

PART E - PRODUCT SUPPLEMENT FOR MARKET ACCESS SECURITIES



HSBC Bank plc

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

PROGRAMME FOR THE ISSUANCE OF MARKET ACCESS SECURITIES

Market Access Notes and Market Access Warrants

This product supplement in relation to Market Access Securities constitutes Part E ("**Part E**") 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 E and any other statement in, or incorporated by reference in, other parts of the Base Prospectus, the statements in this Part E will prevail for the purposes of Part E.

Notes and Warrants issued pursuant to the Programme may include Market Access Notes ("**MANs**") and Market Access Warrants ("**MAWs**", together with MANs, "**Market Access Securities**"), being Notes and Warrants in relation to which the redemption amount payable at maturity or earlier redemption (for MANs) and the cash settlement amount (for MAWs) payable at expiration or earlier exercise is linked to the performance of (a) one or more securities (together, the "**Underlying Securities**" and each, an "**Underlying Security**") issued by one or more underlying companies (together, the "**Underlying Companies**" and each, an "**Underlying Company**") which are, or are expected to be, listed and/or admitted to trading on one or more stock exchanges, (b) one or more indices (together, the "**Underlying Indices**" and each, an "**Underlying Index**") being composed of one or more reference securities (together the "**Reference Securities**" and each, a "**Reference Security**"), (c) one or more funds (together, the "**Underlying Funds**" and each, an "**Underlying Fund**") or (d) one or more exchange-traded funds (together, the "**Underlying ETFs**" and each, an "**Underlying ETF**") which are, or are expected to be, listed and/or admitted to trading on one or more stock exchanges. (Underlying Securities, Underlying Indices, Underlying Funds and Underlying ETFs together, the "**Underlyings**" and each, an "**Underlying**") may relate to one or more underlying countries (together, the "**Underlying Countries**" and each, an "**Underlying Country**") and be referenced in one or more underlying currencies (together, the "**Underlying Currencies**" and each, an "**Underlying Currency**") which may be different from the settlement currency and/or specified currency of the Market Access Securities (the "**Settlement Currency**" and "**Specified Currency**" respectively). Market Access Securities may include, among others, Participating Access-Linked Middle-Eastern Securities ("**PALMS**"), Greater African Zone Equity-Linked Securities ("**GAZELS**"), Euro-Zone Notes ("**E-Z Notes**"), Latin American Market Access Securities ("**LAMAS**"), Securities Participating in Indian Company Equity ("**SPICES**") and Saudi Participating Access-Linked Middle-Eastern Securities ("**Saudi PALMS**") and Low Exercise Price Options ("**LEPOs**"). The purpose of this Part E is to provide information in relation to Market Access Securities. This Supplement should be read together with Parts A, B and D of the Base Prospectus in the case of MANs and Parts A, C and D of the Base Prospectus in the case of MAWs.

An investment in Market Access Securities 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 inconsistent with this Part E or any other information supplied in connection with the Market Access Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Part E nor any further information supplied in connection with the Market Access Securities (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 E or any other information supplied in connection with Market Access Securities should subscribe for or purchase Market Access Securities. Each investor contemplating subscribing for or purchasing Market Access Securities should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Part E nor any other information supplied in connection with Market Access Securities constitutes an offer by or on behalf of the Issuer to subscribe for or purchase Market Access Securities.

The distribution of this Part E and the offer, distribution or sale of Market Access Securities may be restricted by law in certain jurisdictions. The Issuer does not represent that this document may be lawfully distributed, or that any Market Access Securities 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 Market Access Securities or a distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Market Access Securities may be offered or sold, directly or indirectly, and neither this Part E 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 E or any Market Access Securities come must inform themselves about, and observe, any such restrictions.

Market Access Securities 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. Market Access Securities may include MANs in bearer form that are subject to US tax law requirements.

As at the date of the Base Prospectus investors in Market Access Securities are generally required to enter into investor letters with the Issuer and the Dealer. Such letters may include certain representations and warranties to be given by the investors and acknowledgements of transfer or selling restrictions and risks relating to the relevant Market Access Securities. The forms of such letters may change from time to time and the investors may obtain the current form of letter in relation to any particular Market Access Security from the Issuer.

