into U.S. dollars as described in "*— Payments of Interest in a Foreign Currency — Accrual Method*" above and (iii) the amount of Foreign Currency gain or loss on the accrued OID is determined by comparing the amount of income received attributable to the discount (either upon payment, maturity or an earlier disposition), as translated into U.S. dollars at the rate of exchange on the date of such receipt, with the amount of OID accrued, as translated above.

### *Amortisable Bond Premium*

Amortisable bond premium on a Note will be computed in the units of the Foreign Currency in which the Note is denominated (or in which the payments are determined). Amortisable bond premium properly taken into account will reduce the interest income in units of the Foreign Currency. Exchange gain or loss is realised with respect to the bond premium with respect to a Note issued with amortisable bond premium by treating the portion of premium amortised with respect to any period as a return of principal. With respect

to any U.S. Holder that does not elect to amortise bond premium, the amount of bond premium will constitute a market loss when the bond matures.

#### *Exchange of Foreign Currencies*

A U.S. Holder will have a tax basis in any Foreign Currency received as interest or on the sale, exchange or retirement of a Note equal to the U.S. dollar value of such Foreign Currency, determined at the time the interest is received or deemed received or at the time of the sale, exchange or retirement. Any gain or loss realised by a U.S. Holder on a sale or other disposition of Foreign Currency (including its exchange for U.S. dollars or other use) will be ordinary income or loss.

#### *Foreign Tax Credit*

The total gross amount of interest, OID, plus any additional amounts (pursuant to Condition 7 (*Taxation*) of the Notes) with respect thereto, will constitute interest income subject to U.S. federal income tax. This amount will be considered income from sources outside the United States and, with certain exceptions, will be grouped together with other items of "passive" income for purposes of computing the foreign tax credit allowable to a U.S. Holder. However the foreign tax credit rules are very complex and prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of United Kingdom taxes.

The amount of foreign tax withheld on this gross amount will be considered to be a foreign income tax that may either be deducted when computing U.S. federal taxable income or, subject to limitations personal to the U.S. Holder, claimed as a credit against U.S. federal income tax liability. A U.S. Holder may be required to provide the IRS with a certified copy of the receipt evidencing payment of withholding tax imposed in respect of payments on a Note in order to claim a foreign tax credit in respect of such foreign withholding tax.

#### **Non-U.S. Holders of Notes**

Subject to the discussion of backup withholding and FATCA below, (a) payment of principal, premium, redemption amount and interest by the Issuer or any paying agent to a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax, **provided that** such Non-U.S. Holder provides the Issuer, when necessary, appropriate documentation evidencing its status as a Non-U.S. Holder, (b) gain realised by a Non-U.S. Holder on the sale or redemption of the Notes is not subject to U.S. federal income tax or withholding tax and (c) the Notes are not subject to U.S. federal estate tax if held by an individual who was a Non-U.S. Holder at the time of his or her death. Special rules may apply in the case of Non-U.S. Holders (i) that are engaged in a U.S. trade or business, (ii) that are former citizens or long-term residents of the United States, "controlled foreign corporations", "passive foreign investment companies," corporations which accumulate earnings to avoid U.S. federal income tax, and certain foreign charitable organisations, each within the meaning of the Code, or (iii) certain non-resident alien individuals who are present in the United States for one hundred and eighty three days or more during a taxable year. Such persons are urged to consult their U.S. tax advisers before purchasing Notes.

#### *Information Reporting and Backup Withholding*

For each calendar year in which the Notes are outstanding, each DTC participant or indirect participant holding an interest in a Note on behalf of a beneficial owner of a Note and each paying agent making payments in respect of a Registered Note will generally be required to provide the IRS with certain information, including such beneficial owner's name, address, taxpayer identification number (either such beneficial owner's Social Security number, its employer identification number or its IRS individual taxpayer identification number, as the case may be), and the aggregate amount of interest (including OID) and principal paid to such beneficial owner during the calendar year. These reporting requirements, however, do not apply with respect to certain beneficial owners, including corporations, securities broker-dealers, other financial institutions, tax-exempt organisations, qualified pension and profit sharing trusts and individual retirement accounts.

