

**PART D - PRODUCT SUPPLEMENT FOR EQUITY/INDEX-LINKED NOTES AND
WARRANTS AND PREFERENCE SHARE-LINKED NOTES**



HSBC Bank plc

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

as Issuer

PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS

Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes

This product supplement in relation to Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes constitutes Part D ("Part D") of the base prospectus dated 19 June 2012 (the "**Base Prospectus**") prepared by HSBC Bank plc (the "**Bank**" or the "**Issuer**") in relation to the Programme for the Issuance of Notes and Warrants (the "**Programme**") described therein in connection with the application made for Notes or Warrants to be admitted to listing on the Official List of the Financial Services Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the "**FSA**")), and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**").

To the extent that there is any inconsistency between any statement in this Part D and any other statement in, or incorporated by reference in, other parts of the Base Prospectus, the statements in this Part D will prevail for the purposes of Part D.

Notes and Warrants issued pursuant to the Programme may include: (i) "**Equity/Index Linked Notes and Warrants**" being Notes or Warrants in relation to which the interest rate and/or redemption amount payable at maturity is linked to a security, a basket of securities or one or more indices or the performance thereof over a defined period; and (ii) "**Preference Share-Linked Notes**" being Notes in relation to which the redemption amount payable at maturity is linked to the performance of underlying preference shares (the "**Preference Shares**"). The purpose of this Part D is to provide information in relation to Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes, including Equity-Linked Notes, Cash Equity Notes, Index-Linked Notes, Preference Share-Linked Notes, Security Warrants, Security Basket Warrants, Index Warrants and Index Basket Warrants (all as more particularly detailed herein). This Supplement should be read together with Parts A and B of the Base Prospectus (in the case of Equity/Index-Linked Notes and Preference Share-Linked Notes) and Parts A and C of the Base Prospectus (in the case of an issue of Equity/Index-Linked Warrants).

An investment in Equity/Index-Linked Notes and Warrants and/or Preference Share-Linked Notes involves risks. See Part A of the Base Prospectus under the heading "Risk Factors" (beginning on page A-12).

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Part D or any other information supplied in connection with the Equity/Index-Linked Notes and Warrants and/or Preference Share-Linked Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Part D nor any further information supplied in connection with the Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or as constituting an invitation or offer by the Issuer that any recipient of this Part D or any other information supplied in connection with the Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes should subscribe for or purchase the Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes. Each investor contemplating subscribing for or purchasing the Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Part D nor any other information supplied in connection with the Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes constitutes an offer by or on behalf of the Issuer to subscribe for or purchase the Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes.

The distribution of this Part D and the offer, distribution or sale of Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes may be restricted by law in certain jurisdictions. The Issuer does not represent that this document may be lawfully distributed, or that the Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, action may be required to be taken to permit a public offering of the Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes or a distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Equity/Index-Linked Notes and Warrants nor Preference Share-Linked Notes may be offered or sold, directly or indirectly, and neither this Part D nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Part D or the Equity/Index-Linked Notes and Warrants or Preference Share-Linked Notes come must inform themselves about, and observe, any such restrictions.

Equity/Index-Linked Notes and Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), the state securities laws of any state of the United States or the securities laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes may include Notes in bearer form that are subject to US tax law requirements.

Arranger and Dealer
HSBC

19 June 2012

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PRODUCT DESCRIPTION

Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes issued under the Programme may include Notes and Warrants of the following product categories:

- (a) Equity-Linked Notes and Cash Equity Notes;
- (b) Index-Linked Notes;
- (c) Preference Share-Linked Notes; and
- (d) Security Warrants, Security Basket Warrants, Index Warrants and Index Basket Warrants (the "**Equity-Linked and Index-Linked Warrants**" or the "**Equity/Index-Linked Warrants**").

The Bank may issue Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes under the Programme which combine elements of any of the Notes and Warrants described below, details of which will be provided in the relevant Final Terms.

(A) **Equity-Linked Notes and Cash Equity Notes**

Notes issued pursuant to the Programme may include Equity-Linked Notes and Cash Equity Notes, being Notes in relation to which the interest rate and/or the redemption amount payable at maturity is linked to, or to the performance over a defined period of, a security or basket of securities and may include details of the security or basket of securities to which Equity-Linked Notes or Cash Equity Notes are linked, the ISIN (international security identification number) or other security identification code thereof and the page(s) of Bloomberg, the Reuters Service and/or other source where information about the past and the future performance of such security or securities can be obtained will be specified in the Final Terms. Equity-Linked Notes and Cash Equity Notes may include:

- (a) Notes in relation to which the interest amount and/or the redemption amount payable at maturity is linked to the performance or percentage change in the share price of a single share in a selected corporate entity (or other security), or the value of the basket of shares in selected corporate entities (other such securities) over a defined period by way of a formula specified in the Final Terms;
- (b) Notes in relation to which the Noteholder has a right (exercisable within a certain period or on a certain date) to exchange the principal amount of the Notes for a specified quantity of securities in one or more selected corporate entities (or other securities); and/or
- (c) Notes in relation to which the Issuer has a right (exercisable within a certain period or on a certain date) to exchange the principal amount of the Notes for an equivalent value of securities in one or more selected corporate entities (or other securities).

(B) **Index-Linked Notes**

Notes issued pursuant to the Programme may include Index-Linked Notes, being Notes in relation to which the interest rate and/or the redemption amount payable at maturity is linked to the performance of one or more indices, by way of a specified formula or in such other manner as shall be specified in the Final Terms. Such indices may include, without limitation, the Dow Jones Euro STOXX[®] 50 Index (Bloomberg Code: SX5E), the Standard & Poor's 500[®] Index (Bloomberg Code: SPX), the Nasdaq 100 Index (Bloomberg Code: NDX), the Nikkei 225[®] Index (Bloomberg Code: NKY), the FTSE[™] 100 Index (Bloomberg Code: UKX), the CAC40[®] Index (Bloomberg Code: CAC) or the SMI[®] Index (Bloomberg Code: SMI) or a combination of these or any other published indices.

In addition to the published indices mentioned in the preceding paragraph, Index-Linked Notes may also be linked to the performance of one or more indices sponsored by the Issuer and/or any of its affiliates, which shall include (without limitation) the following: the HSBC Dragon 300 Index, the HSBC Emerging Europe Index, the HSBC Global Mining Index, the HSBC Sub-continent of India 200 Index, the HSBC Smaller South East Asia Companies Indices, the HSBC Smaller Japanese Companies Index, the HSBC World excluding / including US Companies Index, the HSBC Latin America 100 Index, the HSBC Smaller European Companies Indices, the HSBC Smaller European Leaders Indices, the HSBC Investible Climate Change Index (each a "**HSBC Managed Index**" and together the "**HSBC Managed**

Indices"). Alternatively, Index-Linked Notes may be linked to a combination of one or more HSBC Managed Indices with any other published indices. Descriptions and ground rules relating to certain HSBC Managed Indices are set out in the Annex to this *"Part D - Product Supplement for Equity/Index-Linked Notes and Warrants - Product Description"*.

The name of the relevant (or each) relevant index and the website of the relevant index sponsor page(s) of the Reuters Service and/or other source where information about such index can be obtained will be specified in the relevant Final Terms.

(C) Preference Share-Linked Notes

Notes issued pursuant to the Programme may include Preference Share-Linked Notes, being Notes in relation to which the redemption amount payable at maturity is linked to the performance over a defined period of one or more preference shares. The applicable Final Terms for Preference Share-Linked Notes will include details of the Preference Shares to which Preference Share-Linked Notes are linked, and the contact details where information about the past and the future performance of preference shares can be obtained.

(D) Equity/Index-Linked Warrants

Warrants issued pursuant to the Programme may include Security Warrants, Security Basket Warrants, Index Warrants and Index Basket Warrants.

Security Warrants and Security Basket Warrants are Warrants in relation to which the Cash Settlement Amount or Physical Settlement Amount is linked to the performance or percentage change in the share price of a single share in a selected corporate entity (or other security), or the value of the basket of shares in selected corporate entities (other such securities) over a defined period by way of a formula specified in the Final Terms and may include details of the security or basket of securities to which Security Warrants and Security Basket Warrants are linked, the ISIN (international security identification number) or other security identification code thereof and the page(s) of Bloomberg, the Reuters Service and/or other source where information about the past and the future performance of such security or securities can be obtained will be specified in the Final Terms.

Index Warrants and Index Basket Warrants are Warrants in relation to which the final price is linked to, or to the performance over a defined period of one or more indices, by way of a specified formula or in such other manner as shall be specified in the Final Terms. Such indices may include, without limitation, the Dow Jones Euro STOXX[®] 50 Index (Bloomberg Code: SX5E), the Standard & Poor's 500[®] Index (Bloomberg Code: SPX), the Nasdaq 100 Index (Bloomberg Code: NDX), the Nikkei 225[®] Index (Bloomberg Code: NKY), the FTSE[™] 100 Index (Bloomberg Code: UKX), the CAC40[®] Index (Bloomberg Code: CAC) or the SMI[®] Index (Bloomberg Code: SMI) or a combination of these or any other published indices.

In addition to the published indices mentioned in the preceding paragraph, Index-Linked Warrants may also be linked to the performance of one or more HSBC Managed Indices. Alternatively, Index-Linked Warrants may be linked to a combination of one or more HSBC Managed Indices with any other published indices.

The name of the relevant (or each relevant) index and the website of the relevant index sponsor page(s) of the Reuters Service and/or other source where information about such index can be obtained will be specified in the relevant Final Terms.

There follows a description of certain types of Equity/Index-Linked Notes that may be issued under the Programme. The Bank may also issue other Equity/Index-Linked Notes and Equity/Index-Linked Warrants which combine elements of any of the Equity/Index-Linked Notes described below or are linked to a security, a basket of securities, an index or a basket of indices (each an **"Equity/Index-related Variable"** and each security or index in a basket of securities or indices as applicable, for the purposes of this Product Description a **"Component"**) in a manner other than as described below, details of which, in each case, will be provided in the relevant Final Terms. In the case of Equity/Index-Linked Warrants, any element that relates to the redemption amount of Equity/Index-Linked Notes in the following description shall relate to the cash settlement amount of such Warrants, as if references in such

description to Notes were to Warrants, and references to redemption amount were to cash settlement amount.

Principal Protected Notes

Callable Notes: Notes which may be redeemed prior to their specified maturity date at the option of the Issuer, which option may be exercised periodically or on specified dates, as described in the Final Terms.

Coupon Notes: Notes in relation to which (i) the interest payable to the Noteholder is subject to the performance of the Equity/Index-Related Variable, and (ii) the redemption amount payable to the Noteholder is greater than or equal to the aggregate face amount of the Notes.

Callable Coupon Notes: Notes in relation to which (i) the interest payable to the Noteholder is subject to the performance of the Equity/Index-Related Variable (which may be independent of any condition relating to the redemption amount payable at maturity to such Noteholders), and (ii) the Issuer may redeem the Notes prior to their specified maturity date on dates specified in the Final Terms.

Growth Notes: Notes under which the redemption amount payable to the Noteholder at maturity is calculated as the *sum* of (i) the aggregate face amount of the Notes and (ii) an amount equal to the *product* of (A) the aggregate face amount of the Notes, (B) a multiplier or participation rate specified in the Final Terms and (C) any increase in the level or value of the Equity/Index-Related Variable expressed as a percentage of the initial level or value of the Equity Related Variable (such amount not being subject to a maximum amount payable to the Noteholder ("**No Fixed Cap**")).

Capped Growth Notes: Notes under which the redemption amount payable to the Noteholder at maturity is calculated as the *sum* of (i) the aggregate face amount of the Notes *plus* (ii) an amount equal to the *products* of (A) the aggregate face amount of the Notes, (B) a multiplier or participation rate specified in the Final Terms and (C) any increase in the level or value of the Equity/Index-Related Variable (such amount being subject to a maximum amount payable to the Noteholder set on the issue date and expressed as a predefined percentage of the aggregate face amount of the Notes (a "**Fixed Cap**")).

Average Growth Notes: Notes under which the redemption amount payable to the Noteholder at maturity is calculated by reference to the average level or value of the Equity/Index-Related Variable on a number of specified dates occurring on or after the issue date to but excluding the maturity date, as specified in the Final Terms.

Smart Growth Notes: Notes under which the redemption amount payable to the Noteholder on maturity is linked to the best performance of the components in a basket of equities or indices (each a "**Component**"). On certain dates specified in the Final Terms the Component that has the highest value or level expressed as a percentage of the value or level of that Component on a date specified in the Final Terms, shall be removed from the basket. The redemption amount payable on maturity is calculated as the *sum* of (i) the aggregate face amount of the Notes *plus* (ii) an amount equal to the *product* of (A) the aggregate face amount of the Notes, (B) a multiplier or participation rate specified in the Final Terms and (C) an amount equal to the level or value of the basket at maturity expressed as a percentage of the initial level of such basket plus each of the returns on those Components removed from the basket.

Accrual Notes: Notes in relation to which the accrual of interest amount and the rate of such accrual is dependent upon the performance of the Equity/Index-Related Variable, as specified in the Final Terms.

Range Accrual Notes: Notes in relation to which the interest is a variable amount (calculated by reference to a formula in the Final Terms) and only accrues for each day during a period that a specified Equity/Index-Related Variable remains within a specified range (which may vary during the term of the Notes), as specified in the Final Terms.

Range Binary Notes: Notes in relation to which, if the Equity/Index-Related Variable remains within a specified range, the interest payable is a specified variable amount (calculated by reference to a formula in the Final Terms).

Wedding Cake Range Binary Notes: Notes in relation to which, if the Equity/Index-Related Variable remains within one of a number of ranges specified in the Final Terms, the interest payable is a specified variable amount (calculated by reference to a formula in the Final Terms) relating to the relevant range.

Callable Floored Accrual Protected Notes: Notes in relation to which (i) interest accrues as set out in the relevant Final Terms and is payable to the Noteholders for each day on which if the level or value of each Component of the Equity/Index-Related Variable is greater than levels or values specified for such Components in the Final Terms (ii) the redemption amount payable to the Noteholder is equal to or greater than the aggregate face amount of the Note and (i) the Issuer may redeem the Notes prior to their scheduled maturity date on dates specified in the Final Terms.

Max Lookback Strike Growth Notes: Notes under which the principal amount payable to the Noteholder at maturity is calculated as the *sum* of (i) the aggregate face amount of the Notes and (ii) an amount equal to the *product* of (A) the aggregate face amount of the Notes, (B) a multiplier or participation rate specified in the Final Terms and (C) the highest increase in the level or value attained by the Equity/Index-Related Variable during a period specified in the Final Terms, expressed as a percentage of the initial level or value of such Equity/Index-Related Variable subject to No Fixed Cap.

Captain Notes: Notes under which the principal amount payable to the Noteholder at maturity and/or the interest payable to the Noteholder are determined by reference to the average level or value of an Equity/Index-Related Variable in respect of which each Component has a maximum level or value (a "**Cap**") specified in the Final Terms.

Captain Notes may include additional provisions, including the following:

provisions under which, if the performance of the relevant Equity/Index-Related Variable or Component thereof is positive and/or exceeds a certain level or value, then for all future observations the Cap is either replaced with a Cap at a new level or the level or value of such Component for all future observations is fixed at a new specified level or value;

provisions under which the negative performance of the Equity/Index-Related Variable or Component thereof has a minimum level or value (a "**Floor**") so that any negative performance beyond the Floor is disregarded;

provisions under which, if the performance of the Equity/Index-Related Variable is negative, then its level will be deemed to be one of several pre-determined levels or values, each a "digital floor", depending on where the performance falls within certain specified ranges; and

provisions under which the final level or value of the relevant Equity/Index-Related Variable or Component thereof is replaced by its highest level or value observed on the previous valuation dates under the Notes.

Binary Captain Notes: Notes under which the principal amount payable to the Noteholder at maturity and/or the interest payable to the Noteholder are determined by reference to the average level or value of an Equity/Index-Related Variable in respect of which each Component that has, on the relevant valuation date, a level or value higher than its initial level or value shall have a pre-determined level or value assigned to it for the purposes of calculating such average level or value of the Equity/Index-Related Variable.

Smart Average Notes: Notes under which the redemption amount payable to the Noteholder at maturity is linked to the performance of an Equity/Index-Related Variable having participations in Components which may be adjusted by reference to the average performance, such Components as specified in the Final Terms.

Rainbow Average Notes: Notes under which the redemption amount payable to the Noteholder at maturity is linked to the performance of an Equity/Index-Related Variable which has participations in the performance of its Components which may be varied as specified in the Final Terms. On certain dates specified in the Final Terms the average performance of each Component since the issue date will be determined and the participations for each Component will be adjusted, so that the best performing Components will have an increased participation and the worst performing Components will have a decreased participation.

Growing Average Notes: Notes under which the redemption amount payable to the Noteholder at maturity is calculated by reference to the average level or value of the Equity/Index-Related Variable in respect of certain periods specified in the Final Terms **provided, however, that** the average level or value

for a given period shall not be less than the highest average level or value determined in respect of each preceding period.

Performance Spread Notes: Notes under which the interest payable to the Noteholder is linked to the performance of an Equity/Index-Related Variable, the level or value of which is dependent on the difference in the performance of the best performing Component and the worst performing Component during a given period, **provided, however, that** the interest shall be no greater than an amount specified in the Final Terms. If specified in the Final Terms, the interest may be greater than or equal to a minimum amount.

Target Redemption Notes: Notes in relation to which the interest payable to the Noteholder is determined by reference to the level or value of the Equity/Index-Related Variable **provided, however, that** the maximum cumulative amount of interest payable over the term of the Notes is specified on the issue date (the "**Lifetime Cap**") and the Issuer may redeem the Notes at par on the first interest payment date on which the cumulative interest up to and including such interest payment date would exceed the Lifetime Cap (taking into account the interest scheduled to be made on such date), which interest amount will then be reduced so that Noteholders receive, over the life of the Notes, interest in an aggregate amount equal to the Lifetime Cap.

Recovery Best Coupon Notes: Notes in relation to which, if the level or value of the Equity/Index-Related Variable is higher than predefined levels or values on specified dates, the interest payable in relation to such specified dates is a fixed amount. If the level or value of the Equity/Index-Related Variable is not higher than the relevant predefined levels or values on any of the specified dates the interest which would otherwise have been payable in respect of such interest payment date shall not be paid on such interest payment date but shall be deferred to the next interest payment date in respect of which the level or value of the Equity/Index-Related Variable is higher than the relevant predefined level or value.

Non-Principal Protected Notes

Absolute Performance Auto Callable Notes: Notes in relation to which the interest (if any) and/or the redemption amount payable is linked to the performance of an underlying value (an "**Underlying**"), as determined by the Calculation Agent. The performance of the Underlying on particular dates may result in the redemption of the Absolute Performance Auto Callable Notes prior to their scheduled maturity at an amount which reflects the absolute performance of the Underlying. The performance of the Underlying will also determine the redemption amount of Absolute Performance Auto Callable Notes at their scheduled maturity. Absolute Performance Auto Callable Notes will be redeemed on their scheduled maturity at an amount which reflects the absolute performance of the Underlying at maturity in relation to the performance of the Underlying at the issue date of the Note, as determined by the Calculation Agent. Accordingly, so long as the Underlying does not reach a predetermined level (the "**Trigger Event**") has occurred investors may receive on redemption of the Notes an amount in excess of their nominal amount even if the performance of the Underlying has been negative. If a Trigger Event has occurred, Absolute Performance Auto Callable Notes will be redeemed in whole (but not in part) at an amount (which may be less than their nominal amount) equal to the product of the nominal amount multiplied by the percentage decrease in value of the Underlying during a predetermined period as determined by the Calculation Agent. Absolute Performance Auto Callable Notes and Warrants may or may not bear interest.

Barrier Notes: Notes under which the interest and/or the redemption amount payable to the Noteholder at maturity are determined by reference to the performance of the Equity/Index-Related Variable depending on the level or value of the Equity/Index-Related Variable attaining or falling below predefined levels or values. If the Final Terms so specify, the predefined level or value may be varied on a specified date or dates or during specified periods throughout the term of the Notes. The predefined levels or values may consist of any of the following:

Up and Out: if the level or value of the Equity/Index-Related Variable is higher than a predefined level or value at a specified date or during a specified period the interest and/or redemption amount payable to the Noteholder ceases to be linked to the performance of the Equity/Index-Related Variable as specified in the relevant Final Terms.

Up and In: if the level or value of the Equity/Index-Related Variable is higher than a predefined level or value at a specified date or during a specified period the interest and/or redemption amount payable to the Noteholder becomes linked to the performance of the Equity/Index-Related Variable as specified in the relevant Final Terms.

Down and Out: if the level or value of the Equity/Index-Related Variable is lower than a predefined level or value at a specified date or during a specified period the interest and/or redemption amount payable to the Noteholder cease to be linked to the performance of the Equity/Index-Related Variable as specified in the relevant Final Terms.

Down and In: if the level or value of the Equity/Index-Related Variable is lower than a predefined level or value at a specified date or during a specified period the interest and/or redemption amount payable to the Noteholder become linked to the performance of the Equity/Index-Related Variable as specified in the relevant Final Terms.

The specified date or dates or specified periods for the observation of the level or value of the Equity/Index-Related Variable against the relevant predefined level or value may include any of the following or may be as otherwise specified in the Final Terms:

American: the level or value of the Equity/Index-Related Variable is observed continuously during a specified period.

Bermudan: the level or value of the Equity/Index-Related Variable is observed during a period which consists of a number of specified dates.

Discrete: the level or value of the Equity/Index-Related Variable is observed daily at the closing of the Equity/Index-Related Variable.

European: the level or value of the Equity/Index-Related Variable is observed at maturity.

Parisian: the level or value of the Equity/Index-Related Variable is observed on the occurrence of a specified event.

Window: the level or value of the Equity/Index-Related Variable is only observed during a fixed period.

Cliquet Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated by reference to the performance of the Equity/Index-Related Variable in each of a number of periods specified in the Final Terms (each a "**Cliquet Period**"). The redemption amount payable at maturity is equal to the *sum* of the upside and/or downside in the level or value of the Equity/Index-Related Variable during each Cliquet Period. Variants of Cliquet Notes include:

Cliquet with local cap: the performance of the Equity/Index-Related Variable in each Cliquet Period is limited on the upside.

Cliquet with collar: the performance of the Equity/Index-Related Variable in each Cliquet Period is limited on both the upside and downside.

Digital Cliquet: the performance of the Equity/Index-Related Variable in each Cliquet Period corresponds to a different pre-determined amount according to whether the Underlying rises or falls in each Cliquet Period.

Cliquet with local individual cap: the performance of each Component of the Equity/Index-Related Variable in each Cliquet Period is limited on the upside.

Cliquet with local cap on best performances: only a specified number of best performances are limited on the upside.

Double No Touch Notes: Notes in relation to which, provided the level or value of the Equity/Index-Related Variable or the levels of values of some or all of the Components of an Equity/Index-Related Variable do not fall below predefined levels or values or increase above predefined

levels or values at any time, an "enhanced return" (calculated by reference to a formula in the Final Terms) is payable to the Noteholders at maturity.

Knock-out Straddle Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated as the *sum* of (i) the aggregate face amount of the Notes and (ii) an amount equal to the *product* of (A) the aggregate face amount of the Notes, (B) a multiplier or participation rate specified in the Final Terms and (C) any increase or decrease in the level or value of the Equity/Index-Related Variable during the term of the Note expressed as a percentage of the initial level or value of the Equity/Index-Related Variable, **provided, however, that** if such level or value is less than a specified level or value ("**Performance Floor**") or greater than a specified level or value ("**Performance Cap**") at any time during the term of the Note, the Note shall be redeemed at par.