Arranger and Dealer
HSBC

CONTENTS

| | Page |
|---|-------------|
| IMPORTANT NOTICES | E-3 |
| PRODUCT DESCRIPTION – MARKET ACCESS SECURITIES | E-8 |
| CERTAIN ERISA CONSIDERATIONS – MARKET ACCESS SECURITIES | E-9 |
| MARKET ACCESS NOTES – TERMS AND CONDITIONS | E-11 |
| ADDITIONAL PROVISIONS RELATING TO MARKET ACCESS NOTES | E-12 |
| <i>PRO FORMA</i> FINAL TERMS FOR MARKET ACCESS NOTES | E-47 |
| MARKET ACCESS WARRANTS – TERMS AND CONDITIONS | E-74 |
| ADDITIONAL PROVISIONS RELATING TO MARKET ACCESS WARRANTS..... | E-75 |
| <i>PRO FORMA</i> FINAL TERMS FOR MARKET ACCESS WARRANTS | E-111 |
| SCHEDULE TO PART E – COUNTRY SUPPLEMENTS | E-135 |
| INDEX OF DEFINED TERMS | 146 |

IMPORTANT NOTICES

Each prospective purchaser must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the relevant Market Access Securities and consequential exposure to the relevant Underlying(s) and, if applicable, any relevant Underlying Company or Reference Security (i) is fully consistent with its (or, if it is acquiring Market Access Securities in a fiduciary capacity, its beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring Market Access Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring Market Access Securities in a fiduciary capacity, for its beneficiary), notwithstanding the risks inherent in investing in or holding the relevant Market Access Securities.

The Issuer does not make any representation or warranty, express or implied, regarding the likely investment performance of the relevant Underlying(s) and, if applicable, any relevant Underlying Company or Reference Security, or any Market Access Securities; the suitability of the relevant Market Access Securities for any investor or for the accuracy, completeness or adequacy of the information relating to the relevant Underlying(s) and, if applicable, any relevant Underlying Company or Reference Security and no liability to any party is accepted by the Issuer in connection with any of the above matters.

Each prospective purchaser of Market Access Securities should undertake an independent investigation of the relevant Underlying(s) and, if applicable, any relevant Underlying Company or Reference Security as in its judgement is appropriate to make an informed decision with respect to an investment based on the performance of such Underlying(s) and, if applicable, any such Underlying Company or Reference Security.

The Issuer shall not undertake any investigation of the relevant Underlying(s) and, if applicable, any relevant Underlying Company or Reference Security relating to the relevant Market Access Securities. In addition, the Issuer shall not independently review, verify or confirm any prospectus or offering document relating to the relevant Underlying(s) and, if applicable, any relevant Underlying Company or Reference Security relating to the relevant Market Access Securities.

The Issuer has no ability to control or predict the actions of any Underlying Company or Reference Security including any corporate actions of the type that would qualify as an event that requires adjustment to the Conditions of the relevant Market Access Securities, such as a Merger Event, Potential Adjustment Event or Extraordinary Event.

This Base Prospectus does not provide information with respect to the relevant Underlying(s). The Final Terms will provide references to one or more source(s) from which investors may obtain information with respect to the relevant Underlying(s) and, if applicable, any relevant Underlying Company or Reference Security. However, no investigation shall be made of the financial condition or creditworthiness of any relevant Underlying Company or Reference Security, or the relevant Underlying(s) themselves in connection with the issuance of any Market Access Securities. An investor in Market Access Securities is advised to obtain and evaluate the same information concerning the relevant Underlying(s) and, if applicable, any Underlying Company or Reference Security as it would if it were investing directly in the relevant Underlying(s) and, if applicable, any Underlying Company or Reference Security. In addition, investors should understand that the historical performance of the relevant Underlying(s) and, if applicable, any Underlying Company or Reference Security should not be viewed as predictive of future results.