In the event that a beneficial owner of a Note fails to establish its exemption from such information reporting requirements or is subject to the reporting requirements described above and fails to supply its correct taxpayer identification number in the manner required by applicable law, or under-reports its tax liability, as the case may be, the DTC participant or indirect participant holding such interest on behalf of

such beneficial owner or paying agent making payments in respect of a Note may be required to "backup" withhold a tax on each payment of interest and principal with respect to Notes. This backup withholding tax is not an additional tax and may be credited against the beneficial owner's U.S. federal income tax liability if the required information is timely furnished to the IRS. Compliance with the certification procedures contained in IRS Forms W-8BEN, W-8BEN-E, W-8ECI or W-8EXP, as appropriate, will establish an exemption from information reporting and backup withholding for those Non-U.S. Holders who are not otherwise exempt recipients.

U.S. Holders should consult their own tax advisers regarding any reporting requirements they may have as a result of their acquisition, ownership or disposition of the Notes.

#### ***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 U.S. treasury 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.

#### **4. REPUBLIC OF CHINA TAXATION**

The following summary of certain taxation provisions under Republic of China ("**ROC**") law is based on current law and practice and on the basis that the Notes will be issued, offered, sold and re-sold, directly and indirectly, to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes.

##### **Interest on the Notes**

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the Notes.

ROC corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT\$500,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax of 12 per cent. ("**AMT**") is not applicable.



## **Sale of the Notes**

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax ("STT") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of the ROC prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes would have been exempt from STT if the sale had been conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Income Basic Tax Act (also known as the AMT Act) of the ROC, the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

## NOTICE TO PURCHASERS OF 144A NOTES AND TRANSFER RESTRICTIONS

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

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

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

Each purchaser of Notes in reliance on Rule 144A ("**Restricted Notes**") will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

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

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), OR (4) TO THE ISSUER OR ITS AFFILIATES."

In addition, each purchaser of Restricted Notes acknowledges that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If the purchaser is acquiring any Restricted Notes for the account of one

or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Before any interest in a Note represented by a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, it will be required to provide the Registrar with written certification (in the form scheduled to the Agency Agreement) as to compliance with the transfer restrictions referred to in sub-clauses (2) and (3) of the legend set forth above. See "*Forms of Notes; Summary of Provisions relating to the Notes while in Global Form*".

## SUBSCRIPTION AND SALE

HSBC Bank plc (the "**Dealer**") has, in a modified and restated dealer agreement dated on or about 30 March 2020 (the "**Dealer Agreement**", which expression includes any amendments and supplements thereto) agreed with the Issuer a basis upon which it may from time to time agree either as principal or agent of the Issuer to subscribe for or purchase, to underwrite or, as the case may be, to procure subscribers or purchasers for 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 Dealer(s) will agree details relating to the form of such Notes and the Conditions relating to such Notes. The Dealer Agreement contains provisions for the Issuer to appoint other dealers (together with the Dealer, the "**Dealers**") from time to time either generally in respect of the Programme or in relation to a particular Tranche of Notes. 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.

### General

No action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus or any Final Terms come are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they subscribe for, purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out below) to the extent that such restrictions shall, as a result of change(s) in, or change(s) in official interpretation of, after the date hereof, applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the first paragraph under the heading "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in a supplement to this Base Prospectus.

### Prohibition of Sales to EEA and UK Retail Investors

Unless the relevant Final Terms for each Tranche of Notes issued under this Programme specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### *United States of America*

The Notes have not been and will not be registered under the Securities Act or any state securities laws, and accordingly may only be offered or sold within the United States to qualified institutional buyers as defined in Rule 144A under the Securities Act and outside the United States in offshore transactions (as defined in Regulation S under the Securities Act) to, or for the account or benefit of, non-U.S. persons (as defined in Regulation S under the Securities Act) in accordance with Regulation S under the Securities Act and in compliance with any applicable state securities laws.