Airbag Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated as either (i) the *product* of the aggregate face amount of the Notes and any increase or decrease in the level or value of the Equity/Index-Related Variable during the term of the Note expressed as a percentage of the initial level or value of the Equity/Index-Related Variable **provided that** the amount payable at maturity is no less than a specified amount, or (ii) the *product* of the aggregate face amount of the Notes and (A) if there is an increase in the level or value of the Equity/Index-Related Variable during the term of the Notes, the *product* of a multiplier or participation rate specified in the Final Terms and such level or value expressed as a percentage of the initial level or value of the Equity/Index-Related Variable, or (B) if there is a decrease in the level or value of the Equity/Index-Related Variable during the term of the Notes, such level or value expressed as a percentage of the initial level or value of the Equity/Index-Related Variable. No interest payments are payable in respect of such Notes.

Leverage Airbag Plus Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated as the *product* of the aggregate face amount of the Notes and (A) if there is an increase in the level or value of the Equity/Index-Related Variable during the term of the Notes, the *product* of a multiplier or participation rate specified in the Final Terms and such level or value expressed as a percentage of the initial level or value of the Equity/Index-Related Variable, (B) if there is a decrease in the level or value of the Equity/Index-Related Variable during the term of the Notes but the level or value of the Equity/Index-Related Variable at maturity is greater than the Performance Floor, 100 per cent., or (C) if there is a decrease in the level or value of the Equity/Index-Related Variable during the term of the Notes, the level or value of the Equity/Index-Related Variable has fallen below the Performance Floor at any time during the term of the Notes and the level or value of the Equity/Index-Related Variable at maturity is less than the initial level or value of the Equity/Index-Related Variable, such level or value at maturity expressed as a percentage of the initial level or value of the Equity/Index-Related Variable. No interest is paid in respect of such Notes.

Reverse Airbag Plus Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated as the *product* of the aggregate face amount of the Notes and (A) if there is a decrease in the level or value of the Equity/Index-Related Variable during the term of the Notes, the *product* of a multiplier or participation rate specified in the Final Terms and the absolute value of such decrease in the level or value expressed as a percentage of the initial level or value of the Equity/Index-Related Variable, (B) if there is an increase in the level or value of the Equity/Index-Related Variable during the term of the Notes but the level or value of the Equity/Index-Related Variable at maturity is less than the Performance Cap, 100 per cent., or (C) if there is an increase in the level or value of the Equity/Index-Related Variable during the term of the Notes, the level or value of the Equity/Index-Related Variable has risen above the Performance Cap at any time during the term of the Notes and the level or value of the Equity/Index-Related Variable at maturity is higher than the initial level or value of the Equity/Index-Related Variable, 100 per cent. *minus* such increase in the level or value at maturity expressed as a percentage of the initial level or value of the Equity/Index-Related Variable. No interest is paid in respect of such Notes.

Booster Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated as either (i) if there is an increase in the level or value of the Equity/Index-Related Variable during the term of the Notes, the *sum* of (1) the aggregate face amount of the Notes and (2) the *product* of the aggregate face amount of the Notes and (3) the *product* of a multiplier or participation rate specified in the Final Terms and (4) such level or value expressed as a percentage of the initial level or value of the Equity/Index-Related Variable, subject to a Performance Cap, (ii) if the final level or value of the Equity/Index-Related Variable at maturity is less than the initial level or value of the Equity/Index-Related Variable but higher than a predefined level or value specified in the Final Terms,

the *sum* of (1) the aggregate face amount of the Notes and (2) the *product* of the aggregate face amount of the Notes and (3) the predefined level or value specified in the Final Terms, or (iii) if the final level or value of the Equity/Index-Related Variable at maturity is less than the initial level or value of the Equity/Index-Related Variable and such level or value is also less than a predefined level or value specified in the Final Terms, the *product* of (1) the aggregate face amount of the Notes and (3) the final level or value of the Equity/Index-Related Variable.

Reverse Convertible Notes: Notes may include terms providing that in certain circumstances linked to the price or performance of a Reference Asset determined as specified in the applicable Final Terms, and, at the election of the Issuer, the Notes will be redeemed by the Issuer delivering, or procuring delivery, to the Noteholders of the relevant Securities or, as the case may be, Securities comprising the relevant Basket. Such terms may also provide that in such circumstances the Issuer may elect to redeem the Notes on an alternative cash payment basis, in an amount (which may be calculated on a formula basis) linked to such price or performance. Reverse Convertible Notes may also include Notes, the Final Terms of which specify Additional Disruption Events (as defined below) in respect of the unavailability of relevant Exchange Rates.

Callable Short DI Put Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated as either (i) if the level or value of the Equity/Index-Related Variable has remained higher than a predetermined level or value of the Equity/Index-Related Variable during the term of the Notes, the *sum* of (1) the aggregate face amount of the Notes and (2) the *product* of the aggregate face amount of the Notes and (3) the *product* of a multiplier or participation rate specified in the Final Terms and (4) such level or value expressed as a percentage of the initial level or value of the Equity/Index-Related Variable, subject to a Performance Cap, (ii) if the final level or value of the Equity/Index-Related Variable at maturity is less than the initial level or value of the Equity/Index-Related Variable but higher than a predefined level or value specified in the Final Terms, the aggregate face amount of the Notes, or (iii) if the final level or value of the Equity/Index-Related Variable at maturity is less than the initial level or value of the Equity/Index-Related Variable and the level or value of the Equity/Index-Related Variable has at any time been less than a predefined level or value specified in the Final Terms, the *product* of (1) the aggregate face amount of the Notes and (2) the final level or value of the Equity/Index-Related Variable expressed as a percentage of the initial level or value of the Equity/Index-Related Variable; **provided, however, that** on dates specified in the Final Terms, if the level or value of the Equity/Index-Related Variable is higher than a predetermined level or value specified in the Final Terms, the Issuer may redeem the Notes prior to the scheduled maturity at an amount equal to the *sum* of (1) the aggregate face amount of the Notes and (2) the *product* of the aggregate face amount and either (a) a predetermined percentage or (b) the increase in the level or value of the Equity/Index-Related Variable expressed as a percentage of the initial level or value of the Equity/Index-Related Variable.

Growth Notes: Notes under which the redemption amount payable to the Noteholder at maturity is calculated as the *sum* of a predetermined percentage of the aggregate face amount of the Notes *plus* an amount equal to the *product* of the aggregate face amount of the Notes and a multiplier or participation rate specified in the Final Terms and any increase in the level or value of the Equity/Index-Related Variable subject to No Fixed Cap.

Tracker (Market Access) Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated as either (i) if there is an increase in the level or value of the Equity/Index-Related Variable during the term of the Notes, the *product* of the aggregate face amount of the Notes and such level or value expressed as a percentage of the initial level or value of the Equity/Index-Related Variable, or (ii) if there is a decrease in the level or value of the Equity/Index-Related Variable during the term of the Notes, the *product* of the aggregate face amount of the Notes and such level or value expressed as a percentage of the initial level or value of the Equity/Index-Related Variable. No interest is payable in respect of such Notes.

Leverage Tracker Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated as either (i) if there is an increase in the level or value of the Equity/Index-Related Variable during the term of the Notes, the *product* of the aggregate face amount of the Notes and the *product* of a multiplier or participation rate specified in the Final Terms and such level or value expressed as a percentage of the initial level or value of the Equity/Index-Related Variable, or (ii) if there is a decrease in the level or value of the Equity/Index-Related Variable during the term of the Notes, the *product* of the aggregate face amount of the Notes and such level or value expressed as a percentage of

the initial level or value of the Equity/Index-Related Variable. No interest is payable in respect of such Notes.

Callable Floored Accrual

Callable Floored Accrual Note: Notes in relation to which (i) interest accrues on a daily basis and is payable to the Noteholders for each day on which if the level or value of each Component of the Equity/Index-Related Variable is greater than levels or values specified for such Components in the Final Terms and (ii) may provide that the Issuer has the option to redeem the Notes prior to their scheduled maturity date on specified dates, subject to a minimum early redemption amount payable to the Noteholders as specified in the Final Terms.

Hybrid Notes

Inflation and Equity Notes: Notes in relation to which the redemption amount payable to the Noteholder at maturity is calculated by reference to the performance of one or more non-Equity/Index-Related Variables together with an Equity/Index-Related Variable and which may be subject to a minimum redemption amount payable at maturity.

Underlying Variations

In relation to any of the Equity/Index Linked Notes described above or any other Equity/Index-Linked Notes or Warrants incorporating, some or none of the features described above, the following variations may be applicable:

Worst of: Notes in relation to which the interest and/or redemption amounts payable at maturity to the Noteholder are calculated by reference to the performance of the worst performing Component(s) of an Equity/Index-Related Variable.

Best of: Notes in relation to which the interest and/or redemption amounts payable at maturity to the Noteholder are calculated by reference to the performance of the best performing Component(s) of an Equity/Index-Related Variable.

Rainbow: Notes in relation to which the interest and/or redemption amounts payable at maturity to the Noteholder are calculated by reference to the performance of Components of an Equity/Index-Related Variable which has participations in the performance of its Components which may be varied as specified in the Final Terms.

Basket: Notes in relation to which the interest and/or redemption amounts payable at maturity to the Noteholder are calculated by reference to the performance of an Equity/Index-Related Variable consisting of a basket of equities or indices.

Mono: Notes in relation to which the interest and/or redemption amounts payable at maturity to the Noteholder are calculated by reference to the performance of an Equity/Index-Related Variable consisting of a single equity or index.

Spread: Notes in relation to which the interest and/or redemption amounts payable at maturity to the Noteholder are calculated by reference to the difference between the performance of two or more Components of an Equity/Index-Related Variable.

Himalaya: Notes in relation to which the interest and/or redemption amounts payable at maturity to the Noteholder are calculated by reference to the arithmetic mean of the best performing Component or the several best performing Components of the Equity/Index-Related Variable. Such best performing Component(s) of the Equity/Index-Related Variable are then removed from the Equity/Index-Related Variable.

ADDITIONAL PROVISIONS RELATING TO EQUITY-LINKED NOTES, CASH EQUITY NOTES AND INDEX-LINKED NOTES AND PREFERENCE SHARE-LINKED NOTES

The following additional condition shall be deemed to be added as Condition 21 and Condition 22 to the terms and conditions set out in the section headed "*Terms and Conditions of the Notes*" appearing in "*Part B - Information relating to the Notes Generally*" of the Base Prospectus in respect of any issue of Equity-Linked Notes, Equity Notes, Index-Linked Notes and Preference Share-Linked Notes.

The terms and conditions of the Equity-Linked Notes, Cash Equity Notes and Index-Linked Notes (the "**Terms and Conditions of the Equity-Linked Notes, Cash Equity Notes and Index-Linked Notes**") shall consist of Condition 21, and the terms and conditions of the Preference Share-Linked Notes (the "**Terms and Conditions of the Preference Share-Linked Notes**"), Condition 22 and, in each case, the terms and conditions set out in the section headed "*Terms and Conditions of the Notes*" appearing in "*Part B - Information relating to the Notes Generally*" of the Base Prospectus, as amended or supplemented by the terms of each Tranche of Notes set out in the Final Terms, examples of which are set out below.

21. **Provisions relating to Equity-Linked Notes, Cash Equity Notes and Index-Linked Notes**

(a) **Definitions**

As used in this Condition 21, and unless otherwise provided in the relevant Final Terms, the following expressions shall have the following meanings:

"**Additional Disruption Event**" has the meaning ascribed thereto in Condition 21(h);

"**Automatic Early Redemption Amount**" means (a) an amount in the relevant currency specified in the relevant Final Terms or if such amount is not specified, (b) the product of (i) the nominal amount of one Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

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

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

"**Automatic Early Redemption Level**" means the level of the Index specified as such or otherwise determined in the relevant Final Terms;

"**Automatic Early Redemption Notes**" means a Series of Notes in respect of which the relevant Final Terms specifies that Automatic Early Redemption is applicable;

"**Automatic Early Redemption Price**" means the price per Security specified as such or otherwise determined in the relevant Final Terms;

"**Automatic Early Redemption Rate**" means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

"**Automatic Early Redemption Valuation Date(s)**" means each of the date(s) specified as such in the relevant Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of Condition 21(e)(i) which shall apply as if such Automatic Early Redemption Valuation Date were a Valuation Date;

"**Averaging Date**" means, in respect of each Valuation Date, each date specified as such or otherwise determined as provided in the relevant Final Terms (or, if such date is not a

Scheduled Trading Day, the next following Scheduled Trading Day), subject to the provisions of Condition 21(e)(ii);

"Cash Equity Note" means a Series of Notes in respect of which the amount payable at maturity is calculated by reference to the value of a Security or Securities and/or a formula (as indicated in the relevant Final Terms);

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

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

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

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

"Delisting" means that the Exchange announces that, pursuant to the rules of such Exchange, the Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union);

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

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

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

"Depositary Receipt(s)" means any Security specified as such in the relevant Final Terms **provided that** if the relevant Deposit Agreement is terminated at any time, any reference to any Depositary Receipt(s) shall thereafter be construed as a reference to the relevant Underlying Securities and the Calculation Agent will make such adjustment as it, in its sole and absolute discretion, determines to be appropriate to the relevant Notes and determine, in its sole and absolute discretion, the effective date of such adjustment;

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

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

"EMU Event" means the occurrence of any of the following, as determined by the Calculation Agent, in its sole and absolute discretion:

- (i) the redenomination of any security into euro;
- (ii) the change by any organised market, exchange or clearing, payment or settlement system in the unit of account of its operating procedures to the euro;
- (iii) any change in the currency of denomination of any Index; or
- (iv) any change in the currency in which some or all of the securities or other property comprising any Index is denominated;

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

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

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

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

"Exchange Disruption" means (a) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Securities on the

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

"Exchange Rate" means, in respect of a relevant date and time, the currency exchange rate of one currency against another currency, as specified in the Final Terms, quoted by the relevant exchange rate provider on such date, as displayed on the Reuters Page specified in the Final Terms and as determined by the Calculation Agent. If such Exchange Rate cannot be or ceases to be determined, then the Calculation Agent shall select another Reuters page or determine in good faith such Exchange Rate by reference to such sources as it may select in its absolute discretion;

"Extraordinary Dividend" means the amount per Security specified or otherwise determined as provided in the relevant Final Terms or, if no such amount is so specified or determined, any dividend or the portion of any dividend which the Calculation Agent determines in its sole and absolute discretion should be characterised as an Extraordinary Dividend;

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

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

- (i) the Fund (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or

- restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) to (E) above;
- (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
 - (iii) the resignation, termination or replacement of the Fund Adviser (as defined below);
 - (iv) any change or modification of the Fund Documents that could reasonably be expected to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Issue Date;
 - (v) any breach or violation of any strategy or investment guidelines stated in the Fund Documents that is reasonably likely to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent);
 - (vi) the Issuer, or any of its affiliates, is unable, or it is impractical for it, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to the Units of entering into and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (1) any restrictions or increase in charges or fees imposed by the Fund on any investor's ability to redeem the Units, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Units, or (2) any mandatory redemption, in whole or in part, of such Units imposed by the Fund (in each case other than any restriction in existence on the Issue Date);
 - (vii) (A) cancellation, suspension or revocation of the registration or approval of the Units or the Fund by any governmental, legal or regulatory entity with authority over the Units or the Fund, (B) any change in the legal, tax, accounting or regulatory treatments of the Fund or the Fund Adviser that is reasonably likely to have an adverse impact on the value of the Units or on any investor therein (as determined by the Calculation Agent), or (C) the Fund or the Fund Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of the Fund;
 - (viii) (A) the occurrence of any event affecting the Units that, in the determination of the Calculation Agent, would make it impossible or impracticable to determine the value of the Units, and such event is likely, in the determination of the Calculation Agent, to continue for the foreseeable future; or (B) any failure of the Fund to deliver, or cause to be delivered (1) information that the Fund has agreed to deliver, or cause to be delivered to the Issuer and/or Calculation Agent or (2) information that has been previously delivered to the Issuer and/or Calculation Agent in accordance with the Fund's, or its authorised representative's, normal practice and that the Issuer and/or Calculation Agent deems necessary for it to monitor the Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Units;

- (ix) on or after the Strike Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal to hold, acquire or dispose of the Units, or (Y) the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);
- (x) the Issuer would incur a materially increased (as compared with circumstances existing on the Strike Date) amount of tax (including potential taxes which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to the Units of entering into and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Extraordinary Fund Event; and
- (xi) (A) the cancellation or cessation of any Underlying Index or (B) a material change in the formula for or the method of calculating or any other material modification to any Underlying Index (other than a modification prescribed in that formula or method to maintain such Underlying Index in the event of changes in constituent stock and capitalisation and other routine events) or (C) the relevant sponsor of any Underlying Index fails to calculate and announce such Underlying Index.

"Final Index Level" means, with respect to an Index and a Valuation Date, the level determined as provided in the relevant Final Terms or, if no such level is so provided (a) the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Valuation Date or (b) with respect to a Multiple Exchange Index, the official closing level of the Index on the Valuation Date as calculated and published by the Index Sponsor or (c) if Averaging Dates are specified in the relevant Final Terms in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded down to the nearest unit of the relevant currency in which the Index is published, one half of a unit being rounded upwards) of the Reference Levels on such Averaging Dates;

"Final Price" means, with respect to a Security and a Valuation Date, the price determined as provided in the relevant Final Terms, or if no such price is so provided (a) the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Valuation Date or (b) if Averaging Dates are specified in the relevant Final Terms in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded down to the nearest unit of the relevant currency in which the Security is valued, one half of a unit being rounded upwards) of the Reference Prices on such Averaging Dates;

"Fund" means the exchange traded fund or similarly traded or listed fund as specified in the relevant Final Terms;

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

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

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

"Index" means, in relation to a Series of Notes, the index to which such Notes relates, as specified in the relevant Final Terms, subject to adjustment pursuant to this Condition 21, and **"Indices"** shall be construed accordingly;

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

"Index Rules" has the meaning ascribed to it in the applicable Final Terms.

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

"Initial Index Level" means, with respect to an Index, the level specified as such or otherwise determined as provided in the relevant Final Terms or, if no such level is so specified or otherwise determined, the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date or, with respect to a Multiple Exchange Index, the official closing level of the Index on the Strike Date as calculated and published by the Index Sponsor;

"Initial Price" means, with respect to a Security, the price specified as such or otherwise determined as provided in the relevant Final Terms or, if no such price is so specified or otherwise determined, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date;

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

"Knock-in Determination Day" means each Scheduled Trading Day during the Knock-in Determination Period, unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-in Valuation Time on such day. If such day is a Disrupted Day due to the occurrence of such an event, then the Knock-in Determination Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-in Determination Day is a Disrupted Day. In that case, that eighth Scheduled Trading Day shall be deemed to be the Knock-in Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the price of the Security or, as the case may be, the level of the Index in the same manner that it would determine a price of a Security or, as the case may be, a level of an Index on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of Condition 21(e)(i)(A), (B) or (C), as the case may be;

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

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

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

"Knock-in Period Beginning Date" means the date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of "Knock-in Determination Day" above;

"Knock-in Period Ending Date" means the date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of "Knock-in Determination Day" above;

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

"Knock-in Valuation Time" means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"Knock-out Determination Day" means each Scheduled Trading Day during the Knock-out Determination Period, unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-out Valuation Time on such day. If such day is a Disrupted Day due to the occurrence of such an event, then the Knock-out Determination Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-out Determination Day is a Disrupted Day. In that case, that eighth Scheduled Trading Day shall be deemed to be the Knock-out Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the price of the Security or, as the case may be, the level of the Index in the same manner that it would determine a price of a Security or, as the case may be, a level of an Index on a deemed Valuation Date that is a Disrupted Day in accordance with the provisions of Condition 21(e)(i)(A), (B) or (C), as the case may be;

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

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

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

"Knock-out Period Beginning Date" means the date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of "Knock-out Determination Day" above;

"Knock-out Period Ending Date" means the date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of "Knock-out Determination Day" above;

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

"Knock-out Valuation Time" means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time;

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

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

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

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

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

"Multiple Exchange Index" means an Index identified or specified as such in the relevant Final Terms;

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

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

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

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

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

arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Securities; or (viii) any other event specified as such in the relevant Final Terms.

With respect to Depositary Receipts, "Potential Adjustment Event" shall also include (x) the occurrence of any of the events described in (i) to (viii) (inclusive) above in respect of the relevant Underlying Securities and (y) the making of any amendment or supplement to the terms of the Deposit Agreement;

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

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

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

"Residual Amount" means, in relation to a Noteholder and a Note, the fraction of a Security rounded down pursuant to Condition 21(b), as determined by the Calculation Agent or such amount as otherwise specified in the relevant Final Terms;

"Residual Cash Amount" means, in respect of a Residual Amount, the product of such Residual Amount and the fraction of which the numerator is the Final Price and the denominator is the Initial Price;

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

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

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

"Securities" means, in relation to a Series of Notes or in relation to an Index, the equity securities, debt securities (including without limitation Government Bonds), depositary receipts or other securities or property, as adjusted pursuant to this Condition 21, to which such Notes or Index, as the case may be, relate, as specified in the relevant Final Terms and **"Security"** shall be construed accordingly;

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

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

"Settlement Date" means, in relation to Securities to be delivered in respect of an Equity-Linked Note (a) in the case of Equity-Linked Notes which relate to equity securities and unless otherwise specified in the relevant Final Terms, the later of (i) the Maturity Date and (ii) the date that falls one Settlement Cycle after the Exchange Business Day following the Valuation Date (the **"Notional Sale Date"**) (or if such day is not a Clearing System Business Day, the next following Clearing System Business Day) subject to the provisions of Condition 21(b) or, (b) in any other case, and unless otherwise specified in the relevant Final Terms, the date specified as such in the relevant Final Terms, subject to adjustment in accordance with the Following Business Day Convention unless another Business Day Convention (as defined in Condition 19) is specified in the relevant Final Terms. In each case, if a Settlement Disruption Event prevents delivery of such Securities on that day, then the Settlement Date shall be determined in accordance with Condition 21(b)(ii);

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

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

"Successor Index" has the meaning given in Condition 21(f)(i);

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

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

respect of such Component Security, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange;

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

"Transfer Notice" means a notice in the form from time to time approved by the Issuer, which must:

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

"Underlying Company" means the issuer of the Security as specified in the relevant Final Terms and, if the Notes are DR Linked Notes, each of the Depositary and the issuer of the relevant Underlying Security, in each case subject to adjustment in accordance with Condition 21(g);

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

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

"Unit", in relation to a Fund, has the meaning given to it in the relevant Final Terms;

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

"Valuation Date" means each date specified or otherwise determined as provided in the relevant Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case subject to Condition 21(e); and

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

(b) ***Physical Delivery***

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

- (x)
- (A) Each Noteholder shall, on or before the date five calendar days before the Maturity Date (or such earlier date as the Issuer shall determine is necessary for the Issuer, the Paying Agents, Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system to perform their respective obligations in relation to the Notes and notify to the Paying Agents and the Noteholders) send to Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system, as the case may be, in accordance with its then applicable operating procedures, and copied to the Principal Paying Agent, a duly completed Transfer Notice.
 - (B) A Transfer Notice, once delivered to Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer any Note which is the subject of a Transfer Notice following delivery of such Transfer Notice to Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system. A Transfer Notice shall only be valid to the extent that Euroclear, Clearstream, Luxembourg, DTC and/or any other relevant clearing system have not received conflicting prior instructions in respect of the Notes which are the subject of the Transfer Notice.
 - (C) Failure properly to complete and deliver a Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided shall be made by the Principal Paying Agent and shall be conclusive and binding on the Issuer and the Noteholder.
 - (D) The Principal Paying Agent shall promptly on the local banking day following receipt of a Transfer Notice send a copy thereof to the Issuer or such person as the Issuer may previously have specified.