No representation or warranty, whether implied or otherwise, is given by the Issuer as to the past, present or future performance of the relevant Underlying(s) and, if applicable, any related Underlying Company or Reference Security. The Issuer is not a source of advice, information or credit analysis with respect to the Underlying(s) and, if applicable, any related Underlying Company or Reference Security. In particular, this Base Prospectus and the relevant Final Terms shall not constitute investment advice. The Issuer does not assume any obligation to or relationship of agency or trust with any investor, purchaser or prospective investor or purchaser of Market Access Securities.

Market Access Securities are only intended for investors who have the necessary experience and knowledge to understand the risks involved in relation to the MANs (as defined below) and MAWs (as defined below). Prospective investors should understand that in some instances they could suffer a partial or complete loss of their investment, subject, if applicable, to any minimum redemption amount specified in the relevant Final Terms and that any investment return on Market Access Securities is determined by reference to changes in the value of each Underlying (as defined in the section entitled "Risk Factors – Country specific risks relating to Market Access Securities" of this Base Prospectus) specified in the Final Terms, is subject to fluctuation and may be less than would be received by investing in a conventional debt instrument. Changes in value of the Underlying(s) cannot be predicted.

Market Access Securities are only intended for experienced investors who understand and accept the risks associated with derivatives. No person should acquire any Market Access Securities unless (i) that person understands the nature of the relevant transaction, (ii) that person understands the extent of that person's exposure to the relevant Underlying and any potential loss, (iii) that person has a valid business purpose for acquiring such Market Access Securities and (iv) that person's investment in such Market Access Securities is consistent with its overall investment strategy. Each prospective purchaser of the Market Access Securities should consider carefully whether the Market Access Securities it considers acquiring are suitable for it in the light of its investment objectives, investment authorisation, financial capabilities and expertise.

Information herein reflects current market practices and is not intended to constitute business, financial, investment, legal, accounting, regulatory, tax or any other advice and prospective purchasers of Market Access Securities should consult their own advisers to assist them in determining the suitability of the Market Access Securities for them as an investment.

Prospective investors in the Market Access Securities issued in accordance with this Base Prospectus should obtain their own tax advice in relation to their investment.

In the case of Market Access Securities that are related to an Indian equity, Indian debt or an index which references Indian equities, by the purchase of any ODIs (as defined in the section entitled "Risk Factors - Country specific risks relating to Market Access Securities" of this Base Prospectus), each purchaser of the ODIs is deemed to have agreed and undertaken as follows (and, for the avoidance of doubt, such agreements and undertakings shall survive the maturity or expiration date of such ODIs):

- (a) *it will, in the case where it or its nominees, associates or Affiliates (as defined in the Conditions) sell, transfer, assign, novate or otherwise dispose of the ODIs to, or enter into any back-to-back offshore derivatives instruments or enter into an agreement with respect to any of the foregoing with any party:*
 - (i) *provide notice of these "Indian Selling Restrictions" to any person to whom a Transfer (as defined in the section entitled "Risk Factors - Country specific risks relating to Market Access Securities" of this Base Prospectus) was made (the "Transferee"); and*
 - (ii) *issue a written notice to the Issuer in such form as the Issuer may determine within two (2) Hong Kong business days after the Transfer;*
- (b) *the Issuer and its associates/Affiliates are authorised to provide information in their possession regarding it, any Transferee, each of the nominees or associates/Affiliates of it and/or the Transferee, the ODIs and any breach of these representations, warranties, agreements and undertaking to any Indian governmental or regulatory authorities (each an "Authority") as the Issuer or its associates/Affiliates reasonably deems necessary or appropriate in order to comply with regulations or requests of such Authority from time to time, including but not limited to disclosures in periodic reportings made by the Issuer or its associates/Affiliates to any Authority;*
- (c) *it will and shall procure its nominees or associates/Affiliates to, provide the Issuer or its associates/Affiliates (as the case may be) promptly with such additional information that the Issuer or its associates/Affiliates (as the case may be) reasonably deems necessary or appropriate in order to comply with regulations or requests of any Authority from time to time;*