Each Dealer has represented and agreed, or will represent and agree, that it has not offered or sold, and will not offer and sell, any Notes initially offered and sold outside the United States pursuant to Regulation S under the Securities Act, within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time or (ii) otherwise until forty days after the completion of the distribution

of the Tranche of which such Notes are a part (the "**Distribution Compliance Period**"), as determined and certified to the Principal Paying Agent or the Issuer by the relevant Dealer (or, in the case of a sale of a Tranche of the 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), except in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to such Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer and its affiliates have also agreed that, at or prior to confirmation of sale of the Notes (other than sale of the Notes pursuant to Rule 144A), it will have sent to each Dealer, distributor or person receiving a selling concession, fee or other remuneration to which it sells Notes during the Distribution Compliance Period 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 to substantially the following effect:

"The Notes covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Tranche of Notes of which such Notes are a part, as determined and certified by the relevant Dealer or Dealers, except in either case in accordance with Regulation S under, or pursuant to an available exemption from the registration requirements of, the Securities Act. Terms used above have the meaning given to them by Regulation S of the Securities Act."

Terms used in the above paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

- (1) Each Dealer has agreed that it will not, acting either as principal or agent, offer or sell any Notes in the United States other than Notes in registered form bearing a restrictive legend thereon, and it will not, acting either as principal or agent, sell or resell any of such Notes (or approve the resale of any such Notes), except (A) inside the United States through a U.S. broker dealer that is registered under the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), to institutional investors, each of which such Dealer reasonably believes is a "**qualified institutional buyer**" (as defined in Rule 144A under the Securities Act), or a fiduciary or agent purchasing Notes for the account of one or more qualified institutional buyers or (B) otherwise in accordance with the restrictions on transfer set forth in such Notes, the Dealer Agreement and this Base Prospectus.

Prior to the sale of any Notes in registered form bearing a restrictive legend thereof, the selling Dealer shall have provided each offeree that is a U.S. person (as defined in Regulation S) with a copy of this Base Prospectus in the form the Issuer and Dealers shall have agreed most recently shall be used for offers and sales in the United States.

- (2) Each Dealer will represent and agree that in connection with each sale to a qualified institutional buyer it has taken or will take reasonable steps to ensure that the purchaser is aware that the Notes have not been and will not be registered under the Securities Act and that transfers of Notes are restricted as set forth herein and, in the case of sales in reliance upon Rule 144A, that the selling Dealer may rely upon the exemption provided by Rule 144A under the Securities Act.

In addition, until forty days after the commencement of the offering of any Tranche of Notes, an offer or sale of Notes of such Tranche within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States to non-U.S. persons and for the resale of the Notes in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase, in whole or in part, for any

reason, or to sell less than the number of Notes which may be offered pursuant to Rule 144A. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or an affiliate of one of the Dealers. Distribution of this Base Prospectus by any non-U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

The Bearer Notes are also 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 U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

***Selling restrictions addressing additional United Kingdom securities laws***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

***People's Republic of China***

Each of the Dealers has represented, warranted, undertaken and acknowledged that the Notes may not be offered or sold directly or indirectly within the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan) (the "**PRC**"). This Base Prospectus or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Base Prospectus, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested in by PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. Investors are responsible for obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the People's Bank of China, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking and Insurance Regulatory Commission, and/or other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

## ***Hong Kong***

Each Dealer has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO.

## ***Singapore***

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or

- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### ***Taiwan***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that, except where such sale is made through a duly licensed Taiwan intermediary and the relevant Notes meet all applicable requirements for sale in Taiwan, it has not offered, sold or delivered, and will not offer, sell or deliver, at any time, directly or indirectly, any Notes in Taiwan.

In the event that the Notes are to be listed on TPEx in Taiwan, the Notes shall not be offered, sold or re-sold, directly or indirectly, to investors other than "professional institutional investors" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC ("**Professional Institutional Investors**"). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a Professional Institutional Investor.

### ***Canada***

The Notes have not been and will not be qualified for sale under the securities laws of Canada or any province or territory of Canada. Each Dealer has represented, warranted and agreed that: (a) it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws; and (b) it has not and will not distribute or deliver the Base Prospectus, or any other offering material in connection with any offering of Notes in Canada, other than in compliance with applicable securities laws.