- (E) Delivery of the Securities will be via the relevant Clearing System. The delivery or transfer of Securities to each Noteholder is at the relevant Noteholder's risk and if delivery occurs later than the earliest possible date for delivery, no additional amounts will be payable by the Issuer.
- (F) the Issuer shall discharge its obligation to redeem the relevant proportion of the Notes by delivering, or procuring the delivery of, the Securities Transfer Amount on the Settlement Date to the Clearing System for credit to the account with the Clearing System specified in the Transfer Notice of the relevant Noteholder.
- (G) The amount of Securities to be delivered to or for the account of each Noteholder shall be an amount of Securities equal to the number of Notes in respect of which such Noteholder is the holder as specified in the relevant Transfer Notice multiplied by the Securities Transfer Amount **provided, however, that** if a Noteholder would become entitled to a number of Securities which is not equal to a board lot of the Securities at such time, as determined by the Calculation Agent, or an integral multiple thereof, then the Noteholder's entitlement to delivery of Securities shall be rounded down to the nearest whole Security.
- (H) In relation to each Noteholder, the Calculation Agent shall calculate the Residual Amount and the Residual Cash Amount. The Residual Cash Amount shall be paid by the Issuer to the relevant Noteholder on the Settlement Date.
- (I) Each Noteholder shall be required as a condition of its entitlement to delivery of Securities in respect of any Notes to pay all Transfer Expenses in respect of such Notes.
- (J) After delivery to or for the account of a Noteholder of the relevant Securities Transfer Amount and for such period of time as the transferor or its agent or nominee shall continue to be registered in any clearing system as the owner of the Securities comprised in such Securities Transfer Amount (the "**Intervening Period**"), none of such transferor or any agent or nominee for the Issuer or such transferor shall (i) be under any obligation to deliver to such Noteholder or any other person any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or such transferor, agent or nominee in its capacity as holder of such Securities, (ii) be under any obligation to exercise any rights (including voting rights) attaching to such Securities during the Intervening Period, or (iii) be under any liability to such Noteholder or any other person in respect of any loss or damage which the Noteholder or any other person may sustain or suffer as a result, whether directly or indirectly, of the Issuer or such transferor, agent or nominee being registered in such clearing system during such Intervening Period as legal owner of such Securities.
- (K) All dividends on Securities to be delivered will be payable to the party that would receive such dividends according to market practice for a sale of the Securities executed on the Notional Sale Date to be delivered in the same manner as such Securities. Any such dividends will be paid to or for credit to the account specified by the Noteholder in the relevant Transfer Notice. No right to dividends on the Securities will accrue to Noteholders prior to the Notional Sale Date.
- (ii) the Calculation Agent shall determine, in its sole and absolute discretion, whether or not at any time a Settlement Disruption Event has occurred and where it determines such an event has occurred and so has prevented delivery of Securities on the original day that but for such Settlement Disruption Event

would have been the Settlement Date, then the Settlement Date will be the first succeeding day on which delivery of such Securities can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the eight relevant Clearing System Business Days immediately following the original date (or during such other period (the "**Disruption Period**") specified in the relevant Final Terms) that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case, if the Securities are debt securities, the Issuer shall use reasonable efforts to deliver such Securities promptly thereafter in a commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion) outside the Clearing System and in all other cases (a) if such Securities can be delivered in any other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion), then the Settlement Date will be the first Business Day on which settlement of a sale of Securities executed on that eighth relevant Clearing System Business Day, or during such other period specified in the relevant Final Terms, customarily would take place using such other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion) of delivery (which other manner of delivery will be deemed the relevant Clearing System for the purposes of delivery of the relevant Securities), and (b) if such Securities cannot be delivered in any other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion), then the Settlement Date will be postponed until delivery can be effected through the relevant Clearing System or in any other commercially reasonable manner.

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

- (iii) if the Calculation Agent determines, in its sole and absolute discretion, that a Delivery Disruption Event has occurred, it shall notify the Issuer who shall promptly notify the relevant Noteholder(s) and the Issuer may then:
 - (A) determine, in its sole and absolute discretion, that the obligation to deliver the relevant Securities Transfer Amount will be terminated and the Issuer will pay such amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the non-delivery of the Securities Transfer Amount, in which event the entitlements of the respective Noteholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount; or
 - (B) deliver on the Settlement Date such amount of the Securities Transfer Amount (if any) as it can deliver on that date and pay such amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the non-delivery of the remainder of the Securities Transfer Amount, in which event the entitlements of the respective Noteholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

Where this Condition 21(b)(iii) fails to be applied, insofar as the Calculation Agent determines in its sole and absolute discretion to be practical, the same shall be applied as between the Noteholders on a *pro rata* basis, but subject to such rounding down (whether of the amount of a payment or of a number of Securities to be delivered) and also to such other adjustments as the Calculation

Agent determines, in its sole and absolute discretion, to be appropriate to give practical effect to such provisions.

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

This Condition 21(c) is applicable only to Automatic Early Redemption Notes.

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

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

If "Knock-in Event" or "Knock-out Event" is specified as applicable in the Final Terms in relation to any Cash Equity Note, Equity-Linked Note or Index-Linked Note, then each payment and/or delivery in respect of which a Knock-in Event or Knock-out Event (respectively) applies, as specified in the relevant Final Terms, shall be conditional upon the occurrence of such Knock-in Event or Knock-out Event (respectively).

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

For the purposes of this Condition 21(e) "**Limit Valuation Date**" shall mean, if any Valuation Date in respect of a Note is a Disrupted Day, the eighth Scheduled Trading Day following such Valuation Date, notwithstanding the Market Disruption Event, **provided that:**

- (i) if, as a result of the foregoing, the Valuation Date would be deemed to fall less than five local banking days prior to the Maturity Date, a relevant Interest Payment Date or (as the case may be) any due date for payment of any amount due in respect of such Note, the Limit Valuation Date shall be deemed to fall on the day which is five local banking days prior to the Maturity Date, such Interest Payment Date or (as the case may be) due date for payment of any amount due in respect of such Note or, if such local banking day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day; and
- (ii) if the Scheduled Valuation Date falls on a day which is five local banking days or less prior to the Maturity Date, a relevant Interest Payment Date or (as the case may be) any due date for payment of any amount due in respect of such Note, the Limit Valuation Date shall be deemed to be such Scheduled Valuation Date,

in each case notwithstanding the fact that such day is a Disrupted Day.

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

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

- (1) in respect of an Index-Linked Note, the Calculation Agent shall determine in its absolute discretion that either:

- (aa) the Valuation Date shall be the Limit Valuation Date;
or

- (bb) the Valuation Date shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event,

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

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

- (B) in the case of an Index-Linked Note which relates to a basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index, unless each of the succeeding Scheduled Trading Days up to and including the Limit Valuation Date is a Disrupted Day relating to that Index. In that case, the Calculation Agent shall determine in its absolute discretion that either:

- (1) the Limit Valuation Date shall be the Valuation Date for the relevant Index notwithstanding the fact that such day is Disrupted Day relating to that Index; or
- (2) the Valuation Date shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index,

and, in the case of (1) above, the Calculation Agent shall determine, in its sole and absolute discretion, the level of that Index, as of the Valuation Time on the Limit Valuation Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Limit Valuation Date of each security or other property comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect to the relevant security or other property on the Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on the Limit Valuation Date); and

- (C) in the case of an Equity-Linked Note or a Cash Equity Note which, in each case, relates to a basket of Securities, the Valuation Date for each Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Security affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Security, unless each of the Scheduled Trading Days (up to and

including the Limit Valuation Date) immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Security. In that case, (1) the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Security, notwithstanding the fact that such day is a Disrupted Day, and (2) the Calculation Agent shall determine, in its sole and absolute discretion, its good faith estimate of the value for that Security as of the Valuation Time on the Limit Valuation Date.

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

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

- (1) in respect of an Index-Linked or an Equity-Linked Note settled by way of Cash Settlement or a Cash Equity Note which, in each case, relates to a single Security or Index (as the case may be), the arithmetic mean of the Reference Price of the Security or (as the case may be) of the Reference Level of the Index on each Averaging Date;
- (2) in respect of an Index-Linked Note settled by way of Cash Settlement or a Cash Equity Note which, in each case, relates to a basket of indices, the arithmetic mean of the amounts for such basket determined by the Calculation Agent in its sole and absolute discretion as provided in the relevant Final Terms as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Index Level is so provided, the arithmetic mean of the amounts for such basket calculated on each Averaging Date as the sum of the Reference Level of each Index comprised in such basket (weighted or adjusted in relation to each Index as provided in the relevant Final Terms); and
- (3) in respect of an Equity-Linked Note settled by way of Cash Settlement or a Cash Equity Note which relates to a basket of Securities, the arithmetic mean of the prices for such basket determined by the Calculation Agent in its sole and absolute discretion as provided in the relevant Final Terms as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Price is so provided, the arithmetic mean of the prices for such basket calculated on each Averaging Date as the sum of the values calculated for the Securities of each Underlying Company as the product of (aa) the Reference Price of such Security and (bb) the number of such Securities comprised in such basket (weighted or adjusted in relation to each Security as provided in the relevant Final Terms).

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

- (1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Price or Final Index Level, as applicable, **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Condition 21(e)(i) will apply for purposes

of determining the relevant level, price or amount on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Cash Settlement Payment Date or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date;

- (2) "**Postponement**", then Condition 21(e)(i) will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Cash Settlement Payment Date or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or

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

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

- (i) in respect of an Index-Linked Note, the Calculation Agent shall determine in its absolute discretion that either:

- (a) the Limit Valuation Date shall be deemed to be the Averaging Date, (irrespective of whether that Limit Valuation Date is already an Averaging Date); or

- (b) the Averaging Date shall be the first succeeding Valid Date,

and, in each case, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 21(e)(iii)(A)(1); and

- (ii) in respect of an Equity-Linked Note or a Cash Equity Note, the Limit Valuation Date shall

be the Averaging Date (irrespective of whether the Limit Valuation Date is already an Averaging Date), and the Calculation Agent shall determine, in its sole and absolute discretion, the relevant price for that Averaging Date in accordance with Condition 21(e)(iii)(A)(2); and

(bb) in the case of an Index-Linked Note, an Equity-Linked Note or a Cash Equity Note which relates to a basket of Indices or Securities, the Averaging Date for each Index or Security not affected by the occurrence of a Disrupted Day shall be the day specified in the relevant Final Terms as an Averaging Date in relation to the relevant Valuation Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Index or Security affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index or Security. If the first succeeding Valid Date in relation to such Index or Security has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging Date, then:

(i) in respect of an Index-Linked Note, the Calculation Agent shall determine in its absolute discretion that either:

(a) the Limit Valuation Date shall be deemed to be the Averaging Date, (irrespective of whether that Limit Valuation Date is already an Averaging Date) in relation to such Index; or

(b) the Averaging Date shall be the first succeeding Valid Date,

and, in each case, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 21(e)(i)(B); and

(ii) in respect of an Equity-Linked Note or a Cash Equity Note, the Limit Valuation Date shall be the Averaging Date (irrespective of whether that Limit Valuation Date is already an Averaging Date) in relation to such Security, and the Calculation Agent shall determine, in its sole and absolute discretion, the relevant amount for that Averaging Date in accordance with Condition 21(e)(iii)(C).

If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Cash Settlement Payment Date or Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.

- (C) If (1) on or prior to any Averaging Date, in respect of an Index-Linked Note, an Index Modification, Index Cancellation or Index Disruption (each as defined in Condition 21(f)(ii) occurs, or (2) on any Averaging Date in respect of an Index-Linked Note an Index Disruption Event occurs, then the Calculation Agent shall determine, in its sole and absolute discretion, the Final Index Level using, in lieu of a published level of the relevant Index, the level for that Index as determined by the Calculation Agent in its sole and absolute discretion in accordance with the formula for and method of calculating that Index last in effect prior to that change or failure, but using only those securities that comprised that Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on any relevant Exchange).

(f) *Adjustments to Indices*

This Condition 21(f) is applicable only in relation to Index-Linked Notes.

(i) *Successor Index*

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

(ii) *Index Modification*

If on or prior to any Valuation Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or other routine events) (an "**Index Modification**"), then the Calculation Agent shall determine, in its sole and absolute discretion, whether such Index Modification has a material effect on the Notes, and if so, shall make such adjustment(s) (if any) as it determines appropriate to account for the economic effect of the Index Modification and determine the effective date of any such modification or adjustment.

(iii) *Index Cancellation*

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

- (1) the Issuer shall as soon as is reasonably practicable after determining the same give notice (an "**Index Cancellation Notice**") of such Index Cancellation to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 13 (*Notices*);
- (2) if Index Substitution is specified as being applicable in the relevant Final Terms, the Issuer shall, in its sole and absolute discretion (acting in good faith and a commercially reasonable manner), determine whether or not and the date as of which the Index is to be substituted with a Substitute Index and, if it so determines, it shall give an Index Substitution Notice to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 13 (*Notices*) and, with effect from

the date so determined, the Substitute Index shall be deemed to be the Index; and

- (3) if no Substitute Index has been identified within ten Business Days of the giving of such Index Cancellation Notice or if Index Substitution has not been specified as being applicable in the relevant Final Terms, the Issuer shall, in its sole and absolute discretion (acting in good faith and a commercially reasonable manner), determine whether or not the relevant Notes shall continue and:
 - (A) if it determines that the Notes shall continue, then the Calculation Agent shall determine, in its sole and absolute discretion, the Final Index Level for such Valuation Date using, in lieu of a published level of that Index, the level for that Index as at that Valuation Date as determined by the Calculation Agent in its sole and absolute discretion in accordance with the formula for and method of calculating that Index last in effect prior to the Index Cancellation, but using only those components that comprised that Index immediately prior to that Index Cancellation; and
 - (B) if it determines that the Notes shall not continue, the Issuer shall terminate the relevant Notes as of the date selected by the Issuer and give notice thereof to the Noteholders (with a copy to the Calculation Agent) in accordance with Condition 13 (*Notices*), specifying the early redemption amount and early redemption date, and the entitlements of the relevant Noteholders to receive the Final Redemption Amount (or any other payment to be made by the Issuer, as the case may be) shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of such amount as is determined by the Calculation Agent to be the fair market value of the Notes immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses, costs or proceeds, as the case may be, to the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and funding arrangements.

For these purposes:

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

"Substitute Index" means a successor index identified by the Calculation Agent using commercially reasonable efforts, with characteristics, objectives and rules similar to the Index in effect immediate prior to the occurrence of the Index Cancellation.

(iv) *Correction of Index Levels*

If the level of an Index published by the Index Sponsor at any time and used or to be used by the Calculation Agent for any calculation or determination under the Notes is subsequently corrected and the correction is published by the Index Sponsor after the original publication, the Calculation Agent will make such adjustment as it in its sole and absolute discretion determines to be appropriate, if any, to the settlement or payment terms of the Notes to account for such correction **provided that** if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is

payable in respect of the Notes and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Issuer shall be entitled to reimbursement of the relevant excess payment (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Noteholder, together with interest on that amount for the period from and including the day on which payment was originally made to (but excluding) the day of payment of reimbursement by the Noteholder (all as calculated by the Calculation Agent in its sole and absolute discretion). Any such reimbursement shall be effected in such manner as the Issuer shall determine.

(g) *Adjustments and Events affecting Securities*

This Condition 21(g) is applicable only in relation to Equity-Linked Notes and Cash Equity Notes.

(i) *Potential Adjustment Events*

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

(ii) *Extraordinary Events*

Following the occurrence of any Extraordinary Event, the Issuer will, in its sole and absolute discretion, determine whether or not the relevant Notes shall continue and, if so, determine, in its sole and absolute discretion, any adjustments to be made. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it, in its sole and absolute discretion, determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Final Terms, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered pursuant to such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent in its sole and absolute discretion. If the Issuer determines in its sole and absolute discretion that the relevant Notes shall be terminated, then the Notes shall be terminated as of the date selected by the Calculation Agent in its sole and absolute discretion and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer) as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of such amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the termination of the Notes.

(iii) *Conversion*

In respect of an Equity-Linked Note or a Cash Equity Note which relates to debt securities, following the occurrence of any Conversion, the Calculation Agent will, in its sole and absolute discretion, determine whether or not the Notes will continue and, if so, determine, in its sole and absolute discretion, any adjustment(s) to be made. If the Calculation Agent determines that the Notes shall continue, it may make such adjustment(s) as it, in its sole and absolute discretion, determines to be appropriate to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Final Terms, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, number of or type of shares, other securities or other property which may be delivered under such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment and determine, in its sole and absolute discretion, the effective date(s) of such adjustment(s). If the Calculation Agent determines in its sole and absolute discretion that the Notes shall be terminated, then the Notes shall be terminated as of the date selected by the Calculation Agent in its sole and absolute discretion and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of such amount as, in the opinion of the Calculation Agent (such opinion to be made by the Calculation Agent in its sole and absolute discretion) is fair in the circumstances by way of compensation for the termination of the Notes.

(iv) *Correction of Prices*

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

(h) *Additional Disruption Events*

Following the occurrence of any Additional Disruption Event, the Issuer will, in its sole and absolute discretion, determine whether or not the relevant Notes shall continue and, if so, determine, in its sole and absolute discretion, any adjustments to be made. If the Issuer determines that the relevant Notes shall continue, the Calculation Agent may make such adjustment(s) as it, in its sole and absolute discretion, determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Final Terms, the number of Securities to which each Note relates, the number of Securities comprised in a basket, the amount, the number of or

type of shares, other securities or other property which may be delivered pursuant to such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent in its sole and absolute discretion. If the Issuer determines in its sole and absolute discretion that the relevant Notes shall be terminated, then the Notes shall be terminated as of the date selected by the Calculation Agent in its sole and absolute discretion and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of such amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the termination of the Notes.

For the purposes any Series of Notes, "**Additional Disruption Event**" means any event specified as such in the relevant Final Terms, and for such purpose the following terms if so specified shall be deemed to have the following meanings unless otherwise provided in the relevant Final Terms:

- (i) "**Change in Law**" means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (x) it has become illegal for the Issuer to hold, acquire or dispose of Securities or Component Securities, or other components comprised in the Index, relating to such Notes, (y) it has become illegal for the Issuer to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Notes, or in relation to the Issuer's hedging activities in connection with the Notes, (ii) stock loan transactions in relation to such Notes or (iii) other instruments or arrangements (howsoever described) held by the Issuer in order to hedge, individually or on a portfolio basis, such Notes or (z) the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);
- (ii) "**Failure to Deliver**" means the failure of a party to deliver, when due, the relevant Securities in respect of the Notes, where such failure is due to illiquidity in the market for such Securities;
- (iii) "**Insolvency Filing**" means that the issuer of the Securities institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by creditors and not consented to by the issuer of the Securities shall not be deemed an Insolvency Filing;
- (iv) "**Hedging Disruption**" means that the Issuer is unable or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Issuer wholly or partially after using commercially reasonable efforts and acting in good faith, to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the Issuer's obligations in respect of the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s); and

- (v) **"Increased Cost of Hedging"** means that the Issuer would incur a materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Issuer's obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

(i) ***Effects of European Economic and Monetary Union***

Following the occurrence of an EMU Event, the Calculation Agent shall make such adjustment (and determine, in its sole and absolute discretion, the effective date of such adjustment) as it, in its sole and absolute discretion, determines to be appropriate, if any, to the formula for the Final Redemption Amount or any amount of interest set out in the relevant Final Terms, the formula for and method of calculating the relevant Index and/or the securities or other property comprising the relevant Index, the number of and type of Securities to which each Note relates, the number of and type of Securities comprised in a basket, the amount, the number of or type of shares, other securities or other property which may be delivered under such Notes and/or any other adjustment and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes.

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

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

For the purposes hereof:

(j) ***Other Adjustments***

Upon the occurrence of any event(s) that the Calculation Agent determines (in its discretion, but acting reasonably) affects or could potentially affect the value of an Index-Linked Note, an Equity-Linked Note or a Cash Equity Note, the Calculation Agent may (in its discretion, but acting reasonably) make any additional adjustments to the Initial Price, the number and/or type of Securities and/or Indices to which such an Index-Linked Note, an Equity-Linked Note or a Cash Equity Note relates, and to any other exercise, settlement, payment or other term of such an Index-Linked Note, an Equity-Linked Note or a Cash Equity Note including, without limitation, the amount, number or type of cash, shares, other securities or property which may be transferred under such Index-Linked Note, an Equity-Linked Note or a Cash Equity Note, and determine the effective date(s) of such adjustments.

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

Where the Securities are specified in the relevant Final Terms as being Units in a Fund, in the case of the occurrence at any time on or prior to the Valuation Date of any Extraordinary Event affecting the Fund or the value of the Units, the Calculation Agent may make any adjustment as provided in the preceding provisions of this Condition 21 or:

- (i) if the Calculation Agent determines that no adjustment that it could make under the preceding provisions of this Condition 21 would produce a commercially reasonable result:
 - (a) the Calculation Agent will use commercially reasonable efforts to identify a new underlying asset with characteristics, investment objectives and policies similar to those in effect for the Affected Units immediately prior to the occurrence of the relevant Extraordinary Event and any substitution of the new underlying asset for the Affected Units shall be effected at such time and in such manner as determined by the Calculation Agent in its sole and absolute discretion; and
 - (b) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to, adjustments to account for changes in volatility, investment strategy or liquidity relevant to the Units or the Notes; or
- (ii) if the Calculation Agent determines in its sole and absolute discretion that the relevant Notes shall be terminated, then the Notes shall be terminated as of the date selected by the Calculation Agent in its sole and absolute discretion and the entitlements of the relevant Noteholders to receive the relevant Securities Transfer Amount or Final Redemption Amount any accrued interest, as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of an amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the termination of the Notes.

In this Condition 21(k) "**Affected Unit(s)**" means each Unit subject to an applicable Extraordinary Event.

22. Provisions relating to Preference Share-Linked Notes

(a) *Definitions*

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

"Additional Disruption Event" means any event specified as such in the relevant Final Terms, or if no such event is specified in the Final Terms, a Change in Law and/or an Insolvency Filing;

"Change in Law" means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal for the Issuer to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to the Preference Share-Linked Notes, (ii) stock loan transactions in relation to the Preference Share-Linked Notes (iii) other instruments or arrangements (howsoever described) held by the Issuer in order to hedge, individually or on a portfolio basis, the Preference Share-Linked Notes or (iv) the Issuer will incur a materially increased cost in performing its obligations under the Preference Share-Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

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

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding

affecting the Preference Share Issuer, (A) all the Preference Shares are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Preference Shares become legally prohibited from transferring them;

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

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

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

"Preference Share Issuer" means the issuer of the Preference Shares as specified in the relevant Final Terms;

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

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

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

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person

purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Preference Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Valuation Date**" has the meaning given to it in the applicable Final Terms; and

"**Valuation Time**" has the meaning given to it in the applicable Final Terms.

(b) ***Early Redemption of Preference Share-Linked Notes***

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

(c) ***Extraordinary Events***

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

(d) ***Additional Disruption Event***

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

(e) ***Notices to Noteholders***

If in the determination of the Calculation Agent a Preference Share Early Redemption Event, an Extraordinary Event or an Additional Disruption Event occurs and the Issuer elects to terminate the Notes, the Issuer will give notice to Noteholders (with a copy to HSBC France) in accordance with Condition 13 (*Notices*).

(f) ***Amendments to the Conditions***

(a) Condition 6(c) (*Redemption at the Option of the Issuer*) is hereby amended by replacing the words "or some only" with the words ",but not some only,".

(b) Condition 6(e) (*Purchases*) is hereby deleted and replaced with the following:

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

(c) Condition 6(f) (*Cancellation*) is hereby amended by inserting the words "by the Issuer" after the words "all Notes purchased".

- (d) A new Condition 6(j) is hereby inserted as follows:

"(j) Redemption Amounts

If a Note redeems for more than the sum subscribed for it, then the excess shall be compensation for the use of the sum so subscribed and compensation in recognition that the amount payable at redemption may be less than the sum so subscribed."

- (e) Condition 17 (*Further Issues*) shall not apply to the Preference Share-Linked Notes."