- (d) *it acknowledges that non-compliance with, or breach, violation or contravention of, the obligations under these representations, warranties, agreements and undertakings that (including, without limitation, any restrictions with respect to a Transfer) ("**ODI Holder Obligations**") may result in non-compliance with, or breach, violation or contravention of, applicable laws, regulations, governmental orders or directions, regulatory sanctions against the Issuer and/or its associates/Affiliates and cause irreparable harm to the Issuer and/or its associates/Affiliates. Accordingly, it further acknowledges that, in the event of any non-compliance with, or breach, violation or contravention of the ODI Holder Obligations by it, the Issuer and/or its associates/Affiliates may notify the Authority of the breach, violation or contravention and exercise any rights and take any measures available to the Issuer and/or its associates/Affiliates under the terms of the ODIs including these "Indian Selling Restrictions", or any other measures to prevent, avoid, mitigate, remedy or cure such non-compliance, breach, violation or contravention, including but not limited to termination or compulsory redemption of the ODIs by the Issuer or its associates/Affiliates; and*
- (e) *it will promptly notify the Issuer or its associates/Affiliates should any of the representations, warranties, agreements and undertakings given by it changes or no longer holds true.*

Further, the investor is deemed to accept the risk that if the DTAA's (as defined above) between India and Mauritius/ Singapore/ Cyprus/ Spain/ UK/ France are renegotiated or disallowed so as to introduce capital gains tax on equities so as to be applicable to any FIIs (as defined above) incorporated in such jurisdictions, the Calculation Agent may determine that an amount equal to the charge which would have been suffered by such an FII should be reflected by a reduction in the realisable sale price.

*In the case of Market Access Securities that are related to a Malaysian equity, Malaysian debt or an index which references Malaysian equities, each MAS Holder represents and agrees, as a condition of acquiring or holding such Market Access Securities: (i) that the Issuer is authorised to provide information regarding the MAS Holder (as defined in the section entitled "Risk Factors - Country specific risks relating to Market Access Securities" of this Base Prospectus) to the relevant Underlying Company and any Malaysian governmental or regulatory authority, or if applicable, to any Affiliate for onward transmission to the relevant Underlying Company (as defined in the Conditions) and any such Malaysian governmental or regulatory authority, if required under applicable Malaysian regulations and/or as requested by any Malaysian governmental or regulatory authority from time to time and where a MAS Holder is or becomes, as a consequence of holding the Market Access Securities, a "**substantial shareholder**" (as that term is used in the Malaysian Companies Act 1965) in the Underlying Company, then such MAS Holder shall disclose the same to the Underlying Company and to the Securities Commission of Malaysia as required under applicable Malaysian regulations and shall continue to disclose any dealings it may have thereafter in its capacity as a substantial shareholder of the Underlying Company to the Underlying Company and to the Securities Commission of Malaysia, as required under applicable Malaysian regulations, until it ceases to be a substantial shareholder; (ii) that such MAS Holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of the relevant Underlying Company and any Malaysian governmental or regulatory authority from time to time; (iii) that the Market Access Securities are not being purchased by or for the benefit or account of any "resident" of Malaysia as that term is used in the Malaysian Exchange Control Notices ("**ECM**") issued pursuant to the Malaysian Exchange Control Act (a "**Malaysian Resident**") unless such purchase by or for the benefit or account of a Malaysian Resident is wholly conducted offshore Malaysia and in accordance with the provisions of the ECM; (iv) that such MAS Holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Market Access Securities to or for the benefit or account of any Malaysian Resident unless such sale, transfer or disposal of any Market Access Securities to or for the benefit or account of a Malaysian Resident is wholly conducted offshore Malaysia and in accordance with the provisions of the ECM; and (v) that such MAS Holder is not currently the subject of any investigation or enquiry by any Malaysian governmental or regulatory authority in connection with a failure to disclose information relating to such MAS Holder or to any "regulated activity" as that term is defined in the Capital Markets and Services Act 2007.*

MAS Holders or prospective MAS Holders who are uncertain about their respective tax positions or any such tax implications of the acquisition, ownership or transfer of Market Access Securities should consult their own professional advisers.