If the Notes may be offered, sold or distributed in Canada, the issue of the Notes will be subject to such additional selling restrictions as the Issuer and the relevant Dealers may agree from time to time. Each relevant Dealer will be required to agree that it will offer, sell and distribute such Notes only in compliance with such additional Canadian selling restrictions.



## GENERAL INFORMATION

1. The establishment and continuation of the Programme was authorised pursuant to resolutions of the Board of Directors of the Issuer passed on 26 May 2000, 25 May 2001, 26 April 2002, 25 April 2003, 30 April 2004, 30 September 2005, 24 November 2006, 29 February 2008, 22 January 2009, 20 January 2010, 19 January 2011, 18 January 2012, 18 January 2013, 17 January 2014, 30 January 2015, 19 February 2016, 26 January 2017, 19 January 2018, 17 January 2019 and 13 February 2020.
2. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code, International Securities Identification Number (ISIN), CUSIP, Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Series will be set out in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.
3. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Principal Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Notes.
4. In relation to the Issuer, any transfer of, or payment in respect of, a Note or Coupon involving the government of any country which is at the relevant time the subject of United Nations sanctions, any person or body resident in, incorporated in or constituted under the laws of any such country or exercising public functions in any such country or any person or body controlled by any of the foregoing or by any person acting on behalf of the foregoing may be subject to restrictions pursuant to such sanctions.
5. So long as Notes are capable of being issued under this Programme, the following documents may be inspected during normal business hours at the registered office of the Issuer or at the website set out by each relevant document listed below for the 12 months from the date of this Base Prospectus:
  - (a) the up to date memorandum and articles of the Issuer (website: [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Shareholder Information', 'Annual General Meeting'));
  - (b) the Trust Deed (including the Forms of Notes, Coupons, Talons and Receipts) (website: [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes'));
  - (c) the 2018 Form 20-F and 2019 Form 20-F (website: [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Results and Announcements', 'All Reporting'))).
6. The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors (as defined in the Trust Deed) and/or any other expert in accordance with the provisions of the Trust Deed whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Auditors or such other expert in connection therewith contains any limit on liability (monetary or otherwise) of the Auditors or such other expert.
7. The Issuer will, at its registered office, at the registered office of HSBC Bank plc and at the specified offices of the Paying Agents, make available for inspection during normal office hours, free of charge, upon oral or written request, a copy of this Base Prospectus and any document incorporated by reference therein prepared in relation to the Programme. Written or oral requests for such documents should be directed to the specified office of any Paying Agent.
8. This Base Prospectus and all the documents incorporated by reference herein will be available for viewing at [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes'). 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.

9. The Legal Entity Identifier (LEI) code of the Issuer is MLU0ZO3ML4LN2LL2TL39.
10. As at the date of this Base Prospectus, details of the administrator(s) of the following benchmarks appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of the Benchmarks Regulation:

<b>Benchmark</b>	<b>Administrator</b>	<b>Does the Administrator appear on the Register?</b>
LIBOR	ICE Benchmark Administration Limited	Appears
EURIBOR	European Money Markets Institute	Appears
SONIA	Bank of England	Does not appear  As far as the Issuer is aware, such administrator does not fall within the scope of the BMR by virtue of Article 2 of that regulation.
SOFR	Federal Reserve Bank of New York	Does not appear  As far as the Issuer is aware, such administrator does not fall within the scope of the BMR by virtue of Article 2 of that regulation.
€STR	European Central Bank	Does not appear  As far as the Issuer is aware, such administrator does not fall within the scope of the BMR by virtue of Article 2 of that regulation.

11. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12 month validity.

**HEAD AND REGISTERED OFFICE OF THE ISSUER**

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United Kingdom  
(Tel: +44 20 7991 8888)

**TRUSTEE**

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EC2V 7EX  
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**PRINCIPAL PAYING AGENT,  
REGISTRAR AND TRANSFER AGENT**

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E14 5HQ  
United Kingdom

**HSBC Bank USA, National Association**  
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**PROGRAMME ARRANGER AND DEALER**

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