PRO FORMA FINAL TERMS FOR EQUITY-LINKED NOTES, CASH EQUITY NOTES AND INDEX-LINKED NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Equity-Linked Notes, Cash Equity Notes or Index-Linked Notes issued under the Programme.

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required in respect of such terms or information.]

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17/19]¹.]

FINAL TERMS

Final Terms dated [•]
Series No.: [•]
Tranche No.: [•]

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

Issue of

[Aggregate Principal Amount of Tranche]

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

[Title of Notes]

PART A - CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 19 June 2012 in relation to the above Programme, which [together with the supplemental prospectus[es] dated [•]] constitute[s] a base prospectus ("**Prospectus**") [for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**").]²

[If these Final Terms indicate that they relate to an issue of Certificates, then all references herein and in the Prospectus to Notes shall be deemed to be references to "Certificates" for the purposes of this Issue.]

[This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus.]³ Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. [The Prospectus is available for viewing at [address] and [website]⁴ and copies may be obtained from [address].]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

¹ To be included in respect of all issues which are to be admitted to listing. Delete as appropriate. Please refer to the Listing Rules. Listing Rule 17 applies to debt securities, asset backed securities and convertible securities. Listing Rule 19 applies to securitised derivatives Notes which include an element of principle protection will generally be eligible for listing under Listing Rule 17 but in some circumstances will be eligible for listing under Listing Rule 19.

² Only for Notes which are publicly offered or admitted to trading on a regulated market.

³ Only for Notes which are publicly offered or admitted to trading on a regulated market.

⁴ Only for Notes which are publicly offered or admitted to trading on a regulated market.

Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011] Conditions (the "**Conditions**"), which are defined in, and incorporated by reference into, the Base Prospectus dated 19 June 2012 and which are applicable to the Notes. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**")]⁵ and must be read in conjunction with the Base Prospectus dated 19 June 2012 which [together with the supplemental prospectus[(es)] dated [•]], constitute[s] a [base] prospectus ("**Prospectus**") [for the purposes of the Prospectus Directive]⁶. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Conditions and the Prospectus. The Prospectus and the Conditions are available for viewing during normal business hours at [address] and copies may be obtained from [address] and [website]⁷.

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

IMPORTANT NOTICES

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

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B ("RSA 421-B") OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

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

⁵ *Only for Notes which are publicly offered or admitted to trading on a regulated market.*

⁶ *Only for Notes which are publicly offered or admitted to trading on a regulated market.*

⁷ *Only for Notes which are publicly offered or admitted to trading on a regulated market.*

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

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

1. (i) Issuer: HSBC Bank plc
- (ii) Arranger(s): HSBC Bank plc
2. (i) Series number: []
- (ii) [Tranche number: []
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*
- (iii) Whether issue is of Notes or Certificates: [Notes/Certificates] (if the issue is of Certificates, all references in these Final Terms and in the Prospectus to Notes shall be deemed to be "Certificates" for the purposes of this issue)
3. Specified Currency or Currencies:
 - (i) of denomination: []
 - (ii) of payment: []
4. Aggregate Principal Amount [of Notes admitted to trading]⁸:
 - [(i) Series:] []
 - [(ii) Tranche:] []
5. (i) Issue Price: [] per cent. of the Aggregate Principal Amount [plus accrued interest from *[insert date]* (in the case of fungible interest bearing issues only, if applicable)]
- (ii) Commission payable: [[] per cent./None/Information not provided]
- (iii) Selling concession: [[] per cent./None/Information not provided]
6. (i) Denomination(s) []⁹
(Condition 1(b)):
- (ii) Calculation Amount¹⁰: []

⁸ Delete for debt securities with a denomination per unit of less than EUR 100,000.

⁹ If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer should normally waive its right to elect to exchange the Permanent Global Note for definitive Notes in paragraph (d) of the Permanent Global Note - see item 29(iii) below.

7. (i) Issue Date: []
- (ii) Interest Commencement Date: []
8. Maturity Date: [] *(Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year, or, if later, the fifth Business Day following the Valuation Date. In case of undated Notes, specify undated.) [If Index Linked provisions apply please add: or, if later, the [fifth/specify] Business Day following the [Valuation Date/specify.] [adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "Business Day"]*.
9. Interest basis: [[] per cent. Fixed Rate]
(Conditions 3 to 5)
 [[specify reference rate]+/- [] per cent. Floating Rate Notes]
 [Variable Coupon Amount]
 [Zero Coupon Notes]
 [Index-Linked Interest Notes]
 [Other (specify)]
 (further particulars specified below)
10. Redemption basis: [Redemption at par]
(Condition 6)
 [Index-Linked Redemption]
 [Cash Equity Redemption]
 [Equity-Linked Redemption]
 [Currency-Linked Redemption]
 [Credit-Linked Redemption]
 [Interest Rate-Linked Redemption]
 [Dual Currency]
 [Partly Paid]
 [Instalment]
 [Other (specify)]
11. Change of interest or redemption basis: *(Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis)*

¹⁰ The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.

12. Put/Call options: [Condition 6[(c)][(d)] will apply as specified below]
[Not applicable]
13. (i) Status of the Notes: Unsubordinated, unsecured
(Condition 2)
- (ii) Date [Board] approval for [] [and [], respectively]] (N.B. Only relevant
issuance of Notes obtained: where Board (or similar) authorisation is required for
the particular tranche of Notes)] [Not applicable]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note provisions: [Applicable/Not applicable]
(Condition 3)
- (i) Rate of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly/ monthly] in arrear]
- (ii) Interest Payment Date(s): [dd/mm, dd/mm, dd/mm and dd/mm] in each year
[adjusted in accordance with [specify] [Business Day
Convention and any applicable Business Centre(s)] for
the definition of "Business Day"] / [not adjusted]
- (iii) Fixed Coupon Amounts(s): [[] per Calculation Amount] [Not applicable]
- (iv) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other
(specify)] [Not applicable]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day
Convention/Modified Following Business Day
Convention/ Preceding Business Day Convention/ Not
applicable / other (give details)]
- (vi) Business Centre(s): [Not applicable/give details]
- (vii) Other terms relating to the [Not applicable/give details] (Consider if day count
method of calculating interest fraction, particularly for Euro denominated issues,
for Fixed Rate Notes: should be on an Actual/Actual basis)
16. Floating Rate Note provisions: [Applicable/Not applicable]
(Condition 4)
- (iii) [Interest Period(s)] / [specify]
[Specified Period]¹¹:
- (ii) Interest Payment Dates: [specify dates]
(If Business Day Convention embedded in Condition
4(b) is not to apply, specify alternative convention)
- (iii) First Interest Payment Date: []

¹¹ Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (v) Business Centre(s): [Not applicable/give details]
- (vi) Screen Rate Determination: [Applicable / Not applicable]
- (1) Reference Rate: [] (specify LIBOR or other)
- (2) Interest Determination Date: []
- (3) Relevant Screen Page: []
- (4) Relevant Financial Centre: []
- (vii) ISDA Determination: [Applicable / Not applicable]
- (1) Floating Rate Option: []
- (2) Designated Maturity: []
- (3) Reset Date: []
- (viii) Margin: [[+/-][] per cent. per annum] [Not applicable]
- (ix) Day Count Fraction: []
- (x) Relevant time: []
- (xi) Minimum Interest Rate: [[] per cent. per annum] [Not applicable]
- (xii) Maximum Interest Rate: [[] per cent. per annum] [Not applicable]
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. Variable Coupon Amount Note provisions: [Applicable/Not applicable]
(Condition 5) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Payment Dates: []
- (ii) Method of calculating interest: []
- (iii) Business Centre(s): [Not applicable/give details]

18. Zero Coupon Note provisions: [Applicable/Not applicable]
(Condition 5)
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of interest on overdue amounts: []
- (ii) Redemption formula: []
19. Index-Linked Interest Note/other variable-linked interest Note Provisions: [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula/other variable: *(give or annex details – if appropriate, cross-refer to Valuation Date definition in paragraph 40 below)*
- (ii) Calculation Agent responsible for calculating the interest due: []
- (iii) Provisions for determining interest where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Provisions for determining interest where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [] *(Need to include a description of market disruption or settlement disruption events and adjustment provisions)* [See Condition 21 and paragraph [36/38] below]¹²
- (v) Interest or calculation period(s): []
- (vi) Interest Payment Dates: []
- (vii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other *(give details)*]
- (viii) Business Centre(s): []
- (ix) Minimum Rate/Amount of Interest: [[] per cent. per annum] [Not applicable]
- (x) Maximum Rate/Amount of Interest: [[] per cent. per annum] [Not applicable]
- (xi) Day Count Fraction: []
20. Dual Currency Note provisions/Multi-currency Note provisions: [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

¹² In the case of Index-Linked Notes, specify paragraph 38 or, in the case of Equity-Linked Notes, specify paragraph 36.

of this paragraph)

- (i) Currencies: []
- (ii) Exchange Rate(s): *(give details)*¹³
- (iii) Provisions applicable where calculation by reference to Exchange Rate impossible or impracticable: *(Need to include a description of market disruption or settlement disruption events and adjustment provisions.)*

PROVISIONS RELATING TO REDEMPTION

- 21. Issuer's optional redemption (Call): [Applicable/Not applicable]
(Condition 6(c))
 - (i) Redemption Amount (Call): [[] per Calculation Amount] *(specify — if not par, also specify details of any formula)*
 - (ii) Series redeemable in part: [[] per Calculation Amount] *(specify — otherwise redemption will only be permitted of entire Series)*
 - (iii) Call option date(s)/Call option period: *[specify]*
- 22. Noteholder's optional redemption (Put): [Applicable/Not applicable]
(Condition 6(d))
 - (i) Redemption Amount (Put): [[] per Calculation Amount] *(specify — if not par, also specify details of any formula)*
 - (ii) Put Option date(s)/Put Option Period: *[specify]*
- 23. Final Redemption Amount of each Note: [[] per Calculation Amount] *(specify — if not par, also specify details of any formula)*
(Condition 6(a))
- 24. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Equity-Linked/ Index-Linked or other variable-linked: [Applicable / Not applicable]
 - (i) Index/Formula/other variable: *(give or annex details)*
 - (ii) Calculation Agent responsible for calculating the Final Redemption Amount: []

¹³ *If denomination per unit is less than EUR 100,000, include details of where past and future performance and volatility of the relevant rate(s) can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying.*

- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Equity/Index and/or Formula and/or other variable; []
- (iv) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [] *(Need to include a description of market disruption or settlement disruption events and adjustment provisions)* [See Condition 21 and paragraph [36/38]¹⁴ below]
- (v) Minimum Final Redemption Amount []
- (vi) Maximum Final Redemption Amount: []
25. Instalment Notes: *(Condition 6(a))* [specify/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Instalment Amounts: []
- (ii) Dates for payment of Instalments: []
26. Early redemption amount: Yes
- (i) Early redemption amount (upon redemption for taxation reasons, illegality or following an Event of Default: *(Conditions 6(b), 6(h) or 10)*) [[100] per cent. of the Calculation Amount/Fair Market Value/*other (specify details)*]
- (ii) Other redemption provisions: *(Condition 6(i))* [[100] per cent. of the Calculation Amount/Fair Market Value/Not applicable /*other (specify details)*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: *(Condition 1(a))*
- (i) Form of Notes: [Bearer Notes/Registered Notes/Uncertificated Registered Notes]
- (ii) Bearer Notes exchangeable for Registered Notes: [Yes/No] *(Answer will be no where no Registered Notes or where the issue is wholly or partly a Rule 144A issue)*
28. [New Global Note [(delete if Registered Note)]]/ Issued under the new safekeeping structure [(delete if
- [Yes/No]

¹⁴ In the case of Index-Linked Notes, specify paragraph 38 or, in the case of Equity-Linked Notes, specify paragraph 36.

Bearer Note)]:

29. If issued in bearer form:
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: *[specify] (Notes may only be represented initially by a Permanent Global Note if these Final Terms specifies that TEFRA C Rules apply)*
 - (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes and/or Registered Notes:
(Condition 1(a)) Yes [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive notes only in limited circumstances specified in the Permanent Global Note / (specify)]
 - (iii) Permanent Global Note exchangeable at the option of the bearer for Definitive Notes and/or Registered Notes: [Yes/No] *[If yes, specify: the Issuer waives its right to elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (d) of the Permanent Global Note.]*
 - (iv) Coupons to be attached to Definitive Notes¹⁵: [Yes/No/Not applicable]
(N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems - see provisions contained in Permanent Global Note)
 - (v) Talons for future Coupons to be attached to Definitive Notes¹⁶: [Yes/No/Not applicable]
(N.B. The above comment also applies here)
 - (vi)
 - (a) Definitive Notes to be security printed: [Yes/No]
(N.B. The above comment also applies here)
 - (b) if the answer to (a) is yes, whether steel engraved plates will be used¹⁷: [Yes/No/Not applicable]
 - (vii) Definitive Notes to be in ICMA or successor's format: [Yes/No]
(N.B. The above comment also applies here)
 - (viii) Issuer or Noteholder to pay costs of security printing: [Issuer/Noteholder/Not applicable]
30. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days after the Issue Date / (specify)]
31. Payments:
(Condition 8)

¹⁵ Definitive Notes will typically have coupons attached to them if interest bearing.

¹⁶ Talons will be needed if there are 27 or more coupons.

¹⁷ Answer to (a) and (b) should generally be 'yes' in all cases where Definitive Notes are to be printed.

- (i) Method of payment: [Condition 8 applies / (*specify if other than by cheque or transfer to a designated account*)]
- (ii) Relevant Financial Centre Day: (*specify all places*)
- (iii) Local banking day specified for payments in respect of the Notes in global form: [Yes/ No]¹⁸
32. Party Paid Notes: [Yes/No]
(*Condition 1*)

(*If yes, specify number, amounts and dates for, and method of, payment of instalments of subscription monies and any further additional provisions (including forfeiture dates in respect of late payments of partly paid instalments)*) (specify)
33. Redenomination: (Condition 9)

(i) Redenomination: [Applicable/Not applicable]
(ii) Exchange: [Applicable/Not applicable]
34. Other final terms: [Not applicable/specify/See Annex]

(*When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required.*)

PROVISIONS APPLICABLE TO INDEX-LINKED NOTES, CASH EQUITY NOTES, EQUITY-LINKED NOTES

35. Security Delivery (*for Equity-Linked Notes only*): Condition 21(b) [applies/does not apply]
36. Provisions for Cash Equity Notes and Equity-Linked Notes:

(i) Securities: []

[The Securities are Depositary Receipts]

[Units in a Fund, where "**Fund**" means a share or notional unit of the Fund (as defined in the Fund Documents), the price of which is denominated in []. [The Units represent undivided ownership interests in the portfolio of investments held by the Fund][*delete if not applicable*], "**Unit**" means [] and "**Underlying Index**" means []. Condition 21 shall apply to the Notes as if references therein to "Underlying Company" were references to the "Fund" and as if references therein to "Security" were references to

¹⁸ This should specify "No" unless, exceptionally, location of Principal Paying Agent is to be included as a business day for the purposes of payments whilst Notes are in global form in the clearing systems.

"Unit".

- (ii) Underlying Company(ies): ☐ [and with respect to the Underlying Securities
☐ [The Fund]
- (iii) Exchange(s): ☐
- (iv) Related Exchange(s): ☐ [All Exchanges]
- (v) Initial Price: ☐ [The definition in Condition 21(a) applies]
- (vi) Strike Date: ☐
- (vii) Final Price: ☐ [The definition in Condition 21(a) applies]
- (viii) Reference Price: ☐ [The definition in Condition 21(a) applies]
- (ix) Securities Transfer Amount: ☐
(for Equity-Linked Notes only)
- (x) Settlement Date: ☐
(for Equity-Linked Notes only)
- (xi) Settlement Disruption Event: Condition 21(b)(iii) [applies/does not apply]
(for Equity-Linked Notes only)
 - Disruption Period (if other than as specified in Condition 21(b)(iii)):
- (xii) Delivery Disruption Event: Condition 21(b)(iv) [applies/does not apply]
(for Equity-Linked Notes only)
- (xiii) Potential Adjustment Event: Condition 21(g)(i) [applies/does not apply]
 - Extraordinary Dividend (if other than as specified in the definition in Condition 21(a)) ☐
 - additional Potential Adjustment Event (for purposes of paragraph (viii) of the definition thereof)
- (xiv) Extraordinary Event: Condition 21(g)(ii) [applies/does not apply]
- (xv) Conversion: Condition 21(g)(iii) [applies/does not apply]
(for Notes relating to Government Bonds and debt securities only)
- (xvi) Correction of prices: Condition 21(g)(iv) [applies/does not apply]
- (xvii) Additional Disruption Event [The following Additional Disruption Events apply:
[Change in Law, Hedging Disruption, Increased Cost

- of Hedging] [*other - give details*] [Not applicable]
37. Additional provisions for Equity-Linked Notes: ☐ ☐
38. Provisions for Index-Linked Notes:
- (i) Index(ices): ☐ [The Index. Each of (*specify relevant indices in a basket*) ☐ is a Multiple Exchange Index]
 - (ii) Index Sponsor: ☐ [The definition in Condition 21(a) applies]
 - (iii) Index Rules: ☐ [Not applicable]
 - (iv) Exchange(s): ☐ ☐
 - (v) Related Exchange(s): ☐ [All Exchanges]
 - (vi) Initial Index Level: ☐ [The definition in Condition 21(a) applies]
 - (vii) Final Index Level: ☐ ☐
 - (viii) Strike Date: ☐ ☐
 - (ix) Reference Level: ☐ [The definition in Condition 21(a) applies]
 - (x) Adjustments to Indices: Condition 21(f) [applies/does not apply]
 - (xi) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law, Hedging Disruption, Increased Cost of Hedging] [*Other - give details*] [Not applicable]
 - (xii) Index Substitution: [Applicable/Not applicable]
39. For Equity-Linked and Credit-Linked Notes: US Federal Income Tax Considerations
40. Valuation Date(s): ☐ ☐. [If, pursuant to Condition 21(e) such date is postponed to [*the Limit Valuation Date/ other (specify)*], and either, such date is not a Scheduled Trading Day or is a Disrupted Day, such date shall nevertheless be deemed to be the Valuation Date and the [Final Price/Final Index Level] shall be the [price/level] determined by the Calculation Agent in its sole discretion.]
41. Valuation Time: ☐ ☐ [The definition in Condition 21(a) applies]
42. Averaging Dates: [Yes/No. *If yes, specify dates*]
- (i) Details relating to how Final Redemption Amount will be calculated where the Notes relate to a basket of Indices or Securities: ☐ ☐
 - (ii) Averaging Date Market Disruption: [Omission/Postponement/Modified Postponement/Not applicable/*other (specify)*]
43. Other terms or special conditions relating to Index-Linked Notes, Cash Equity Notes or Equity-Linked Notes: [*specify*]

- (i) Knock-in Event: [Applicable to *[specify relevant payment or delivery]*]
- Knock-in Event: [] is [greater than/greater than or equal to/less than/less than or equal to] the Knock-in Price/Knock-in Level
 - Knock-in Period Beginning Date (if other than as specified in the definition thereof in Condition 21(a)): []
 - Knock-in Period Ending Date (if other than as specified in the definition thereof in Condition 21(a)): []
 - Knock-in Price/Knock-in Level: []
 - Knock-in Valuation Time (if other than as specified in the definition thereof in Condition 21(a)): []
- (ii) Knock-out Event: [Applicable to *[specify relevant payment or delivery]*]
- Knock-out Event: [] is [greater than/greater than or equal to/less than/less than or equal to] the Knock-out Price/Knock-out Level
 - Knock-out Period Beginning Date (if other than as specified in the definition thereof in Condition 21(a)): []
 - Knock-out Period Ending Date (if other than as specified in the definition thereof in Condition 21(a)): []
 - Knock-out Price/Knock-out Level: []
 - Knock-out Valuation Time (if other than as specified in the definition thereof in Condition 21(a)): []
- (iii) Automatic Early Redemption: Condition 21(c) [applies/does not apply]

- Automatic Early Redemption Event: [] is [greater than/greater than or equal to/less than/less than or equal to] the Automatic Early Redemption [Price/Level/Rate] as of [the/any] Automatic Early Redemption Valuation Date]
- Automatic Early Redemption Valuation Date(s): []
- Automatic Early Redemption [Level/Price/Rate]: []
- Automatic Early Redemption Date(s): [] [Subject to adjustment in accordance with *[specify relevant Business Day Convention]*]
- Automatic Early Redemption Amount: []

DISTRIBUTION

44. (i) If syndicated, names [, addresses and underwriting commitments]¹⁹ of Relevant Dealer(s)/Lead Manager(s): [Not applicable/HSBC Bank plc/other - give name]
(Give addresses and underwriting commitments)¹⁹
- (ii) If syndicated, names [, addresses and underwriting commitments]¹⁹ of other Dealers/Managers (if any): [Not applicable/other - give name]
(Give addresses and underwriting commitments)¹⁹
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
- (iii) Date of Subscription Agreement¹⁹: []
- (iv) Stabilising Manager (if any): [Not applicable/give name]
45. If non-syndicated, name [and address]¹⁹ of Relevant Dealer: [Not applicable/give name [and address]]¹⁹
46. Total commission and concession: [[] per cent. of the Aggregate Principal Amount/ Information not provided]¹⁹
47. Selling restrictions:
United States of America: [For Bearer Notes: TEFRA C Rules/ TEFRA D Rules/TEFRA Not Applicable]

[Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a US person (as defined in Regulation S)]

[Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a US person (as defined in Regulation S) only in compliance with the provisions set forth under

¹⁹ Not required for debt securities with a denomination per unit of at least EUR 100,000.

"*Transfer Restrictions.*")]

- Non-exempt Offer: [Not applicable] [An offer of the Notes may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in (*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*) ("**Public Offer Jurisdictions**") during the period from (*specify date*) until (*specify date*) ("**Offer Period**"). See further paragraphs 25 - 36 of Part B below.
- Other: (*specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement*)
48. Stabilisation: [Not applicable / **In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may 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, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. 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 be ended 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 Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**]

[LISTING AND ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme for the Issuance of Notes and Warrants of HSBC Bank plc.]

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

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 these Final Terms and the accompanying Prospectus, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that these Final Terms and the accompanying 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 these Final Terms and the accompanying 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 these Final Terms and the accompanying 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 US Definitive Registered Notes (as defined in "*Summary of Provisions relating to the Notes while in Global Form*" in the accompanying Base Prospectus) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE [AND THE SECURITIES TO BE DELIVERED UPON EXERCISE HEREOF]²⁰ HAS 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 OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

²⁰ To be included if the underlying securities have not been registered under the Securities Act.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")), (B) TO NON-US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

UNLESS OTHERWISE PROVIDED IN A PROSPECTUS SUPPLEMENT OR APPLICABLE FINAL TERMS, EACH PURCHASER OR TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) WILL BE DEEMED BY ITS ACQUISITION AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) TO HAVE REPRESENTED AND AGREED EITHER THAT (I) IT IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE WILL NOT BE) (A) AN "**EMPLOYEE BENEFIT PLAN**" AS DESCRIBED IN SECTION 3(3) OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, (B) A "PLAN" AS DESCRIBED IN SECTION 4975(E)(1) OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") TO WHICH SECTION 4975 OF THE CODE APPLIES, (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE, "**PLAN ASSETS**" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (ANY OF THE FOREGOING, A "**BENEFIT PLAN INVESTOR**") OR (D) ANY EMPLOYEE BENEFIT PLAN SUBJECT TO ANY US FEDERAL, STATE OR LOCAL LAW OR NON-US LAW ("**SIMILAR LAW**") THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (A "**SIMILAR LAW PLAN**"), OR (II) IT IS A SIMILAR LAW PLAN (THAT IS NOT A BENEFIT PLAN INVESTOR) AND ITS PURCHASE, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SUCH SUBSTANTIALLY SIMILAR LAW. ANY PURPORTED PURCHASE OR TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THE FOREGOING SHALL BE NULL AND VOID *AB INITIO*."