In the case of Market Access Securities that are related to a Pakistan equity, Pakistan debt or an index which references Pakistan equities, each MAS Holder represents and agrees, as a condition of acquiring or holding such Market Access Securities: (i) that the Market Access Securities are being purchased for the benefit or account of, or pursuant to or in connection with back-to-back transactions with, a Person resident outside Pakistan (as defined in the section entitled "Risk Factors - Country specific risks relating to Market Access Securities" of this Base Prospectus); and (ii) that such MAS Holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Market Access Securities to or for the benefit or account of any person other than a Person resident outside Pakistan (as defined in the section entitled "Risk Factors - Country specific risks relating to Market Access Securities" of this Base Prospectus).

The Issuer has no responsibility and assumes no responsibility for the lawfulness of the acquisition of Equity-Linked Saudi Market Access Securities by a prospective purchaser or investor, whether under the laws of the jurisdiction of the purchaser or investor's incorporation or the jurisdiction in which it operates (if different), or for compliance by that purchaser or investor with any law, regulation or regulatory policy applicable to it.

In relation to Fund-Linked Saudi Market Access Securities, the Issuer has not undertaken any investigation of any Underlying Fund(s) (as defined in the Conditions). Each prospective purchaser must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of Fund-Linked Saudi Market Access Securities and consequential exposure to the relevant Underlying Fund (i) is fully consistent with its (or, if it is acquiring Fund-Linked Saudi Market Access Securities in a fiduciary capacity, its beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring Fund-Linked Saudi Market Access Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring Fund-Linked Saudi Market Access Securities in a fiduciary capacity, for its beneficiary), notwithstanding the risks inherent in investing in or holding Fund-Linked Saudi Market Access Securities. An investor in Fund-Linked Saudi Market Access Securities should obtain and evaluate the same information concerning the relevant Underlying Fund as it would if it were investing directly in the relevant Underlying Fund. In addition, investors should understand that the historical performance of the relevant Underlying Fund should not be viewed as predictive of future results.

In the case of Market Access Securities that are related to a Singaporean equity, Singaporean debt or an index which references Singaporean equities, each MAS Holder represents and agrees, as a condition of acquiring or holding such Market Access Securities: (i) that the Issuer is authorised to provide information regarding the MAS Holder to any Singapore governmental or regulatory authority or the relevant Underlying Company, or if applicable, to any Affiliate for onward transmission to any such Singapore governmental or regulatory authority or the relevant Underlying Company, if required under applicable Singapore regulations and/or as requested by any Singapore governmental or regulatory authority or the relevant Underlying Company from time to time; (ii) that such MAS Holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of any Singapore governmental or regulatory authority or the relevant Underlying Company from time to time; and (iii) that such MAS Holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Market Access Securities to or for the benefit or account of any person in Singapore, except in accordance with applicable Singapore law (including any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore).

Investors should seek their own professional tax advice concerning the taxation of distributions received from a real estate investment trust constituted in Singapore.

In the case of Market Access Securities that are related to a Taiwan equity, Taiwan debt or an index which references Taiwan equities, each MAS Holder represents and agrees that:

- (i) it is not purchasing the Market Access Securities for the benefit or account of, or using funds of, (A) any residents of the People's Republic of China ("**PRC**"), corporations in the PRC, or corporations outside the PRC that are beneficially owned by residents of, or corporations in, the PRC or (B) any residents of Taiwan or corporations in Taiwan;*
- (ii) it will not, directly or indirectly, sell, transfer, assign, novate or otherwise dispose of the Market Access Securities to or for the benefit or account of, or in consideration of funds received from, (A) any residents of the PRC, corporations in the PRC, or corporations outside the PRC that are beneficially owned by residents of, or corporations in, the PRC or (B) any residents of Taiwan or corporations in Taiwan; and*
- (iii) details of the transaction (including the identity of the parties) may, (A) upon request or order by any competent authority, regulatory or enforcement organisation, governmental or otherwise, including the stock exchange on which the underlying shares are listed, (B) as required by applicable law, rules, regulations, codes or guidelines (whether having the force of law or otherwise), be disclosed in accordance with such request, order, law, rules, regulations, codes or guidelines (whether such disclosure is to be made to third parties or otherwise). By purchasing the Market Access Securities, each MAS Holder agrees to such disclosure and releases the Issuer (and its Affiliates) from any duty of confidentiality owed to it in relation to such information.*

PRODUCT DESCRIPTION – MARKET ACCESS SECURITIES

Notes and Warrants issued pursuant to the Programme may include Market Access Notes ("MANs") and Market Access Warrants ("MAWs", together with MANs, "**Market Access Securities**"), being Notes and Warrants in relation to which the Final Redemption Amount payable at maturity or earlier redemption (for MANs) and the cash settlement amount (for MAWs) payable at expiration or earlier exercise is linked to the performance of (a) one or more securities (together, the "**Underlying Securities**" and each, an "**Underlying Security**") issued by one or more underlying companies (together, the "**Underlying Companies**" and each, an "**Underlying Company**") which are, or are expected to be, listed and/or admitted to trading on one or more stock exchanges, (b) one or more indices (together, the "**Underlying Indices**" and each, an "**Underlying Index**") being composed of one or more reference securities (together the "**Reference Securities**" and each a "**Reference Security**"), (c) one or more funds (together, the "**Underlying Funds**" and each, an "**Underlying Fund**") or (d) one or more exchange-traded funds (together, the "**Underlying ETFs**" and each, an "**Underlying ETF**") which are, or are expected to be, listed and/or admitted to trading on one or more stock exchanges. Underlying Securities, Underlying Indices, Underlying Funds and Underlying ETFs (together, the "**Underlyings**" and each, an "**Underlying**") may relate to one or more underlying countries (together, the "**Underlying Countries**" and each, an "**Underlying Country**") and be referenced in one or more underlying currencies (together, the "**Underlying Currencies**" and each, an "**Underlying Currency**") which may be different from the settlement currency and/or specified currency of the Market Access Securities (the "**Settlement Currency**" and "**Specified Currency**" respectively). Market Access Securities may include, among others, Participating Access-Linked Middle-Eastern Securities ("**PALMS**"), Greater African Zone Equity-Linked Securities ("**GAZELS**"), Euro-Zone Notes ("**E-Z Notes**"), Latin American Market Access Securities ("**LAMAS**"), Securities Participating in Indian Company Equity ("**SPICES**") and Saudi Participating Access-Linked Middle-Eastern Securities ("**Saudi PALMS**") and Low Exercise Price Options ("**LEPOs**"). The purpose of this Part E is to provide information in relation to Market Access Securities. This Part E should be read together with Parts A, B and D of the Base Prospectus in the case of MANs and Parts A, C and D of the Base Prospectus in the case of MAWs.

All the relevant terms referenced above will be set out in the Final Terms relating to a particular Tranche of Market Access Securities.

Market Access Securities reflect the risks of a UK incorporated bank or relevant affiliate taking a direct investment in or exposure to one or more Underlying(s). Investors will therefore generally be exposed to such risks on a one for one basis, as more particularly described in "*Additional Provisions relating to Market Access Notes*" and "*Additional Provisions relating to Market Access Warrants*" set out below and in the relevant Final Terms.

Details of the past performance and volatility of each of the Underlying(s) are obtainable from the display pages on the Reuters service, Bloomberg service or other information service or source specified in the Final Terms.

CERTAIN ERISA CONSIDERATIONS – MARKET ACCESS SECURITIES

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain restrictions on employee benefit plans that are subject to Title I of ERISA ("**ERISA Plans**") and on persons who are fiduciaries with respect to such ERISA Plans. In accordance with the ERISA's general fiduciary requirements, a fiduciary with respect to any such ERISA Plan who is considering the purchase of Market Access Securities on behalf of such ERISA Plan should determine, to the extent applicable, whether such purchase is permitted under their governing ERISA Plan documents and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Other provisions of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") prohibit certain transactions between an ERISA Plan or other plan subject to Section 4975 of the Code (such plans and ERISA Plans, together "**Plans**") and persons who have certain specified relationships to the Plan ("parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of Section 4975 of the Code). Thus, a Plan fiduciary, to the extent permitted, considering the purchase of Market Access Securities should consider whether such a purchase might constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code.