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 it 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 as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Summary of Provisions relating to the Notes While in Global Form*" in the accompanying Base Prospectus.]

[RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[[Indices/share information]* has been extracted from *[insert name of source of information e.g. FTSE 100, Dow Jones etc.]*. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[insert name of source of information e.g. FTSE 100, Dow Jones etc.]*, no facts have been omitted which would render the reproduced inaccurate or misleading.]]

CONFIRMED

HSBC BANK PLC

By:
Authorised Signatory

Date:

PART B - OTHER INFORMATION

1. LISTING

- (i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of the Financial Services Authority pursuant to Listing Rule [17/1921]. No assurance can be given as to whether or not, or when, such application will be granted/other (specify)]
- [Not applicable]
- (ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading [on the Regulated Market/other (specify)] with effect from []. No assurance can be given as to whether or not, or when, such application will be granted.] [Application has been made to have the Notes admitted to trading on the PORTAL System of the US National Association of Securities Dealers.]
- [Not applicable]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)²²*
- (NB: Notes admitted to trading to the UK Regulated Market will also be admitted to the Official List as a matter of course.)*
- [(iii) Estimated total expenses of admission to trading:] [Information not provided / Not applicable / (specify amount)]²³

2. RATINGS

- Ratings: [The long term senior debt of HSBC Bank plc has been rated:]
- [S&P: []]
- [Moody's: []]
- [Fitch: []]
- [[other]: []]
- [The Notes have not specifically been rated.]/ [The Notes have been assigned a rating of [] by [].]²⁴
- [Each of [Fitch, S&P and Moody's] are established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended).]

²¹ To be included in respect of all issues which are to be admitted to listing. Delete as appropriate. Please refer to the Listing Rules. Listing Rule 17 applies to debt securities, asset backed securities and convertible securities. Listing Rule 19 applies to securitised derivatives.

²² Not required for debt securities with a denomination per unit of at least EUR 100,000.

²³ Only required for debt securities with a denomination per unit of at least EUR 100,000.

²⁴ Select only if the Notes are rated.

[For these purposes, ["**S&P**" means Standard and Poor's Credit Market Services Europe Limited,] ["**Moody's**" means Moody's Investor Services Limited] [and] ["**Fitch**" means Fitch Ratings Limited].]

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

3. NOTIFICATION

[The Financial Services Authority ("**FSA**") [has been requested to provide/has provided (*include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*)] the Financial Market Association (Austria), the Financial Services and Markets Authority (Belgium), the Autorité des marchés financiers (France), the Federal Financial Supervisory Authority (Germany), the Central Bank of Ireland (Ireland), the Commissione Nazionale per le Società e la Borsa (Italy), the Commission de Surveillance du Secteur Financier (Luxembourg), the Malta Financial Services Authority (Malta), the Comisión Nacional del Mercado de Valores (Spain) and the Netherlands Authority for the Financial Markets (Netherlands) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.] [Not applicable]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)

["Save as discussed in ["*Subscription and Sale of Notes*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."] [Not applicable]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required in respect of such final terms.)

5. [REASONS FOR THE OFFER ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer: []
(If reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]
- (ii) Estimated net proceeds: []²⁵ *(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) Estimated total expenses: *(Include breakdown of expenses)*²⁶
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, (i.e. if the Final Redemption Amount may be less than 100 per cent of the nominal value of the Notes), it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above)]

6. **[Fixed Rate Notes only - YIELD]**

- Indication of yield: [Calculated as *(include details of method of calculation in summary form)* on the Issue Date]²⁷
[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

7. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

[Details of historic [LIBOR/EURIBOR/other *(specify)*] rates can be obtained from [Reuters].]²⁸

8. **[Index-Linked, Equity-Linked or other variable-linked Interest Notes only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING]**²⁹

(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]³⁰. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Also include appropriate index disclaimers. Where the underlying is not an index, need to include equivalent information).³¹

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently whether a drawdown prospectus

²⁵ Not required for debt securities with a denomination per unit of at least EUR 100,000.

²⁶ Not required for debt securities with a denomination per unit of at least EUR 100,000.

²⁷ Not required for debt securities with a denomination per unit of at least EUR 100,000.

²⁸ Not required for debt securities with a denomination per unit of at least EUR 100,000.

²⁹ Refer to Prospectus Rules, Annex XII, paragraph 4.2.2 for disclosure requirements.

³⁰ Not required for debt securities with a denomination per unit of at least EUR 100,000.

³¹ Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies (i.e. if the Final Redemption Amount is less than 100 per cent. of the nominal value of the Notes).

or a new base prospectus would be required in respect of such final terms.)

The Issuer [intends to provide post-issuance information (*specify what information will be reported and where it can be obtained*)] [does not intend to provide post-issuance information].]

9. **[Dual Currency/Multi-currency Notes only - PERFORMANCE OF EXCHANGE RATE(S) [AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS]**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained (and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident).
³²

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required.)

OPERATIONAL INFORMATION

10. ISIN Code: ☐ []/Not applicable]

11. Common Code: ☐ []/Not applicable]

12. CUSIP: ☐ []/Not applicable]

13. Valoren Number: ☐ []/Not applicable]

14. SEDOL: ☐ []/Not applicable]

15. Intended to be held in a manner which would allow Eurosystem eligibility:³³ ☐ [Yes] ☐ [No]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be delivered to the Common Safekeeper acting as agent for Euroclear or Clearstream, Luxembourg[, and registered in the name of a nominee of one of Euroclear or Clearstream Luxembourg acting as common safekeeper [(include this text for Registered Notes)]] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] (*include this text if "yes" selected in which case the bearer Notes must be issued in NGN form*)

16. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant ☐ [CREST/ None/specify other]

³² Not required for debt securities with a denomination per unit of at least EUR 100,000.

³³ Under current ECB requirements, in order to be eligible as collateral a security must, amongst other things, be denominated in Euros and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg EUR MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

identification number(s):

- | | | |
|-----|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17. | Delivery: | Delivery [against/free of] payment |
| 18. | Settlement procedures: | [Eurobond/Medium Term Note/ <i>other (specify)</i>] |
| 19. | (i) Principal Paying Agent ³⁴ /Registrar ³⁵ : | [HSBC Bank plc] [<i>other (specify)</i>] |
| | (ii) Additional Paying Agent(s) (if any): | [None/ <i>specify</i>] |
| 20. | Common Depositary: | [HSBC Bank plc/Not applicable] |
| 21. | Agent Bank/Calculation Agent: | [HSBC Bank plc] [HSBC France] [<i>specify</i>] |
| | - is Calculation Agent to make calculations? | [Yes/No] |
| | - if not, identify calculation agent: | (<i>N.B. Calculation agent appointment letter required</i>) |
| 22. | Notices:
(<i>Condition 13</i>) | [Condition 13 applies] (<i>specify any other means of effecting communication</i>) |
| 23. | City in which specified office of Registrar to be maintained:
(<i>Condition 14</i>) | [London/Not applicable/ <i>specify</i>] |
| 24. | ERISA Considerations: | [The Notes may not be purchased by "benefit plan investors". See "Certain ERISA Considerations" in the Base Prospectus for further information./ <i>give details</i>]
[Not applicable] |

TERMS AND CONDITIONS OF THE OFFER [*this section applies only to public offers – to be deleted if no public offer*]

- | | | |
|-----|---------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 25. | Offer Price: | [Issue Price][<i>other (specify)</i>] |
| 26. | Conditions to which the offer is subject: | [Not applicable/ <i>give details</i>] |
| 27. | Description of the application process: | [Not applicable/ <i>give details</i>] |
| 28. | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [Not applicable/ <i>give details</i>] |
| 29. | Details of the minimum and/or maximum amount of application: | [Not applicable/ <i>give details</i>] |
| 30. | Details of the method and time limits for paying up and delivering the Notes: | [Not applicable/ <i>give details</i>] |
| 31. | Manner in and date on which results of the offer are to be made public: | [Not applicable/ <i>give details</i>] |

³⁴ Delete if Notes are Registered Notes.

³⁵ Delete if Notes are Bearer Notes.

- | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| 32. | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not applicable/ <i>give details</i>] |
| 33. | Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: | [Not applicable/ <i>give details</i>] |
| 34. | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [Not applicable/ <i>give details</i>] |
| 35. | Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [Not applicable/ <i>give details</i>] |
| 36. | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: | [None/ <i>give details</i>] |

PRO FORMA FINAL TERMS FOR PREFERENCE SHARE-LINKED NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Preference Share-Linked Notes issued under the Programme.

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required in respect of such terms or information.]

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17/19]³⁶.]

FINAL TERMS

Final Terms dated [•]

Series No.: [•]

Tranche No.: [•]

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

Issue of

[Aggregate Principal Amount of Tranche]

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

[Title of Notes]

PART A - CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 19 June 2012 in relation to the above Programme, which [together with the supplemental prospectus[es] dated [•]] constitute[s] a base prospectus ("**Prospectus**") [for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**").]³⁷

[If these Final Terms indicate that they relate to an issue of Certificates, then all references herein and in the Prospectus to Notes shall be deemed to be references to "Certificates" for the purposes of this Issue.]

[This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus.]³⁸ Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. [The Prospectus is available for viewing at [address] [and] [website]³⁹ and copies may be obtained from [address].]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011] Conditions (the "**Conditions**"), which are defined in, and incorporated by reference into, the Base Prospectus dated 19 June 2012 and which are applicable to the Notes. This document

³⁶ *To be included in respect of all issues which are to be admitted to listing. Delete as appropriate. Please refer to the Listing Rules. Listing Rule 17 applies to debt securities, asset backed securities and convertible securities. Listing Rule 19 applies to securitised derivatives Notes which include an element of principle will generally be eligible for listing under Listing Rule 17 but in some circumstances will be eligible for listing under Listing rule 19.*

³⁷ *Only for Notes which are publicly offered or admitted to trading on a regulated market.*

³⁸ *Only for Notes which are publicly offered or admitted to trading on a regulated market.*

³⁹ *Only for Notes which are publicly offered or admitted to trading on a regulated market.*

constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**")]⁴⁰, and must be read in conjunction with the Base Prospectus dated 19 June 2012 which [together with the supplemental prospectus(es)] dated [•], constitute[s] a [base] prospectus ("**Prospectus**") [for the purposes of the Prospectus Directive]⁴¹. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Conditions and the Prospectus. The Prospectus and the Conditions are available for viewing during normal business hours at [address] [and] [website]⁴² and copies may be obtained from [address].

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

IMPORTANT NOTICES

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

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B ("**RSA 421-B**") OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

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

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

⁴⁰ Only for Notes which are publicly offered or admitted to trading on a regulated market.

⁴¹ Only for Notes which are publicly offered or admitted to trading on a regulated market.

⁴² Only for Notes which are publicly offered or admitted to trading on a regulated market.

information contained in the Prospectus and these Final Terms. Prospective investors should consider carefully the risk factors set forth under "Risk Factors" in the Prospectus.

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

1. (i) Issuer: HSBC Bank plc
- (ii) Arranger(s): HSBC Bank plc
2. (i) Series number: []
- (ii) [Tranche number: []
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*
- (iii) Whether issue is of Notes or Certificates: [Notes/Certificates] (if the issue is of Certificates, all references in these Final Terms and in the Prospectus to Notes shall be deemed to be "Certificates" for the purposes of this issue)
3. Specified Currency or Currencies:
 - (i) of denomination: []
 - (ii) of payment: []
4. Aggregate Principal Amount [of Notes admitted to trading]⁴³:
 - [(i) Series:] []
 - [(ii) Tranche:] []
5. (i) Issue Price: [] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (in the case of fungible interest-bearing issues only, if applicable)]
- (ii) Commission payable: [[] per cent./None/ Information not provided]
- (iii) Selling concession: [[] per cent./None/Information not provided]
6. (i) Denomination(s) []⁴⁴
(Condition I(b)):
- (ii) Calculation Amount⁴⁵: []

⁴³ Delete for debt securities with a denomination per unit of less than EUR 100,000.

⁴⁴ If denominations in excess of and smaller than the minimum specified denomination are to be permitted then the Issuer should normally waive its right to elect to exchange the Permanent Global Note for definitive Notes in paragraph (d) of the Permanent Global Note - see item 29(iii) below.

⁴⁵ The applicable Calculation Amount (which is used for the calculation of redemption and interest amounts (if any)) will be (i) if there is only one Denomination, the Denomination; or (ii) if there are several Denominations, the highest common factor of those Denominations. Note that a Calculation

7. (i) Issue Date: []
- (ii) Interest Commencement Date: []
8. Maturity Date: *[[] - i.e. date scheduled to fall two Business Days after the Valuation Date or, if later, [two] Business Days after the Valuation Date).]*
9. Interest basis: *(Conditions 3 to 5)* [[] per cent. Fixed Rate]
- [[specify reference rate]+/- [] per cent. Floating Rate Notes]*
- [Variable Coupon Amount]*
- [Zero Coupon Notes]*
- [Index-Linked Interest Notes]*
- [Other (specify)]*
- (further particulars specified below)*
10. Redemption basis: *(Condition 6)* [Preference Share-Linked Redemption]
- [[Other (specify)]*
11. Change of interest or redemption basis: *(Specify details of any provision for convertibility of Notes to another interest or redemption/payment basis)*
12. Put/Call options: [Condition 6[(c)][(d)] will apply as specified below]
- [Not applicable]
13. (i) Status of the Notes: *(Condition 2)* Unsubordinated, unsecured
- (ii) Date [Board] approval for issuance of Notes obtained: [] [and []], respectively]] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)* [Not applicable]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note provisions: *(Condition 3)* [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Rate of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
- (ii) Interest Payment Date(s): [dd/mm, dd/mm, dd/mm and dd/mm] in each year
- [adjusted in accordance with [specify] [Business Day Convention and any applicable Business Centre(s)] for the definition of "Business Day" / [not adjusted]*

Amount of less than 1,000 units of the relevant currency may result in practical difficulties for Paying Agents and/or ICSDs who should be consulted if such an amount is proposed.

- (iii) Fixed Coupon Amounts(s): [☐] per Calculation Amount][Not applicable]
- (iv) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other (specify)] [Not applicable]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not applicable / other (give details)]
- (vi) Business Centre(s): [Not applicable/give details]
- (v) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not applicable/give details] (Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis)
16. Floating Rate Note provisions: [Applicable/Not applicable]
(Condition 4)
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) [Interest Period(s)] / [Specified Period]⁴⁶: [specify]
- (ii) Interest Payment Dates: [specify dates]
(If Business Day Convention embedded in Condition 4(b) is not to apply, specify alternative convention)
- (iii) First Interest Payment Date: [☐]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (v) Business Centre(s): [Not applicable/give details]
- (vi) Screen Rate Determination: [Applicable / Not applicable]
- (1) Reference Rate: (specify LIBOR or other)
- (2) Interest Determination Date: [☐]
- (3) Relevant Screen Page: [☐]
- (4) Relevant Financial Centre: [☐]
- (vii) ISDA Determination: [Applicable / Not applicable]
- (1) Floating Rate Option: [☐]
- (2) Designated Maturity: [☐]
- (3) Reset Date: [☐]

⁴⁶ Select applicable option. "Specified Period" will only be applicable where Floating Rate Convention is applicable. In all other cases, select "Interest Period(s)".

- | | | |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| (viii) | Margin: | [[+/-][] per cent. per annum] [Not applicable] |
| (ix) | Day Count Fraction: | [] |
| (x) | Relevant time: | [] |
| (xi) | Minimum Interest Rate: | [[] per cent. per annum] [Not applicable] |
| (xii) | Maximum Interest Rate: | [[] per cent. per annum] [Not applicable] |
| (xiii) | Fall back provisions,
rounding provisions,
denominator and any other
terms relating to the method
of calculating interest on
Floating Rate Notes, if
different from those set out in
the Conditions: | [] |
17. Variable Coupon Amount Note provisions:
(Condition 5)
- [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- | | | |
|-------|---------------------------------|-------------------------------|
| (i) | Interest Payment Dates: | [] |
| (ii) | Method of calculating interest: | [] |
| (iii) | Business Centre(s): | [Not applicable/give details] |
18. Zero Coupon Note provisions:
(Condition 5)
- [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- | | | |
|------|--------------------------------------|-----|
| (i) | Rate of interest on overdue amounts: | [] |
| (ii) | Redemption formula: | [] |
19. Dual Currency Note provisions/Multi-currency Note provisions:
- [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- | | | |
|-------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| (i) | Currencies: | [] |
| (ii) | Exchange Rate(s): | [give details] ⁴⁷ |
| (iii) | Provisions applicable where calculation by reference to Exchange Rate impossible or impracticable: | <i>(Need to include a description of market disruption or settlement disruption events and adjustment provisions.)</i> |

PROVISIONS RELATING TO REDEMPTION

20. Issuer's optional redemption (Call): [Applicable/Not applicable]

⁴⁷ If denomination per unit is less than EUR 100,000, include details of where past and future performance and volatility of the relevant rate(s) can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying.

- (Condition 6(c))
- (i) Redemption Amount (Call): ☐ per Calculation Amount (*specify — if not par, also specify details of any formula*)
- ☐ [Early Redemption Amount] (*specify — in case of Preference Share-Linked Notes*)
- (ii) Series redeemable in part: ☐ per Calculation Amount (*specify — otherwise redemption will only be permitted of entire Series*)
- (iii) Call option date(s)/Call option period: ☐ [*specify*]
21. Noteholder's optional redemption (Put):
(Condition 6(d)) Not applicable
22. Final Redemption Amount of each Note:
(Condition 6(a))
- ☐ [[Calculation Amount]
- $$\times \frac{\text{Share Value}_{\text{final}}}{\text{Share Value}_{\text{initial}}}$$
- per Calculation Amount
- Where:
- "Share Value_{final}" means the Preference Share Value on the Valuation Date; and
- "Share Value_{initial}" means the Preference Share Value on the Initial Valuation Date.
- Calculation Agent responsible for calculating the Final Redemption Amount: ☐ []
23. Instalment Notes:
(Condition 6(a)) ☐ [*specify/Not applicable*]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Instalment Amounts: ☐ []
- (ii) Dates for payment of Instalments: ☐ []
24. Early Redemption Amount: Yes

- | | | |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Early Redemption Amount (upon redemption for taxation reasons, following redemption at the option of the Issuer, following an event of default, following the occurrence of a Preference Share Early Redemption Event, an Extraordinary Event or Additional Disruption Event) | Per Calculation Amount, an amount in [<i>specify currency of payment</i>] calculated by the Calculation Agent on the same basis as the Final Redemption Amount except that the definition of Share Value _{final} shall be the Preference Share Value on the day falling [<i>two</i>] Business Days before the due date for early redemption of the Notes. |
| (ii) | Other redemption provisions: (Condition 6(i)) | [[]] per Calculation Amount (<i>specify - if not par, also specify details of any formula</i>) / Not applicable] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25. | Form of Notes:
(Condition 1(a)) | |
| (i) | Form of Notes: | [Bearer Notes/Registered Notes/Uncertificated Registered Notes] |
| (ii) | Bearer Notes exchangeable for Registered Notes: | [Yes/No] [<i>Answer will be no where no Registered Notes or where the issue is wholly or partly a Rule 144A issue</i>] |
| 26. | [New Global Note [(<i>delete if Registered Note</i>)]/ Issued under the new safekeeping structure [(<i>delete if Bearer Note</i>)]: | [Yes/No] |
| 27. | If issued in bearer form: | |
| (i) | Initially represented by a Temporary Global Note or Permanent Global Note: | [specify] (<i>Notes may only be represented initially by a Permanent Global Note if these Final Terms specifies that TEFRA C Rules apply</i>) |
| (ii) | Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes and/or Registered Notes:
(Condition 1(a)) | Yes [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive notes only in limited circumstances specified in the Permanent Global Note / (<i>specify</i>)] |
| (iii) | Permanent Global Note exchangeable at the option of the bearer for Definitive Notes and/or Registered Notes: | [Yes/No] (<i>If yes, specify: the Issuer waives its right to elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (d) of the Permanent Global Note.</i>) |
| (iv) | Coupons to be attached to Definitive Notes ⁴⁸ : | [Yes/No/Not applicable]

(<i>N.B. This will need to be considered even if Permanent Global Notes are not exchangeable at the bearer's option into Definitive Notes because of exchangeability upon "melt down" of clearing systems - see provisions contained in Permanent Global Note</i>) |

⁴⁸ Definitive Notes will typically have coupons attached to them if interest bearing.

- (v) Talons for future Coupons to be attached to Definitive Notes⁴⁹: [Yes/No/Not applicable]
(*N.B. The above comment also applies here*)
- (vi) (a) Definitive Notes to be security printed: [Yes/No]
(*N.B. The above comment also applies here*)
- (b) if the answer to (a) is yes, whether steel engraved plates will be used⁵⁰: [Yes/No/Not applicable]
- (vii) Definitive Notes to be in ICMA or successor's format: [Yes/No]
(*N.B. The above comment also applies here*)
- (viii) Issuer or Noteholder to pay costs of security printing: [Issuer/Noteholder/Not applicable]
28. Exchange Date for exchange of Temporary Global Note: [Not earlier than 40 days after the Issue Date /(specify)]
29. Payments:
(Condition 8)
- (i) Method of payment: [Condition 8 applies / specify if other than by cheque or transfer to a designated account]
- (ii) Relevant Financial Centre Day: (specify all places)
- (ii) Local banking day specified for payments in respect of the Notes in global form: [Yes/ No]⁵¹
30. Party Paid Notes:
(Condition 1)
- (If yes, specify number, amounts and dates for, and method of, payment of instalments of subscription monies and any further additional provisions (including forfeiture dates in respect of late payments of partly paid instalments)) (specify)
31. Redenomination:
(Condition 9)
- (i) Redenomination: [Applicable/Not applicable]
- (ii) Exchange: [Applicable/Not applicable]
32. Other final terms: [Not applicable/specify/See Annex]

⁴⁹ Talons will be needed if there are 27 or more coupons.

⁵⁰ Answer to (a) and (b) should generally be 'yes' in all cases where Definitive Notes are to be printed.

⁵¹ This should specify "No" unless, exceptionally, location of Principal Paying Agent is to be included as a business day for the purposes of payments whilst Notes are in global form in the clearing systems.

(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required in respect of such final terms.)

PROVISIONS APPLICABLE TO PREFERENCE SHARE-LINKED NOTES

33. Provisions for Preference Share-Linked Notes:
- (i) Preference Shares: []
 - (ii) Preference Share Issuer: []
 - (iii) Initial Valuation Date: The Issue Date
 - (iv) Valuation Date: [means the [eighth] Business Day following the Preference Share Valuation Date]
 - (v) Preference Share Valuation Date: []
 - (vi) Valuation Time: []
 - (vii) Extraordinary Event: Condition 22(c) [applies/does not apply]
(insert any additional Extraordinary Events)
 - (viii) Additional Disruption Event: [Condition 22(d) [applies /does not apply]. The following Additional Disruption Events apply: [Change in Law and/or Insolvency Filing]
34. Additional provisions for Preference Share-Linked Notes: []

DISTRIBUTION

35. (i) If syndicated, names [, addresses and underwriting commitments]⁵² of Relevant Dealer(s)/Lead Manager(s): [Not applicable/HSBC Bank plc/other - give name]
(Give addresses and underwriting commitments)¹⁹
- (ii) If syndicated, names [, addresses and underwriting commitments]¹⁹ of other Dealers/Managers (if any): [Not applicable/other - give name]
(Give addresses and underwriting commitments)¹⁹
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
- (iii) Date of Subscription Agreement¹⁹: []
- (iv) Stabilising Manager (if any): [Not applicable/give name]

⁵² Not required for debt securities with a denomination per unit of at least EUR 100,000.