The Issuer or dealers selling Market Access Securities may each be considered a "party in interest" or a "disqualified person" (collectively, "**Parties in Interest**") with respect to many Plans. If permitted, the purchase of Market Access Securities by a Plan with respect to which the Issuer or the dealers selling Market Access Securities is a party in interest or a disqualified person may constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. The types of transactions between the Plans and Parties in Interest that are prohibited include: (a) sales, exchanges or leases of property, (b) loans or other extensions of credit and (c) the furnishing of goods and services. Certain Parties in Interest that participate in a non-exempt prohibited transaction may be subject to an excise tax under ERISA or the Code. In addition, the persons involved in the prohibited transaction may have to rescind the transaction and pay an amount to the Plan for any losses realized by the Plan or profits realized by such persons and certain other liabilities could result that have a significant adverse effect on such persons. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, depending in part on the type of Plan fiduciary making the decision to acquire Market Access Securities and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA (relating to certain transactions between a plan and a non-fiduciary service provider), Prohibited Transaction Class Exemption ("**PTCE**") 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager). There can be no assurance that any exception or exemption from the prohibited transaction rules will be available with respect to any particular transaction involving Market Access Securities, or that, if an exemption is available, it will cover all aspects of any particular transaction. Any purchaser that is a Plan (to the extent Plans are permitted to purchase Market Access Securities) should consult with counsel regarding the application of the exemption or any other statutory or administrative exemption.

Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), are not subject to Section 406 of ERISA or Section 4975 of the Code. However, such plans may be subject to the provisions of applicable federal, state or local or other laws, rules or regulations ("**Similar Law**") similar to the foregoing provisions of ERISA or the Code. Fiduciaries of such plans ("**Similar Law Plans**") should consider applicable Similar Law when investing in Market Access Securities.

Unless otherwise provided in a prospectus supplement or the Final terms, each purchaser or transferee by its purchase of any offered Market Access Security (or any interest therein) will be deemed to represent, on each day from the date on which the purchaser or transferee acquires an offered Market Access Security through and including the date on which the purchaser or transferee disposes of its interest in such offered Market Access Security, either that (a) it is not a Plan or a Similar Law Plan, including any entity whose underlying assets include the assets of any Plan or Similar Law Plan, the inclusion of which for purposes of ERISA or any Similar Law, as the case may be, would result in such entity being deemed a Plan or a Similar Law Plan; or (b) its purchase, holding and disposition of such Market Access Security (or any interest therein) will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Law.

The sale of Market Access Securities to a Plan or a Similar Law Plan is in no respect a representation by the Issuer or any of its Affiliates that such an investment meets all relevant legal requirements with respect to investments by Plans or Similar Law Plans generally or any particular Plan or Similar Law Plan, or that such an investment is appropriate for a Plan or a Similar Law Plan generally or any particular Plan or Similar Law Plan.

The above discussion may be modified or supplemented with respect to a particular offering of Market Access Securities, including the addition of further ERISA restrictions on purchase and transfer. In addition, the purchaser or transferee of a Market Access Security may be required to deliver to the Issuer and the relevant dealers a letter, in the form available from the Issuer and dealers, containing certain representations, including those contained in the preceding paragraph.

MARKET ACCESS NOTES – TERMS AND CONDITIONS

The terms and conditions of the Market Access Notes shall consist of the Terms and Conditions of the Notes set out in "*Part B – Information Relating to the Notes Generally*", the additional terms and conditions set out in the section entitled "*Additional Provisions relating to Equity-Linked Notes, Cash Equity Notes and Index-Linked Notes and Preference Share-Linked Notes*" in "*Part D – Product Supplement for Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes*" and the additional terms and conditions set out in the section entitled "*Additional Provisions relating to Market Access Notes*" in this Part E, as amended or supplemented by the Final Terms.

The form of Final Terms which will be completed for each Tranche of Market Access Notes under the Programme is set out below on page E-48.