36. If non-syndicated, name [and address]¹⁹ of Relevant Dealer: [Not applicable/give name [and address]]¹⁹
37. Total commission and concession: [[] per cent. of the Aggregate Principal Amount¹⁹] [Information not provided] [Not applicable]
38. Selling restrictions: [For Bearer Notes: TEFRA C Rules/ TEFRA D Rules/TEFRA Not Applicable]
- United States of America: [Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a US person (as defined in Regulation S)]
- [Notes may be offered or sold within the United States of America or to, or for the account or the benefit of, a US person (as defined in Regulation S) only in compliance with the provisions set forth under "Transfer Restrictions."]
- Non-exempt Offer: [Not applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in (specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported) ("Public Offer Jurisdictions") during the period from (specify date) until (specify date) ("Offer Period"). See further paragraphs 25 - 36 of Part B below.
- Other: (specify any modifications of, or additions to, selling restrictions contained in Dealer Agreement)
39. Stabilisation: [Not applicable / In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may 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, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. 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 be ended 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 Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.]

[LISTING AND ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme for the Issuance of Notes and Warrants of HSBC Bank plc.]

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

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 these Final Terms and the accompanying Prospectus, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such 144A Offeree acknowledges that these Final Terms and the accompanying 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 these Final Terms and the accompanying 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 these Final Terms and the accompanying 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 US Definitive Registered Notes (as defined in "*Summary of Provisions relating to the Notes while in Global Form*" in the accompanying Base Prospectus) issued in exchange for interests therein will bear a legend (the "**Rule 144A Legend**") to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS NOTE [AND THE SECURITIES, IF ANY, TO BE DELIVERED UPON EXERCISE THEREOF] ⁵³ HAS 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 OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE

⁵³ To be included if the underlying securities have not been registered under the Securities Act.

PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")), (B) TO NON-US PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("**REGULATION S**")) IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) TO THE ISSUER OR ITS AFFILIATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

UNLESS OTHERWISE PROVIDED IN A PROSPECTUS SUPPLEMENT OR APPLICABLE FINAL TERMS, EACH PURCHASER OR TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) WILL BE DEEMED BY ITS ACQUISITION AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) TO HAVE REPRESENTED AND AGREED EITHER THAT (I) IT IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE WILL NOT BE) (A) AN "**EMPLOYEE BENEFIT PLAN**" AS DESCRIBED IN SECTION 3(3) OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, (B) A "PLAN" AS DESCRIBED IN SECTION 4975(E)(1) OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") TO WHICH SECTION 4975 OF THE CODE APPLIES, (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE, "**PLAN ASSETS**" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (ANY OF THE FOREGOING, A "**BENEFIT PLAN INVESTOR**") OR (D) ANY EMPLOYEE BENEFIT PLAN SUBJECT TO ANY US FEDERAL, STATE OR LOCAL LAW OR NON-US LAW ("**SIMILAR LAW**") THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (A "**SIMILAR LAW PLAN**"), OR (II) IT IS A SIMILAR LAW PLAN (THAT IS NOT A BENEFIT PLAN INVESTOR) AND ITS PURCHASE, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SUCH SUBSTANTIALLY SIMILAR LAW. ANY PURPORTED PURCHASE OR TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THE FOREGOING SHALL BE NULL AND VOID *AB INITIO*."

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 it 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 as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Summary of Provisions relating to the Notes While in Global Form*" in the accompanying Base Prospectus.]

[RESPONSIBILITY

[The information on the Preference Shares has been extracted from the constitutional documents of the Preference Share Issuer. Information on the Preference Share Underlying is extracted from (*insert name of source of information e.g. FTSE 100, Dow Jones etc*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by (*insert name of source of information e.g. FTSE 100, Dow Jones, constitutional documents*

of the Preference Share Issuer etc.), no facts have been omitted which would render the reproduced inaccurate or misleading.]

CONFIRMED

HSBC BANK PLC

By:
Authorised Signatory

Date:

PART B - OTHER INFORMATION

1. LISTING

- (i) Listing: [Application [will be/has been] made to admit the Notes to listing on the Official List of the Financial Services Authority pursuant to Listing Rule [17/1954]. No assurance can be given as to whether or not, or when, such application will be granted/other (specify)]
- [Not applicable]
- (ii) Admission to trading: [Application [will be/has been] made for the Notes to be admitted to trading [on the Regulated Market/other (specify)] with effect from []. No assurance can be given as to whether or not, or when, such application will be granted.] [Application has been made to have the Notes admitted to trading on the PORTAL System of the US National Association of Securities Dealers.]
- [Not applicable]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)⁵⁵*
- (NB: Notes admitted to trading to the UK Regulated Market will also be admitted to the Official List as a matter of course.)*
- [(iii) Estimated total expenses of admission to trading:] [Information not provided / Not applicable / (specify amount)]⁵⁶

2. RATINGS

- Ratings: [The long term senior debt of HSBC Bank plc has been rated:]
- [S&P: []]
- [Moody's: []]
- [Fitch: []]
- [[other]: []]
- [The Notes have not specifically been rated.]/ [The Notes have been assigned a rating of [] by [].]⁵⁷
- [Each of [Fitch, S&P and Moody's] are established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended).]

⁵⁴ To be included in respect of all issues which are to be admitted to listing. Delete as appropriate. Please refer to the Listing Rules. Listing Rule 17 applies to debt securities, asset backed securities and convertible securities. Listing Rule 19 applies to securitised derivatives.

⁵⁵ Not required for debt securities with a denomination per unit of at least EUR 100,000.

⁵⁶ Only required for debt securities with a denomination per unit of at least EUR 100,000.

⁵⁷ Select only if Notes are rated.

[For these purposes, ["**S&P**" means Standard and Poor's Credit Market Services Europe Limited,] ["**Moody's**" means Moody's Investor Services Limited] [and] ["**Fitch**" means Fitch Ratings Limited].]

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

3. NOTIFICATION

[The Financial Services Authority ("**FSA**") [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the Financial Market Association (Austria), the Financial Services and Markets Authority (Belgium), the Autorité des marchés financiers (France), the Federal Financial Supervisory Authority (Germany), the Central Bank of Ireland (Ireland), the Commissione Nazionale per le Società e la Borsa (Italy), the Commission de Surveillance du Secteur Financier (Luxembourg), the Malta Financial Services Authority (Malta), the Comisión Nacional del Mercado de Valores (Spain) and the Netherlands Authority for the Financial Markets (Netherlands) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.] [Not applicable]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)

"Save as discussed in ["*Subscription and Sale of Notes*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer." [Not applicable]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required in respect of such final terms.)

5. [REASONS FOR THE OFFER ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer: []
(If reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]
- [(ii) Estimated net proceeds: []⁵⁸ (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- [(iii) Estimated total expenses: (Include breakdown of expenses)⁵⁹
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, (i.e. if the Final Redemption amount may be less than 100 per cent of the nominal value of the Notes), it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above)

6. **[Fixed Rate Notes only - YIELD]**

- Indication of yield: [Calculated as (include details of method of calculation in summary form) on the Issue Date]⁶⁰
[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

7. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

[Details of historic [LIBOR/EURIBOR/other (specify)] rates can be obtained from [Reuters].]⁶¹

8. **PERFORMANCE OF THE PREFERENCE SHARES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE PREFERENCE SHARES AND THE PREFERENCE SHARE UNDERLYING**

The Preference Share-Linked Notes relate to the [] preference shares relating to [] of the Preference Share Issuer.

The Preference Share Value will be published on each [Business Day] on [] page [].

The performance of the Preference Shares depends on the performance of the relevant underlying asset(s) or basis of reference to which the Preference Shares are linked (the "**Preference Share Underlying**"). The Preference Share Underlying is [insert details of the relevant underlying asset(s) or basis of reference to which the Preference Shares relate e.g. FTSE 100]. Information on the Preference Share Underlying (including past and future performance and volatility) is published on [].

9. **[Dual Currency/Multi-currency Notes only - PERFORMANCE OF EXCHANGE RATE(S) [AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS]**

⁵⁸ Not required for debt securities with a denomination per unit of at least EUR 100,000.

⁵⁹ Not required for debt securities with a denomination per unit of at least EUR 100,000.

⁶⁰ Not required for debt securities with a denomination per unit of at least EUR 100,000.

⁶¹ Not required for debt securities with a denomination per unit of at least EUR 100,000.

(Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]).
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(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required in respect of such final terms.)]

OPERATIONAL INFORMATION

- | | | |
|-----|-----------------------------------------------------------------------------------------|-------------------------------------------|
| 10. | ISIN Code: | <input type="checkbox"/> /Not applicable] |
| 11. | Common Code: | <input type="checkbox"/> /Not applicable] |
| 12. | CUSIP: | <input type="checkbox"/> /Not applicable] |
| 13. | SEDOL: | <input type="checkbox"/> /Not applicable] |
| 14. | Intended to be held in a manner which would allow Eurosystem eligibility: ⁶³ | [Yes] [No] |

(Note that the designation "Yes" simply means that the Notes are intended upon issue to be delivered to the Common Safekeeper acting as agent for Euroclear or Clearstream, Luxembourg[, and registered in the name of a nominee of one of Euroclear or Clearstream Luxembourg acting as common safekeeper [(include this text for Registered Notes)]] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if "yes" selected in which case the bearer Notes must be issued in NGN form)

- | | | |
|-----|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| 15. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | [CREST/ None/specify other] |
| 16. | Delivery: | Delivery [against/free of] payment |
| 17. | Settlement procedures: | [Eurobond/Medium Term Note/other (specify)] |
| 18. | (i) Principal Paying Agent ⁶⁴ /Registrar ⁶⁵ : | [HSBC Bank plc] [other (specify)] |

⁶² Not required for debt securities with a denomination per unit of at least EUR 100,000.

⁶³ Under current ECB requirements, in order to be eligible as collateral a security must, amongst other things, be denominated in Euros and listed on a regulated market or certain non-regulated markets such as STEP and Luxembourg EUR MTF. Accordingly, choose "No" if the Notes are not denominated in Euro or not listed on regulated market or any of the relevant non-regulated market as specified in Chapter 6 of the ECB's February 2011 "The Implementation of Monetary Policy in the Euro Area - General Documentation on Eurosystem monetary policy instruments and procedures" brochure.

⁶⁴ Delete if Notes are Registered Notes.

⁶⁵ Delete if Notes are Bearer Notes.

- (ii) Additional Paying Agent(s) [None/specify]
(if any):
19. Common Depository: [HSBC Bank plc/Not applicable/specify]
20. Agent Bank/Calculation Agent: [HSBC Bank plc] [HSBC France] [specify]
- is Calculation Agent to make calculations? [Yes/No]
- if not, identify calculation agent: (N.B. Calculation agent appointment letter required)
21. Notices: [As per Condition 13 /specify any other means of
(Condition 13) effecting communication]
22. City in which specified office of Registrar to be maintained: [London /Not applicable/specify]
(Condition 14)
23. ERISA Considerations: [The Notes may not be purchased by "benefit plan investors". See "Certain ERISA Considerations" in the Base Prospectus for further information./give details]
[Not applicable]

TERMS AND CONDITIONS OF THE OFFER [this section applies only to public offers – to be deleted if no public offer]

24. Offer Price: [Issue Price][other (specify)]
25. Conditions to which the offer is subject: [Not applicable/give details]
26. Description of the application process: [Not applicable/give details]
27. Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable/give details]
28. Details of the minimum and/or maximum amount of application: [Not applicable/give details]
29. Details of the method and time limits for paying up and delivering the Notes: [Not applicable/give details]
30. Manner in and date on which results of the offer are to be made public: [Not applicable/give details]
31. Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not applicable/give details]
32. Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not applicable/give details]
33. Process for notification to applicants of the amount allotted and the indication whether dealing may begin [Not applicable/give details]

before notification is made:

34. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable/*give details*]
35. Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None/*give details*]

ADDITIONAL PROVISIONS RELATING TO EQUITY-LINKED WARRANTS AND INDEX-LINKED WARRANTS

The following additional conditions shall be deemed to be added as Conditions 17 and 18 to terms and conditions set out in the section headed "*Terms and Conditions of the Warrants*" appearing in "*Part C - Warrants*" of the Base Prospectus in respect of any issue of Equity-Linked Warrants and Index-Linked Warrants.

17. Provisions relating to Equity-Linked Warrants and Index-Linked Warrants

As used in this Condition 17 and Condition 18, and in respect of Equity-Linked Warrants and Index-Linked Warrants, and unless otherwise provided in the relevant Final Terms, the following expressions shall have the following meanings:

"Additional Disruption Event" has the meaning ascribed thereto in Condition 18(g);

"Averaging Date" means, in respect of each Valuation Date, each date specified as such or otherwise determined as provided in the relevant Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), subject to the provisions of Condition 18(b);

"Basket" means, in respect of an Index Basket Warrant, a basket composed of each Index specified in the relevant Final Terms in the relative proportions indicated in the Final Terms and, in the case of a Security Basket Warrant, a basket composed of Securities of each Underlying Company specified in the relevant Final Terms in the relative proportions and numbers of Securities of each Underlying Company indicated in the Final Terms;

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

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

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

"Delisting" means that the Exchange announces that pursuant to the rules of such Exchange, the Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union);

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

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

"Depositary Receipt(s)" means any Security specified as such in the relevant Final Terms **provided that** if the relevant Deposit Agreement is terminated at any time, any reference to any Depositary Receipt(s) shall thereafter be construed as a reference to the relevant Underlying Securities and the Calculation Agent will make such adjustment as it, in its sole and absolute discretion, determines to be appropriate to the relevant Warrants and determine, in its sole and absolute discretion, the effective date of such adjustment;

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

"DR Linked Warrants" means a Series of Security Warrants which relate to one or more Securities which are Depositary Receipts;

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

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

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

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

"Extraordinary Dividend" means the amount per Security specified or otherwise determined as provided in the relevant Final Terms or, if no such amount is so specified or determined, any dividend or the portion of any dividend which the Calculation Agent determines in its sole and absolute discretion should be characterised as an Extraordinary Dividend;

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

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

- (i) the Fund (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) to (E) above;
- (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (iii) the resignation, termination or replacement of the Fund Adviser (as defined below);
- (iv) any change or modification of the Fund Documents that could reasonably be expected to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Issue Date;
- (v) any breach or violation of any strategy or investment guidelines stated in the Fund Documents that is reasonably likely to affect the value of the Units or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent);
- (vi) the Issuer, or any of its affiliates, is unable, or it is impractical for it, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to the Units of entering into and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (1) any restrictions or increase in charges or fees imposed by the Fund on any investor's ability to redeem the Units, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Units, or (2) any mandatory redemption, in whole or in part, of such Units imposed by the Fund (in each case other than any restriction in existence on the Issue Date);
- (vii) (A) cancellation, suspension or revocation of the registration or approval of the Units or the Fund by any governmental, legal or regulatory entity with authority over the Units or the Fund, (B) any change in the legal, tax, accounting or regulatory treatments of the Fund or the Fund Adviser that is reasonably likely to have an adverse impact on the value of the Units or on any investor therein (as determined by the Calculation Agent), or (C) the Fund or the Fund Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory

authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of the Fund;

- (viii) (A) the occurrence of any event affecting the Units that, in the determination of the Calculation Agent, would make it impossible or impracticable to determine the value of the Units, and such event is likely, in the determination of the Calculation Agent, to continue for the foreseeable future; or (B) any failure of the Fund to deliver, or cause to be delivered (1) information that the Fund has agreed to deliver, or cause to be delivered to the Issuer and/or Calculation Agent or (2) information that has been previously delivered to the Issuer and/or Calculation Agent in accordance with the Fund's, or its authorised representative's, normal practice and that the Issuer and/or Calculation Agent deems necessary for it to monitor the Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Units;
- (ix) on or after the Strike Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal to hold, acquire or dispose of the Units, or (Y) the Issuer will incur a materially increased cost in performing its obligations under the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);
- (x) the Issuer would incur a materially increased (as compared with circumstances existing on the Strike Date) amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to the Units of entering into and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Extraordinary Fund Event; and
- (xi) (A) the cancellation or cessation of any Underlying Index or (B) a material change in the formula for or the method of calculating or any other material modification to any Underlying Index (other than a modification prescribed in that formula or method to maintain such Underlying Index in the event of changes in constituent stock and capitalisation and other routine events) or (C) the relevant sponsor of any Underlying Index fails to calculate and announce such Index.

"Final Index Level" means, with respect to an Index and a Valuation Date, the level determined as provided in the relevant Final Terms or, if no such level is so provided (a) the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Valuation Date or (b) with respect to a Multiple Exchange Index, the official closing level of the Index on the Valuation Date as calculated and published by the Index Sponsor or (c) if Averaging Dates are specified in the relevant Final Terms in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded down to the nearest unit of the relevant currency in which the Index is published, one half of a unit being rounded upwards) of the Reference Level on such Averaging Dates;

"Final Price" means, with respect to a Security and a Valuation Date, the price determined as provided in the relevant Final Terms, or if no such price is so provided (a) the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Valuation Date or (b) if Averaging Dates are specified in the relevant Final Terms in respect of such Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded down to the nearest unit of the relevant currency in which the Security is valued, one half of a unit being rounded upwards) of the Reference Prices on such Averaging Dates;

"Fund" means the exchange traded fund or similarly traded or listed fund as specified in the relevant Final Terms;

"Fund Adviser" means, with respect to a Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment manager (including a non-discretionary investment

manager to a discretionary investment manager or to another non-discretionary investment manager), as provided in the related Fund Documents;

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

"Index" means, in relation to a Series of Warrants, the index to which such Warrants relates, as specified in the relevant Final Terms, subject to adjustment pursuant to Condition 18, and **"Indices"** shall be construed accordingly;

"Index Basket Warrants" means a Series of Warrants relating to a basket of Indices, as specified in the relevant Final Terms;

"Index Rules" has the meaning ascribed to it in the applicable Final Terms

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

"Index Warrants" means a Series of Warrants relating to a single Index, as specified in the relevant Final Terms;

"Initial Index Level" means, with respect to an Index, the level specified as such or otherwise determined as provided in the relevant Final Terms or, if no such level is so specified or otherwise determined, the level of the relevant Index as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date or, with respect to a Multiple Exchange Index, the official closing level of the Index on the Strike Date as calculated and published by the Index Sponsor;

"Initial Price" means, with respect to a Security, the price specified as such or otherwise determined as provided in the relevant Final Terms or, if no such price is so specified or otherwise determined, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Strike Date;

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

"Knock-in Determination Day" means each Scheduled Trading Day during the Knock-in Determination Period, unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-in Valuation Time on such day. If such day is a Disrupted Day due to the occurrence of such an event, then the Knock-in Determination Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-in Determination Day is a Disrupted Day. In that case, that eighth Scheduled Trading Day shall be deemed to be the Knock-in Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the price of the Security or, as the case may be, the level of the Index in the same manner that it would determine a price of a Security or, as the case may be, a level of an Index on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of Condition 18(b)(i)(A), (B) or (C), as the case may be;

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

"Knock-in Event" means (i) the event or occurrence specified as such in the relevant Final Terms; and (ii) (unless otherwise specified in the relevant Final Terms) that the price of the Security or, as the case may be, the level of the Index, determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is, as specified in the relevant Final Terms, (i) "greater than", (ii) "greater than

or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price or, as the case may be, the Knock-in Level;

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

"Knock-in Period Beginning Date" means the date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of "Knock-in Determination Day" above;

"Knock-in Period Ending Date" means the date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of "Knock-in Determination Day" above;

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

"Knock-in Valuation Time" means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"Knock-out Determination Day" means each Scheduled Trading Day during the Knock-out Determination Period, unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-out Valuation Time on such day. If such day is a Disrupted Day due to the occurrence of such an event, then the Knock-out Determination Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-out Determination Day is a Disrupted Day. In that case, that eighth Scheduled Trading Day shall be deemed to be the Knock-out Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the price of the Security or, as the case may be, the level of the Index in the same manner that it would determine a price of a Security or, as the case may be, a level of an Index on a deemed Valuation Date that is a Disrupted Day in accordance with the provisions of Condition 18(b)(i)(A), (B) or (C), as the case may be;

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

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

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

"Knock-out Period Beginning Date" means the date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of "Knock-out Determination Day" above;

"Knock-out Period Ending Date" means the date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following relevant Scheduled Trading Day, subject to the provisions of "Knock-out Determination Day" above;

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

"Knock-out Valuation Time" means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time;

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

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

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

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

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

"Multiple Exchange Index" means an Index identified or specified as such in the relevant Final Terms;

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

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

"Potential Adjustment Event" means (i) a subdivision, consolidation or reclassification of relevant Securities (unless resulting in a Merger Event), or a free distribution or dividend of any such Securities to existing holders whether by way of bonus, capitalisation or similar issue; or (ii) a distribution, issue or dividend to existing holders of the relevant Securities of (A) such Securities or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of such Securities or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent in its sole and absolute discretion; or (iii) an Extraordinary Dividend; or (iv) a call by the Underlying Company in respect of relevant Securities that are not fully paid; or (v) a repurchase by the Underlying Company or any of its subsidiaries of relevant Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (vi) in respect of the Underlying Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Underlying Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Securities; or (viii) any other event specified as such in the relevant Final Terms;

With respect to Depositary Receipts, "Potential Adjustment Event" shall also include (x) the occurrence of any of the events described in (i) to (viii) (inclusive) above in respect of the relevant Underlying Securities and (y) the making of any amendment or supplement to the terms of the Deposit Agreement;

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

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

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

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

"Scheduled Trading Day" means (a) any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or (b) with respect to a Multiple Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the

level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session or (c) any day on which the Index Sponsor is scheduled to publish the level of the Index;

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

"Securities" means, in relation to a Series of Warrants or in relation to an Index, the equity securities, debt securities (including without limitation Government Bonds), depositary receipts or other securities or property, as adjusted pursuant to this Condition 17, to which such Warrants or Index, as the case may be, relate, as specified in the relevant Final Terms and **"Security"** shall be construed accordingly;

"Securities Transfer Amount" means the number of Securities per Warrant as specified in the relevant Final Terms or if no such number is so specified, the number of Securities per Warrant calculated by the Calculation Agent and equal to the fraction of which the numerator is the Denomination and denominator and is the Strike Price;

"Security Basket Warrants" means a Series of Warrants relating to a basket of Securities, as specified in the relevant Final Terms and **"Security Basket Warrant"** shall be construed accordingly;

"Security Warrants" means a Series of Warrants relating to a single Security, as specified in the relevant Final Terms and **"Security Warrant"** shall be construed accordingly;

"Settlement Date" means, in relation to Securities to be delivered in respect of an Exercise Date and unless otherwise specified in the relevant Final Terms, the first day on which settlement of a sale of such Securities executed on that Exercise Date customarily would take place through the relevant Clearing System **provided that** if a Settlement Disruption Event prevents delivery of such Securities on that day, then the Settlement Date shall be determined in accordance with Condition 18(e);

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

"Strike Price" has the meaning ascribed thereto in the relevant Final Terms;

"Successor Index" has the meaning given in Condition 18(c);

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

"Trading Disruption" means (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (1) relating to the Securities on the Exchange (in the case of a Security Warrant or a Security Basket Warrant) or on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index (in the case of Index Warrants or Index Basket Warrants); or (2) in futures or options contracts relating to the Securities or the relevant Index on any relevant Related Exchange; or (b) with respect to a Multiple Exchange Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (1) relating to any Component Security on the Exchange in respect of such Component Security, or (2) in futures or options contracts relating to the Index on any relevant Related Exchange;

"Underlying Company" means the issuer of the Security as specified in the relevant Final Terms (or, if the Warrants are DR Linked Warrants, each of the Depositary and the issuer of the relevant Underlying Security), subject to adjustment in accordance with this Condition;

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

"**Underlying Security**" means, with respect to DR Linked Warrants and a Depositary Receipt, the security and any other property to which such Depositary Receipt relates;

"**Unit**", in relation to a Fund, has the meaning given to it in the relevant Final Terms;

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

"**Valuation Date**" means each date specified or otherwise determined as provided in the relevant Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), in each case subject to Condition 18; and

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

18. **Valuation, Adjustments and Extraordinary Events affecting Securities**

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

If "Knock-in Event" or "Knock-out Event" is specified as applicable in the Final Terms in relation to any Warrant, then, unless otherwise specified in such Final Terms, the terms of the Warrants as to exercise and/or payment and/or delivery under the relevant Warrants subject to a Knock-in Event or "Knock-out Event" (respectively) shall be conditional upon the occurrence of such Knock-in Event or "Knock-out Event" (respectively).

(b) ***Consequences of Disrupted Days***

For the purposes of this Condition 18(b) "**Limit Valuation Date**" shall mean, if any Valuation Date in respect of a Warrant is a Disrupted Day, the eighth Scheduled Trading Day following such Valuation Date, notwithstanding the Market Disruption Event, **provided that:**

- (i) if, as a result of the foregoing, the Valuation Date would be deemed to fall less than five local banking days prior to the Cash Settlement Payment Date, a relevant Settlement Date or (as the case may be) any due date for payment of any amount due in respect of such Warrant, the Limit Valuation Date shall be deemed to fall on the day which is five local banking days prior to the Cash Settlement Payment Date, such Settlement Date or (as the case may be) due date for payment of any amount due in respect of such Warrant or, if such local banking day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day; and
- (ii) if the Scheduled Valuation Date falls on a day which is five local banking days or less prior to the relevant Cash Settlement Payment Date, a relevant Settlement Date or (as the case may be) any due date for payment of any amount due in respect of such Warrant, the Limit Valuation Date shall be deemed to be such Scheduled Valuation Date,

in each case notwithstanding the fact that such day is a Disrupted Day.

- (iii) If any Valuation Date is a Disrupted Day, then:
- (A) in the case of an Equity-Linked Warrant or an Index-Linked Warrant, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, **provided that** the Valuation Date shall not fall after the Limit Valuation Date. In that case:
- (1) in respect of an Index Warrant, the Calculation Agent shall determine in its absolute discretion that either:
- (aa) the Valuation Date shall be the Limit Valuation Date; or
- (bb) the Valuation Date shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event,
- and, in the case of (aa) above, the Calculation Agent shall determine the level of the Index as of the Valuation Time on that Limit Valuation Date determined in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that Limit Valuation Date of each security or other property comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security or other property on that Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on that Limit Valuation Date); and
- (2) in respect of a Equity-Linked Warrant, that Limit Valuation Date shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and the Calculation Agent shall determine its good faith estimate of the value for the relevant Security as of the Valuation Time on that Limit Valuation Date;
- (B) in the case of an Index Basket Warrant, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index, unless each of the eight succeeding Scheduled Trading Days is a Disrupted Day relating to that Index. In that case, the Calculation Agent shall determine in its absolute discretion that either:
- (1) the Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Index notwithstanding the fact that such day is Disrupted Day relating to that Index; or
- (2) the Valuation Date shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day relating to that Index,
- and, in each case, the Calculation Agent shall determine, in its sole and absolute discretion, the level of that Index, as of the Valuation Time on that eighth in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that Limit Valuation Date of each security or other property comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect to the relevant security or other property on that Limit Valuation Date, its good faith estimate of the value for the relevant security or other property as of the Valuation Time on that Limit Valuation Date); and
- (C) in the case of a Security Basket Warrant, the Valuation Date for each Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Security affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a

Disrupted Day relating to that Security, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Security. In that case, (1) that Limit Valuation Date shall be deemed to be the Valuation Date for the relevant Security, notwithstanding the fact that such day is a Disrupted Day, and (2) the Calculation Agent shall determine, in its sole and absolute discretion, its good faith estimate of the value for that Security as of the Valuation Time on that Limit Valuation Date.

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

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

- (1) in respect of an Index-Linked Warrant or Cash Settlement Equity-Linked Warrant, the arithmetic mean of the Reference Price of the Securities or (as the case may be) of the Reference Level of the Index on each Averaging Date;
- (2) in respect of an Index Basket Warrant, the arithmetic mean of the amounts for the Basket determined by the Calculation Agent in its sole and absolute discretion as provided in the relevant Final Terms as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Index Level is so provided, the arithmetic mean of the amounts for such basket calculated on each Averaging Date as the sum of the Reference Levels of each Index comprised in the Basket (weighted or adjusted in relation to each Index as provided in the relevant Final Terms); and
- (3) in respect of a Cash Settlement Security Basket Warrant, the arithmetic mean of the prices for the Basket determined by the Calculation Agent in its sole and absolute discretion as provided in the relevant Final Terms as of the relevant Valuation Time(s) on each Averaging Date or, if no means for determining the Final Price is so provided, the arithmetic mean of the prices for the Basket calculated on each Averaging Date as the sum of the values calculated for the Securities of each Underlying Company as the product of (aa) the Reference Price of such Security and (bb) the number of such Securities comprised in such basket.

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

- (1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Price **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Condition 18(b)(i) will apply for purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Cash Settlement Payment Date or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date;
- (2) "**Postponement**", then Condition 18(b)(i) will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred

Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Warrant. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Cash Settlement Payment Date or the relevant Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or

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

(aa) in the case of an Index-Linked Warrant or Equity-Linked Warrant, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date (the "**Scheduled Final Averaging Date**") in relation to the relevant Scheduled Valuation Date, then:

(i) in respect of an Index Warrant, the Calculation Agent shall determine in its absolute discretion that either:

(a) the Limit Valuation Date shall be deemed to be the Averaging Date, (irrespective of whether that Limit Valuation Date is already an Averaging Date); or

(b) the Averaging Date shall be the first succeeding Valid Date,

and, in each case, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 18(b)(i)(A)(1); and

(ii) in respect of a Equity-Linked Warrant, the Limit Valuation Date shall be deemed to be the Averaging Date (irrespective of whether that Limit Valuation Date is already an Averaging Date), and the Calculation Agent shall determine, in its sole and absolute discretion, the relevant price for that Averaging Date in accordance with Condition 18(b)(i)(A)(2); and

(bb) in the case of an Index Basket Warrant or a Security Basket Warrant, the Averaging Date for each Index or Security not affected by the occurrence of a Disrupted Day shall be the day specified in the relevant Final Terms as an Averaging Date in relation to the relevant Valuation Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Index or Security affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index or Security. If the first succeeding Valid Date in relation to such Index or Security has not occurred as of the Valuation Time on the Limit Valuation Date immediately following the Scheduled Final Averaging Date, then:

(i) in respect of an Index Basket Warrant, the Calculation Agent shall determine in its absolute discretion that either:

(a) the Limit Valuation Date shall be deemed to be the Averaging Date, (irrespective of whether that Limit Valuation Date is already an Averaging Date) in relation to such Index; or

(b) the Averaging Date shall be the first succeeding Valid Date,

and, in each case, the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Condition 18(b)(i)(B); and

(ii) in respect of a Security Basket Warrant, that Limit Valuation Date shall be deemed the Averaging Date (irrespective of whether that Limit Valuation Date is already an Averaging Date) in relation to such Security, and the Calculation Agent shall determine, in its sole and absolute discretion, the relevant amount for that Averaging Date in accordance with Condition 18(b)(i)(C).

If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Cash Settlement Payment Date or Settlement Date, as the case may be, or (ii) the occurrence of an Extraordinary Event or Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.

(C) If (1) on or prior to any Averaging Date, in respect of an Index Warrant or Index Basket Warrant, an Index Modification, an Index Cancellation or an Index Disruption (each as defined in Condition 18(c)(ii)) occurs, or (2) on any Averaging Date in respect of an Index Warrant or Index Basket Warrant an Index Disruption Event occurs, then the Calculation Agent shall determine, in its sole and absolute discretion, the relevant Final Price using, in lieu of a published level of the relevant Index, the level for that Index as determined by the Calculation Agent in its sole and absolute discretion in accordance with the formula for and method of calculating that Index last in effect prior to that change or failure, but using only those securities or other property that comprised that Index immediately prior to that change or failure (other than those securities or other property that have since ceased to be listed on any relevant Exchange).

(c) *Adjustments to Indices*

This Condition 18(c) is applicable only in relation to Index-Linked Warrants and Index Basket Warrants.

(i) *Successor Index*

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

(ii) *Index Modification*

If on or prior to any Valuation Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or other routine events) (an "**Index Modification**"), then the Calculation Agent shall determine, in its sole and absolute discretion, whether such Index Modification has a material effect on the Warrants, and if so, shall make such adjustment(s) (if any) as it determines appropriate to account for the economic effect of the Index Modification and determine the effective date of any such modification or adjustment.

(iii) *Index Cancellation*

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

- (1) the Issuer shall as soon as is reasonably practicable after determining the same give notice (an "**Index Cancellation Notice**") of such Index Cancellation to the Warrantholders (with a copy to the Calculation Agent) in accordance with Condition 10 (*Notices*);
- (2) if Index Substitution is specified as being applicable in the relevant Final Terms, the Issuer shall, in its sole and absolute discretion (acting in good faith and a commercially reasonable manner), determine whether or not and the date as of which the Index is to be substituted with a Substitute Index and, if it so determines, it shall give an Index Substitution Notice to the Warrantholders (with a copy to the Calculation Agent) in accordance with Condition 10 (*Notices*) and, with effect from the date so determined, the Substitute Index shall be deemed to be the Index; and
- (3) if no Substitute Index has been identified within ten Business Days of the giving of such Index Cancellation Notice or if Index Substitution has not been specified as being applicable in the relevant Final Terms, the Issuer shall, in its sole and absolute discretion (acting in good faith and a commercially reasonable manner), determine whether or not the relevant Warrants shall continue and:
 - (A) if it determines that the Warrants shall continue, then the Calculation Agent shall determine, in its sole and absolute discretion, the Final Index Level for such Valuation Date using, in lieu of a published level of that Index, the level for that Index as at that Valuation Date as determined by the Calculation Agent in its sole and absolute discretion in accordance with the formula for and method of calculating that Index last in effect prior to the Index Cancellation, but using only those components that comprised that Index immediately prior to that Index Cancellation; and

- (B) if it determines that the Warrants shall not continue, the Issuer shall terminate the relevant Warrants as of the date selected by the Issuer and give notice thereof to the Warrantholders (with a copy to the Calculation Agent) in accordance with Condition 10 (*Notices*), specifying the early redemption amount and early redemption date, and the entitlements of the relevant Warrantholders to receive the Cash Settlement Amount (or any other payment to be made by the Issuer, as the case may be) shall cease and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of such amount as is determined by the Calculation Agent to be the fair market value of the Warrants immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses, costs or proceeds, as the case may be, to the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and funding arrangements.

For these purposes:

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

"Substitute Index" means a successor index identified by the Calculation Agent using commercially reasonable efforts, with characteristics, objectives and rules similar to the Index in effect immediate prior to the occurrence of the Index Cancellation.

(iv) *Correction of Index Levels*

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

(d) *Delivery Disruption of Physical Settlement Warrants*

This Condition 18(d) is applicable only in relation to Warrants specified in the relevant Final Terms as being Physical Settlement Warrants and to Warrants in relation to which the Issuer has elected for optional Physical Settlement in accordance with Condition 3(f).

If the Calculation Agent determines, in its sole and absolute discretion, that a Delivery Disruption Event has occurred, it shall notify the Issuer who shall promptly notify the relevant Warrantholder(s) and the Issuer may then:

- (A) determine, in its sole and absolute discretion, that the obligation to deliver the relevant Securities Transfer Amount will be terminated and the Issuer will pay such amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the non-delivery of the Securities Transfer Amount, in which event the entitlements of the respective

Warrantholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Warrants shall be satisfied in full upon payment of such amount; or

- (B) deliver on the Settlement Date such amount of the Securities Transfer Amount (if any) as it can deliver on that date and pay such amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the non-delivery of the remainder of the Securities Transfer Amount, in which event the entitlements of the respective Warrantholder(s) to receive the relevant Securities Transfer Amount shall cease and the Issuer's obligations under the Warrants shall be satisfied in full upon payment of such amount.

Where this Condition 18(d) fails to be applied, insofar as the Calculation Agent determines in its sole and absolute discretion to be practical, the same shall be applied as between the Warrantholders on a *pro rata* basis, but subject to such rounding down (whether of the amount of a payment or of a number of Securities to be delivered) and also to such other adjustments as the Calculation Agent determines, in its sole and absolute discretion, to be appropriate to give practical effect to such provisions.

(e) ***Settlement Disruption of Physical Settlement Warrants***

This Condition 18(e) is applicable only in relation to Warrants specified in the relevant Final Terms as being Physical Settlement Warrants.

The Calculation Agent shall determine, in its sole and absolute discretion, whether or not at any time a Settlement Disruption Event has occurred and where it determines such an event has occurred and so has prevented delivery of Securities on the original day that but for such Settlement Disruption Event would have been the Settlement Date, then the Settlement Date will be the first succeeding day on which delivery of such Securities can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the eighth relevant Clearing System Business Days immediately following the original date (or during such other period (the "**Disruption Period**") specified in the relevant Final Terms) that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case, if the Securities are debt securities, the Issuer shall use reasonable efforts to deliver such Securities promptly thereafter in a commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion) outside the Clearing System and in all other cases (a) if such Securities can be delivered in any other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion), then the Settlement Date will be the first Business Day on which settlement of a sale of Securities executed on the eighth relevant Clearing System Business Day, or during such other period specified in the relevant Final Terms, customarily would take place using such other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion) of delivery (which other manner of delivery will be deemed the relevant Clearing System for the purposes of delivery of the relevant Securities), and (b) if such Securities cannot be delivered in any other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion), then the Settlement Date will be postponed until delivery can be effected through the relevant Clearing System or in any other commercially reasonable manner.

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

(f) ***Adjustments and Events affecting Securities***

This Condition 18(f) is applicable only in relation to Security Warrants and Security Basket Warrants.

(i) *Potential Adjustment Events*

The Calculation Agent shall determine, in its sole and absolute discretion, whether or not at any time a Potential Adjustment Event has occurred and where it determines such an event has occurred, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Securities and, if so, will make such adjustment as it in its sole and absolute discretion determines to be appropriate, if any, to the Strike Price, the number of Securities to which each Warrant relates and to any other exercise, settlement, payment or other term of the relevant Warrants, including without limitation the amount, number or type of cash, Securities, other securities or other property which may be transferred under such Warrants and determine the effective date(s) of such adjustment(s).

(ii) *Extraordinary Events*

Following the occurrence of any Extraordinary Event, the Calculation Agent will, in its sole and absolute discretion, determine whether or not the Warrants shall continue and, if so, determine, in its sole and absolute discretion, any adjustments to be made. If the Calculation Agent determines that the relevant Warrants shall continue, it may make such adjustment as it, in its sole and absolute discretion, determines to be appropriate, if any, to the amount, number or type of Securities, other property or securities which may be transferred under the Warrants, including, without limitation, the Strike Price, the formula for the Cash Settlement Amount set out in the relevant Final Terms and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent in its sole and absolute discretion determine. If the Calculation Agent determines in its sole and absolute discretion that the relevant Warrants shall be terminated, then the Warrants shall cease to be exercisable (or, in the case of Warrants which have been exercised, the entitlements of the respective exercising Warrantholders to receive Securities or the Cash Settlement Amount, as the case may be, pursuant to such exercise shall cease) and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of such amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the termination of the Warrants.

(iii) *Conversion*

In respect of a Security Warrant or a Security Basket Warrant which relates to debt securities, following the occurrence of any Conversion, the Calculation Agent will, in its sole and absolute discretion, determine whether or not the Warrants will continue and, if so, determine, in its sole and absolute discretion, any adjustments to be made. If the Calculation Agent determines that the Warrants shall continue, it may make such adjustment as it, in its sole and absolute discretion, determines to be appropriate to the amount, number or type of Securities, other property or securities which may be transferred under the Warrants, including without limitation the Strike Price, the formula for the Cash Settlement Amount set out in the relevant Final Terms and/or any other adjustment and determine, in its sole and absolute discretion, the effective date(s) of such adjustment. If the Calculation Agent determines, in its sole and absolute discretion, that the Warrants shall be terminated, then the Warrants shall cease to be exercisable (or, in the case of any Warrants which have been exercised, the entitlements of the respective exercising Warrantholders to receive Securities or the Cash Settlement Amount, as the case may be, pursuant to such exercise shall cease) as of the date selected by the Calculation Agent in its sole and absolute discretion and the Issuer's obligations under the Warrants shall be satisfied in full upon payment of such amount as, in the opinion of the Calculation Agent (such opinion to be made by the Calculation Agent in its sole discretion) is fair in the circumstances by way of compensation for the termination of the Warrants.

(iv) *Correction of Prices*

In the event that any price published or announced on a given day and utilised or to be utilised for the purpose of any calculation or determination under the Warrants is

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

(g) ***Additional Disruption Events***

Following the occurrence of any Additional Disruption Event, the Calculation Agent will, in its sole and absolute discretion, determine whether or not the Warrants shall continue and, if so, determine, in its sole and absolute discretion, any adjustments to be made. If the Calculation Agent determines that the relevant Warrants shall continue, the Calculation Agent may make such adjustment as it, in its sole and absolute discretion, determines to be appropriate, if any, to the amount, number or type of Securities, other property or securities which may be transferred under the Warrants, including, without limitation, the Strike Price, the formula for the Cash Settlement Amount set out in the relevant Final Terms and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent in its sole and absolute discretion determine. If the Calculation Agent determines in its sole and absolute discretion that the relevant Warrants shall be terminated, then the Warrants shall cease to be exercisable (or, in the case of Warrants which have been exercised, the entitlements of the respective exercising Warrantholders to receive Securities or the Cash Settlement Amount, as the case may be, pursuant to such exercise shall cease) and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of such amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the termination of the Warrants.

For the purposes of each Series of Warrants, "**Additional Disruption Event**" means any event specified as such in the relevant Final Terms, and for such purpose the following terms if so specified shall be deemed to have the following meanings unless otherwise provided in the relevant Final Terms:

- (i) "**Change in Law**" means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (x) it has become illegal for the Issuer to hold, acquire or dispose of Securities or component security, or other components comprised in the Index, relating to such Warrants, (y) it has become illegal for the Issuer to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Warrants, or in relation to the Issuer's hedging activities in connection with the Warrants, (ii) stock loan transactions in relation to such Warrants or (iii) other instruments or arrangements (howsoever described) held by the Issuer in order to hedge, individually or on a portfolio basis, such Warrants or (z) the Issuer will incur a materially increased cost in performing its obligations under the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

- (ii) **"Failure to Deliver"** means the failure of a party to deliver, when due, the relevant Securities in respect of the Warrants, where such failure is due to illiquidity in the market for such Securities;
- (iii) **"Insolvency Filing"** means that the issuer of the Securities institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such petition, **provided that** proceedings instituted or petitions presented by creditors and not consented to by the issuer of the Securities shall not be deemed an Insolvency Filing;
- (iv) **"Hedging Disruption"** means that the Issuer is unable or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Issuer wholly or partially after using commercially reasonable efforts and acting in good faith, to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the Issuer's obligations in respect of the Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s); and
- (v) **"Increased Cost of Hedging"** means that the Issuer would incur a materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Issuer's obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

(h) ***Other Adjustments***

Upon the occurrence of any event(s) that the Calculation Agent determines (in its discretion, but acting reasonably) affects or could potentially affect the value of the Warrants, the Calculation Agent may (in its discretion, but acting reasonably) make any adjustments to the Strike Price, the number and/or type of Securities and/or Indices to which such Warrants relate, or to any exercise, settlement, payment or other terms of such Warrants including, without limitation, the amount, number or type of cash, Securities, other securities or property which may be transferred under such Warrants and determine the effective date(s) of such adjustments.

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

Where the Securities are specified in the relevant Final Terms as being Units in a Fund, in the case of the occurrence at any time on or prior to the Valuation Date of any Extraordinary Event affecting the Fund or the value of the Units, the Calculation Agent may make any adjustment as provided in the preceding provisions of this Condition 18 or:

- (i) if the Calculation Agent determines that no adjustment that it could make under the preceding provision of this Condition 18 would produce a commercially reasonable result:
 - (a) the Calculation Agent will use commercially reasonable efforts to identify a new underlying asset with characteristics, investment objectives and policies similar to those in effect for the Affected Units immediately prior to the occurrence of the relevant Extraordinary Event and any substitution of the new underlying asset for the Affected Units shall be effected at such time and in such manner as determined by the Calculation Agent in its sole and absolute discretion; and

- (b) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to, adjustments to account for changes in volatility, investment strategy or liquidity relevant to the Units or the Warrants; or
- (ii) if the Calculation Agent determines in its sole and absolute discretion that the relevant Warrants shall be terminated, then the Warrants shall be terminated as of the date selected by the Calculation Agent in its sole and absolute discretion and the entitlements of the relevant Warrantholders to receive the relevant Securities Transfer Amount or Cash Settlement Amount, as the case may be, shall cease and the Issuer's obligations under the relevant Warrants shall be satisfied in full upon payment of an amount as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the termination of the Warrants.

In this Condition 18(i) "**Affected Unit(s)**" means each Unit subject to an applicable Extraordinary Event.

PRO FORMA FINAL TERMS FOR EQUITY-LINKED WARRANTS AND INDEX-LINKED WARRANTS

Set out below is the form of Final Terms which will be completed for each Tranche of Equity-Linked Warrant or Index-Linked Warrant issued under the Programme.

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required in respect of such terms or information.]

[Warrants issued pursuant to these Final Terms are securities to be listed under Listing Rule 19.⁶⁶]

Final Terms dated [•]

Series No.: [•]

Tranche No.: [•]

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

Issue of

[Aggregate Principal Amount of Tranche]

[Title of Warrants]

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

PART A - CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Warrants described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants (the "**Conditions**") set forth in the Base Prospectus dated 19 June 2012 in relation to the above Programme, which [together with the supplemental prospectus[es] dated [•]] constitute[s] a base prospectus ("**Prospectus**") [for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**")]⁶⁷.

[This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus.]⁶⁸ Full information on the Issuer and

⁶⁶ To be included in respect of all issues which are to be admitted to listing.

⁶⁷ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

⁶⁸ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Prospectus. [The Prospectus is available for viewing at [address] [and] [website]⁶⁹ and copies may be obtained from [address].]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2007/2008/2009/2010/2011] Conditions (the "**Conditions**"), which are defined in, and incorporated by reference into, the Base Prospectus dated 19 June 2012 and which are applicable to the Warrants. This document constitutes the Final Terms of the Warrants described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**")]⁷⁰ and must be read in conjunction with the Base Prospectus dated 19 June 2012 which [together with the supplemental prospectus[(es)] dated [•]], constitute[s] a base prospectus ("**Prospectus**") [for the purposes of the Prospectus Directive]⁷¹. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms, the Conditions and the Prospectus. The Prospectus and the Conditions are available for viewing during normal business hours at [address] [and] [website]⁷² and copies may be obtained from [address].

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

IMPORTANT NOTICES

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

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B ("RSA 421-B") OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Warrants, the Issuer will promptly furnish, upon request of a holder of a Warrant, to such holder and a prospective

⁶⁹ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

⁷⁰ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

⁷¹ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

⁷² Only for Warrants which are publicly offered or admitted to trading on a regulated market.

purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.]

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

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

1. Issuer: HSBC Bank plc
2. Principal Warrant Agent: HSBC Bank plc
3. Calculation Agent: [HSBC Bank plc] [HSBC France]
4. Warrant Agent: HSBC Bank plc
5. (i) Series number: []
(ii) [Tranche number: []
(If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible).]
6. Specified Currency or Currencies: []
7. Aggregate Number of Warrants in the:
[(i) Series:] []
[(ii) Tranche:] []
8. Issue Date: []
9. Issue Price: [currency] [amount] per Warrant
10. Strike Price: [currency] [amount]
11. Final Price: [] [[The definition in Condition 17 applies]
12. Reference Price: [] [[The definition in Condition 17 applies]
13. Date [Board] approval for the issuance of Warrants obtained: [] [and [], respectively]] [Not applicable]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Warrants)
14. Type of Warrants: [Security Warrant / Security Basket Warrant / Index Warrant / Index Basket Warrant]

15. Series represented by: [Global Warrant ⁷³ / Global Registered Warrant]/[NA]. Warrants in definitive form [will / will not] be issued.] *[other (specify)]*
16. Form of Warrant: [Book-Entry Form Warrants/Registered Warrants/Uncertificated Registered Warrants]
17. Style of Warrants: The Warrants are [American / European / Bermudan / *other (specify)*] Style [Call/Put] Warrants. Condition [3(a)/3(b)/3(c)] is applicable.
18. (i) Expiry Date: [*Time*] [*City*] time [*specify fallback if Expiry Date is not a business day*]
- (ii) Exercise Procedure: [Condition 4 is applicable / *other (specify)*]
- (iii) Automatic Exercise: [Applicable/Not applicable]⁷⁴
- (iv) Exercise Period: [*American Style Warrants only*]. [The period beginning from (and including) [] and ending on (and including) the Expiry Date]
- (v) Potential Exercise Date(s): [*Bermudan Style Warrants only*] [*insert date*]
- (vi) Knock-in Event: [Applicable to [*specify relevant payment or delivery*]]
- Knock-in Event: [] [Greater than / greater than or equal to / less than / less than or equal to / the Knock-in [Price/Level]]
- Knock-in Period Beginning Date (if other than as specified in the definition thereof in Condition 17(a)): []
- Knock-in Period Ending Date (if other than as specified in the definition thereof in Condition 17(a)): []
- Knock-in Price: []
- Knock-in Valuation Time (if other than as specified in the definition thereof in Condition 17(a)): []
- (vii) Knock-out Event: [Applicable to [*specify relevant payment or delivery*]]
- Knock-out Event: [] [Greater than / greater than or equal to / less than / less than or equal to / the

⁷³ Warrants will generally be in book-entry form represented by a Global Warrant. If, and only if Warrants are being sold in reliance on Rule 144A, will they be in registered form and represented by a Global Registered Warrant.

⁷⁴ Refer to Listing Rule 19.2.6. If the Warrants are Retail Securitised Derivatives as defined in Listing Rule 19, then automatic exercise is required.

		Knock-out [Price/Level]]
	-	Knock-out Period Beginning Date (if other than as specified in the definition thereof in Condition 17(a)): []
	-	Knock-out Period Ending Date (if other than as specified in the definition thereof in Condition 17(a)): []
	-	Knock-out Price: []
	-	Knock-out Valuation Time (if other than as specified in the definition thereof in Condition 17(a)): []
19.	(i)	Minimum Exercise Number: [] Warrants
	(ii)	Permitted Multiple: [] Warrants
20.	Cash Settlement:	[Applicable. The Warrants are Cash Settlement Warrants. Condition 3(d) (<i>Cash Settlement</i>) [and Condition 3(f) (<i>Optional Physical Settlement</i>)] [applies/apply]/[Not applicable].
	(i)	Settlement Currency: []
	(ii)	Cash Settlement Amount: []
	(iii)	Cash Settlement Payment Date: []
21.	Physical Settlement:	[Applicable. The Warrants are Physical Settlement Warrants. Condition 3(e) (<i>Physical Settlement</i>) [and Condition 3(g) (<i>Optional Cash Settlement</i>)] [applies/apply]/[Not applicable].
	(i)	Strike Price Payment Date: []
	(ii)	Settlement Date: []
		(Consider treatment of dividends).
		Stamp duty [is / is not] currently payable by the Warrantholder on Security delivery. There [are / are no] restrictions on the transferability of the Securities.
22.	Index Warrant or Index Basket Warrant:	[Applicable. The Warrants are [Index Warrants / Index Basket Warrants]]/[Not applicable].
	(i)	Index/Indices: [] [The Exchanges/[] [] [is / are] Multiple Index Exchange(s)]
	(ii)	Basket: [(specify each Index in the Basket and indicate the relative proportions)/Not applicable]

- (iii) Index Sponsor(s): ☐ [The definition in Condition 17 applies]
- (iv) Index Rules: ☐ [Not applicable]
- (v) Exchange(s): ☐
- (vi) Related Exchange(s): ☐ [All Exchanges]
- (vii) Valuation Time: ☐
- (viii) Valuation Date: ☐
- (ix) Averaging Dates: [Applicable / Not applicable] *[If applicable, specify dates]*
- (x) Reference Level: ☐ [The definition in Condition 17 applies]
- (xi) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law, Hedging Disruption, Increased Cost of Hedging] *[other (specify)]* [Not applicable]]
- (xii) Initial Index Level: ☐
- (xiii) Final Index Level: ☐
- (xiv) Other Information: ☐
23. Security Warrant or Security Basket Warrant: [Applicable. The Warrants are [Security Warrants / Security Basket Warrants]/[Not applicable].
- (i) Securities: [[Ordinary/*other (specify)*] shares of [par value] *[currency/amount]* of ☐ and "Security" means any one of them.]
- [Units in the Fund, where "Fund" means ☐, "Unit" means a share or notional unit of the Fund (as defined in the Fund Documents), the price of which is denominated in ☐. [The Units represent undivided ownership interests in the portfolio of investments held by the Fund]*[delete if not applicable]*, "Underlying Index" means ☐ Condition 18 shall apply to the Notes as if references therein to "Underlying Company" were references to the "Fund" and as if references therein to "Security" were references to "Unit".
- (ii) Basket: *[specify each Security in the Basket and indicate the relative proportions/Not applicable]*
- (iii) Exchange(s): *[specify exchange on which the Securities are listed]*
- (iv) Related Exchange: *[specify/Not applicable]*
- (v) Valuation Time: ☐
- (vi) Valuation Date: ☐

- (vii) Averaging Dates: [Applicable / Not applicable] *[If applicable, specify dates]*
- (viii) Clearing System: []
- (ix) Additional Disruption Event: [The following Additional Disruption Events apply: [Change in Law, Hedging Disruption, Increased Cost of Hedging] *[other (specify)]*]/[Not applicable]]
24. Averaging Date Market Disruption: [Omission / Postponement / Modified Postponement / Not applicable / *other (specify)*]
25. Business Day: [As in the Conditions / *other (specify)*]
26. Expiry Business Day: []/[Not applicable]
27. [Determination Date:] [] [Not applicable]
28. Selling Restrictions: In addition to selling restrictions listed in "Purchase and Sale of the Warrants" contained in the Base Prospectus:
- (Specify any selling restrictions applicable to the Warrants which are additional to, or in substitution for, those contained in the Base Prospectus)*
29. Other Final Terms: []⁷⁵

⁷⁵ *If new term constitutes a "significant new factor", consider whether a drawdown prospectus or a new base prospectus is required.*

[LISTING AND ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Warrants described herein pursuant to the Programme for the Issuance of Notes and Warrants of HSBC Bank plc.]

[In offer of Warrants pursuant to Rule 144A insert:

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers of Warrants 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 Warrants.

Each prospective purchaser of Warrants offered in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of these Final Terms and the accompanying Prospectus, will be deemed to have represented and agreed with respect to such Warrants as follows:

- (a) such 144A Offeree acknowledges that these Final Terms and the accompanying 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 Warrants other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of these Final Terms and the accompanying 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 these Final Terms and the accompanying Prospectus or any documents referred to herein.

Each purchaser of Warrants sold in reliance on Rule 144A ("**Restricted Warrants**") 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 Warrants for its own account or for the account of a qualified institutional buyer, and (C) such person is aware that the sale of the Warrants to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Warrants 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 Warrants 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 certificates representing Restricted Warrants will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THIS WARRANT [AND THE SECURITIES TO BE DELIVERED UPON EXERCISE HEREOF]⁷⁶ HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), ANY STATE SECURITIES LAWS OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. EACH PURCHASER OF THIS WARRANT IS HEREBY NOTIFIED THAT THE SELLER OF THIS WARRANT MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THIS WARRANT, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS WARRANT MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH

⁷⁶ To be included if the underlying securities have not been registered under the Securities Act.

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

UNLESS OTHERWISE PROVIDED IN A PROSPECTUS SUPPLEMENT OR APPLICABLE FINAL TERMS, EACH PURCHASER OR TRANSFEREE OF THIS WARRANT (OR ANY INTEREST HEREIN) WILL BE DEEMED BY ITS ACQUISITION AND HOLDING OF THIS WARRANT TO HAVE REPRESENTED AND AGREED EITHER THAT (I) IT IS NOT (A) AN "EMPLOYEE BENEFIT PLAN" AS DESCRIBED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, (B) A "PLAN" AS DESCRIBED IN SECTION 4975(E)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") TO WHICH SECTION 4975 OF THE CODE APPLIES, (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE, "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (ANY OF THE FOREGOING, A "**BENEFIT PLAN INVESTOR**") OR (D) ANY EMPLOYEE BENEFIT PLAN SUBJECT TO ANY U.S. FEDERAL, STATE OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (A "**SIMILAR LAW PLAN**"), OR (II) IT IS A SIMILAR LAW PLAN (THAT IS NOT A BENEFIT PLAN INVESTOR) AND ITS PURCHASE, HOLDING AND DISPOSITION OF THIS WARRANT (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SUCH SUBSTANTIALLY SIMILAR LAW. ANY PURPORTED PURCHASE OR TRANSFER OF THIS WARRANT THAT DOES NOT COMPLY WITH THE FOREGOING SHALL BE NULL AND VOID *AB INITIO*.

ANY EXERCISE OF THIS WARRANT WILL BE CONDITIONED ON (1) THE DELIVERY OF A DULY EXECUTED EXERCISE NOTICE BY THE HOLDER HEREOF AND (2) WITH RESPECT TO EXERCISE BY ANY US PERSON, THE UNDERLYING SECURITIES BEING (A) REGISTERED UNDER THE SECURITIES ACT OR (B) SUBJECT TO AN EXEMPTION FROM REGISTRATION THEREUNDER AT THE TIME OF SUCH EXERCISE.

- (4) Each purchaser of Restricted Warrants 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 it is acquiring any Restricted Warrants for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) Before any interest in a Warrant represented by a Restricted Global Registered Warrant 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 Warrant, the transferor will be required to provide the Registrar with written certification as to compliance with the transfer restrictions referred to in items (B) or (C) of the second paragraph of the legend set forth above. See "*Summary of Provisions relating to the Warrants While in Global Form*" in the accompanying Base Prospectus.

[RESPONSIBILITY]

The Issuer accepts responsibility for the information contained in these Final Terms. [(Indices/share information) has been extracted from [(insert name of source of information e.g. FTSE 100, Dow Jones etc.)]. [(Relevant third party information) has been extracted from [(specify source)]]]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to

ascertain from information published by [(insert name of source of information e.g. FTSE 100, Dow Jones etc.)], no facts have been omitted which would render the reproduced inaccurate or misleading.]]

CONFIRMED

HSBC BANK PLC

By:
Authorised Signatory

Date:

PART B - OTHER INFORMATION

1. LISTING

- (i) Listing: [Application [will be/has been] made to admit the Warrants to listing on the Official List of the Financial Services Authority pursuant to Listing Rule 19. No assurance can be given as to whether or not, or when, such application will be granted/Not applicable]
- (ii) Admission to trading: [Application has been made for the Warrants to be admitted to trading [Regulated Market/other (specify)] with effect from []. No assurance can be given as to whether or not, or when, such application will be granted.] [Application has been made to have the Warrants admitted to trading on the PORTAL System of the US National Association of Securities Dealers.] [Not applicable]
- (Where documenting a fungible issue need to indicate that original warrants are already admitted to trading.)⁷⁷*

2. NOTIFICATION

[The Financial Services Authority ("FSA") [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the Financial Market Association (Austria), the Financial Services and Markets Authority (Belgium), the Autorité des marchés financiers (France), the Federal Financial Supervisory Authority (Germany), the Central Bank of Ireland (Ireland), the Commissione Nazionale per le Società e la Borsa (Italy), the Commission de Surveillance du Secteur Financier (Luxembourg), the Malta Financial Services Authority (Malta), the Comisión Nacional del Mercado de Valores (Spain) and the Netherlands Authority for the Financial Markets (Netherlands) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.] [Not applicable]

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

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)

["Save as discussed in ["Purchase and Sale of Warrants"], so far as the Issuer is aware, no person involved in the offer of the Warrants has an interest material to the offer."]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently whether a drawdown prospectus or a new base prospectus would be required in respect of such final terms.)]

4. [Index-Linked, Equity-Linked or other variable-linked Interest Warrants only - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING⁷⁸

(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained (and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident)⁷⁹. Where the underlying is an index need to include the name of the index

⁷⁷ Not required for derivative securities which can only be acquired for at least EUR 100,000 per security.

⁷⁸ Refer to Prospectus Rules, Annex XII, paragraph 4.2.2 for disclosure requirements.

⁷⁹ Not required for derivative securities which can only be acquired for at least EUR 100,000 per security.

and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Also include appropriate index disclaimers. Where the underlying is not an index, need to include equivalent information.)

The Issuer [intends to provide post-issuance information (specify what information will be reported and where it can be obtained)]/[does not intend to provide post-issuance information].

5. **[REASONS FOR THE OFFER ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]**

- (i) Reasons for the offer: [] (Specify reason only if reason is different from making profit or hedging activities, otherwise: not applicable)]
- (ii) Estimated net proceeds: (Specify if reasons for the offer are specified above under (i), otherwise: Not applicable.) (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (iii) Estimated total expenses: (Specify if reasons for the offer are specified above under (i), otherwise: Not applicable) [Include breakdown of expenses]⁸⁰

OPERATIONAL INFORMATION

6. ISIN Code: [[]/Not applicable]
7. Common Code: [[]/Not applicable]
8. CUSIP: [[]/Not applicable]
9. Valoren Number: [[]/Not applicable]
10. SEDOL: [[]/Not applicable]
11. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [None/specify]
12. Delivery: Delivery [against/free of] payment
13. Additional Paying Agent(s) (if any): [None/specify]
14. Common Depositary: [HSBC Bank plc/Not applicable/specify]
15. Notices: (Condition 10) [As per Condition 10 / specify any other means of effecting communication]
16. City in which specified office of Registrar to be maintained: [Not applicable/London/specify]
17. ERISA Considerations: [The Notes may not be purchased by "benefit plan investors". See "Certain ERISA Considerations" in the Base Prospectus for further information./give details]
[Not applicable]

⁸⁰ Not required for debt securities with a denomination per unit of at least EUR 100,000.

TERMS AND CONDITIONS OF THE OFFER [*this section applies only to public offers*]

- | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 18. | Offer Price: | [Issue Price][<i>other (specify)</i>] |
| 19. | Conditions to which the offer is subject: | [Not applicable/ <i>give details</i>] |
| 20. | Description of the application process: | [Not applicable/ <i>give details</i>] |
| 21. | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [Not applicable/ <i>give details</i>] |
| 22. | Details of the minimum and/or maximum amount of application: | [Not applicable/ <i>give details</i>] |
| 23. | Details of the method and time limits for paying up and delivering the Warrants: | [Not applicable/ <i>give details</i>] |
| 24. | Manner in and date on which results of the offer are to be made public: | [Not applicable/ <i>give details</i>] |
| 25. | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not applicable/ <i>give details</i>] |
| 26. | Categories of potential investors to which the Warrants are offered and whether tranche(s) have been reserved for certain countries: | [Not applicable/ <i>give details</i>] |
| 27. | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [Not applicable/ <i>give details</i>] |
| 28. | Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [Not applicable/ <i>give details</i>] |
| 29. | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: | [None/ <i>give details</i>] |

INDEX DISCLAIMERS

Where a Series of Notes or Warrants relates to any of the Indices specified below, a statement regarding such Index will be included in the relevant Final Terms in or substantially in the form for such Index set out below.

STATEMENTS REGARDING THE DOW JONES EURO STOXX 50SM INDEX

The following statement is required by the licensor of the Dow Jones Euro STOXX[®] 50 Index:

STOXX Limited ("STOXX") and Dow Jones & Company, Inc. ("Dow Jones") have no relationship to the Issuer other than the licensing of the Dow Jones Euro STOXX[®] 50 Index and the related trademarks for use in connection with the Notes.

STOXX and Dow Jones do not:

- Sponsor, endorse, sell or promote the Notes.
- Recommend that any person invest in the Notes or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Notes.
- Have any responsibility or liability for the administration, management or marketing of the Notes.
- Consider the needs of the Notes or the owners of the Notes in determining, composing or calculating the Dow Jones Euro STOXX[®] 50 Index or have any obligation to do so.

STOXX and Dow Jones will not have any liability in connection with the Notes. Specifically,

- **STOXX and Dow Jones do not make any warranty, express or implied and disclaim any and all warranty about:**
 - **The results to be obtained by the Notes, the owner of the Notes or any other person in connection with the use of the Dow Jones Euro STOXX[®] 50 Index, and the data included in the Dow Jones Euro STOXX[®] 50 Index;**
 - **The accuracy or completeness of the Dow Jones Euro STOXX[®] 50 Index and its data;**
 - **The merchantability and the fitness for a particular purpose or use of the Dow Jones Euro STOXX[®] 50 Index and its data;**
- **STOXX and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones Euro STOXX[®] 50 Index or its data;**
- **Under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur.**

The licensing agreement between the Issuer and STOXX is solely for their benefit and not for the benefit of the owners of the Notes or any other third parties.

(Source: STOXX Limited)

STATEMENTS REGARDING THE STANDARD & POOR'S 500[®] INDEX (THE "S&P 500 INDEX")

The Notes are not sponsored, endorsed, sold or promoted by Standard & Poor's Corporation ("S&P"). S&P makes no representation or warranty, express or implied, to any Noteholders in respect of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes

in particular or the ability of the S&P 500 Index to track general stock market performance. S&P's only relationship with the Issuer is the licensing of certain trademarks and trade names of S&P and of the S&P 500 Index which is determined, composed and calculated by S&P without regard to the Issuer or the Notes.

S&P has no obligation to take the needs of the Issuer or any holders of the Notes into consideration in determining, composing or calculating the S&P 500 Index. S&P is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Notes to be offered or taken or in the determination or calculation of the equation by which the Notes are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Notes.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER IN RESPECT OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

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(Source: Standard & Poor's Corporation)

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(Source: The Nasdaq Stock Market, Inc.)

STATEMENTS REGARDING THE NIKKEI 225[®] INDEX (THE "NIKKEI INDEX")

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In addition, NKS gives no assurance regarding any modification or change in any methodology used in calculating the Nikkei Index and is under no obligation to continue the calculation, publication and dissemination of the Nikkei Index.

(Source: Nihon Keizai Shinbun, Inc.)

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(Source: Euronext Paris S.A)

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(Source: SWX Swiss Exchange)

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The Issuer shall have no liability to the Holders of the Notes or Warrants for any act or failure to act by any index sponsor in connection with the calculation, adjustment or maintenance of any index relating to the Notes or Warrants. The Issuer has no affiliation with or control over any index or any index sponsor or any control over the computation, composition or dissemination of any index. The only relationship the Publisher has with the Issuer is as licensee (the "**Licensee**") regarding the licensing of certain trademarks and trade names of the Publisher and of the relevant index which is determined, composed and calculated without regard to the Licensee or the Notes or Warrants. The Publisher is not responsible for and neither has participated in the determination of the timing of, prices at, or quantities of the Notes or Warrants to be offered or issued or in the determination or calculation of the equation by which the Notes or Warrants to be offered or issued are to be converted into cash or otherwise disposed of. The Publisher does not have any obligation or liability in connection with the administration, marketing or trading of the Notes or Warrants to be offered or issued.

Although the Issuer will obtain information concerning various indices from publicly available sources it believes reliable, it will not independently verify this information.

The provisions of this section are without prejudice to the responsibilities assumed by the Issuer in this Base Prospectus.

The relevant index disclaimer relating to each index to which any Notes or Warrants are linked (which may be substantially in one of the forms set out in "Part D - Index Disclaimers") shall be reproduced in full in the relevant Final Terms for such issue.

ETF Disclaimers

Where a Series of Notes or Warrants relates to any ETFs, a statement will be included in the relevant Final Terms in or substantially in the form set out below.

Notes or Warrants issued by the Issuer are not sponsored, endorsed, sold or promoted by any ETF, any ETF manager or the affiliates of any such ETF or ETF manager (collectively, the "**Publisher**"). The Publisher shall not be liable (whether as a result of negligence or otherwise) to any person for any error in any information relating to such ETF and the Publisher is under no obligation to advise any person of any error therein. The Publisher does not make any representation or warranty, express or implied, to the prospective investors or any member of the public regarding the advisability of investing in securities generally or in the Notes or Warrants particularly.

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Although the Issuer will obtain information concerning various ETFs or ETF managers from publicly available sources it believes reliable, it will not independently verify this information.

The provisions of this section are without prejudice to the responsibilities assumed by the Issuer in this Base Prospectus.

ANNEX 1 TO PART D - HSBC MANAGED INDICES GROUND RULES

ANNEX 2 TO PART D – INFORMATION ON THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARES

The Preference Share Issuer

Eukairos Investments Limited (the "**Preference Share Issuer**") is a private company limited by shares and was incorporated under the Companies Act 2006 on 30 April 2010 (with registered number 7240905). The Preference Share Issuer is governed by the laws of England and Wales and has its registered office at 35 Great St Helens, London, EC3A 6AF, United Kingdom.

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

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

The Preference Shares

The Preference Share Issuer may issue redeemable Preference Shares of any kind including, but not limited to, Preference Shares linked to a specified index or basket of indices, a specified share or basket of shares, a specified currency or basket of currencies, a specified debt instrument or basket of debt instruments, a specified commodity or basket of commodities, a specified fund share or unit or basket of fund shares or units or to such other underlying instruments, bases of reference or factors (the "**Preference Share Underlying**") and on such terms as may be determined by the Preference Share Issuer and specified in the applicable Conditions of the relevant series of Preference Shares (the "**Terms of the Preference Shares**"). The Terms of the Preference Shares, and any non-contractual obligations arising out of or in connection with the Terms of the Preference Shares, shall be governed by and construed in accordance with English law.

Each Preference Share will be issued at £1.00.

The performance of the Preference Shares depends on the performance of the Preference Share Underlying to which the relevant Preference Shares are linked. In determining the value of the Preference Shares, the Preference Share Calculation Agent shall employ the calculation procedure and methodology set out in the applicable Terms of the Preference Shares.

The value of the Preference Shares will be available on written request at the principal office of the Issuer in London (being at the date hereof at HSBC Bank plc, 8 Canada Square, Canary Wharf, London E14 5HQ – Attention: Global Banking and Markets, Equity Derivatives and Third Party Distribution), **provided that** in the case of Notes which are not listed or publicly offered (within the definition of the Prospectus Directive) such information will only be available against such proof of Noteholder status as the Issuer may reasonably request.

**REGISTERED AND HEAD
OFFICE OF THE ISSUER**

HSBC Bank plc
8 Canada Square
London E14 5HQ
UK

**PRINCIPAL PAYING
AGENT, PRINCIPAL
WARRANT AGENT, ISSUE
AGENT, REGISTRAR,
TRANSFER AGENT AND
AUTHENTICATION AGENT**

DEALER

HSBC Bank plc
8 Canada Square
London E14 5HQ
UK

HSBC Bank plc
8 Canada Square
London E14 5HQ
UK

CALCULATION AGENT

HSBC Bank plc
8 Canada Square
London E14 5HQ
UK

HSBC France
15, rue Vernet
75008 Paris
France

REGISTRAR

HSBC Bank USA,
National Association
Corporate Trust
452 Fifth Avenue
New York, New York, 10018
USA

**LEGAL ADVISERS TO THE
ISSUER AND THE DEALER**

as to English law

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
UK