ADDITIONAL PROVISIONS RELATING TO MARKET ACCESS NOTES

In respect of Market Access Notes, the following additional condition shall be deemed to be added as 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.

1. Provisions relating to Market Access Notes

22A. Provisions relating to Market Access Notes linked to a single Underlying Security or a basket of Underlying Securities

The provisions of this Condition 22A shall only apply in relation to Notes which are specified in the Final Terms as being Market Access Notes linked to one or more Underlying Securities.

(a) *Final Redemption Amount*

Unless previously redeemed or purchased and cancelled, and subject to the other Conditions of the Notes, the Issuer shall redeem each Note outstanding by paying on the later of the Maturity Date and the Cash Settlement Payment Date an amount in the Specified Currency determined by the Calculation Agent to be equal to the Realisable Sale Price per Note, as defined below, or 0.03 per cent. of the Issue Price per Note (whichever is greater).

"**Realisable Sale Price**" is an amount per Note calculated as follows:

- (i) The Calculation Agent shall determine the Aggregate Sale Amount(s) in respect of each Underlying Security issued by each Underlying Company as follows:
 - (1) if the Calculation Agent is satisfied that the Issuer, or any relevant affiliate of the Issuer (an "**Affiliate**") held a number of such Underlying Securities ("**X**", being equal to the total number of such Underlying Securities to which the Notes outstanding relate) on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the redemption of these Notes disposed or otherwise realised X of such Underlying Securities through the Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the "**Aggregate Sale Amount**" shall be the aggregate amount at which the Issuer or such Affiliate effects the disposal or realisation of that number of such Underlying Security ("**Gross Sale Amount**"), less any Costs incurred in connection with such disposal or realisation; or
 - (2) if the Calculation Agent is satisfied that the Issuer or an Affiliate held such Underlying Securities on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith disposed of or otherwise realised the value of a number ("**Y**") (where Y is less than X) of such Underlying Securities through the Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), the Calculation Agent shall:
 - (A) determine the average price per Underlying Security ("**M**") at which the Issuer or such Affiliate effected the disposal or realisation of Y of such Underlying Securities (such average price M multiplied by X being the "**Gross Sale Amount**"), and
 - (B) deduct any Costs per Underlying Security from M (the resulting price being "**N**"), and
 - (C) multiply N by X (the resulting figure being the "**Aggregate Sale Amount**"); or

- (3) if the Calculation Agent is satisfied that the Issuer or an Affiliate acting reasonably held any other relevant instrument(s) or had entered into any other relevant arrangements relating to or referencing the Underlying Security, in each case for the purposes of hedging, funding or otherwise performing the Issuer's obligations in respect of the Notes (each a "**Relevant Hedge**") on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the redemption of these Notes disposed of, unwound or otherwise realised or closed out part or all of such Relevant Hedge(s) through an Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the Calculation Agent shall determine the average reference net price per Underlying Security ("**N**") at, or in relation to, which the Relevant Hedge(s) were disposed of, unwound or otherwise realised or closed out by the Issuer or such Affiliate after deducting any Costs per Underlying Security incurred in connection with such disposal, unwind, realisation or closeout, with such average reference net price N multiplied by X being the "**Aggregate Sale Amount**"; and
- (4) in all other cases, the "**Aggregate Sale Amount**" shall be the aggregate amount, as determined by the Calculation Agent, at which a Notional Holder of X of such Underlying Securities on the Determination Date would have on and from the Determination Date been able to dispose of such Underlying Securities through any applicable Exchange (in the Calculation Agent's absolute discretion) (the "**Gross Sale Amount**"), less any Costs which, in the determination of the Calculation Agent would have been incurred in effecting such disposal; and
- (5) any such disposal, realisation, unwind or closeout effected by the Issuer or an Affiliate (and the disposal that for the purposes of sub-paragraph (4) above the Calculation Agent determines a Notional Holder would have been able to effect) may be effected in one lot of the Underlying Security or divided up into smaller lots whose disposal is effected over a number of days. The Calculation Agent shall also determine (i) in the case where the Issuer or an Affiliate disposes or realises the value of any such Underlying Securities, the date on which the Issuer or such Affiliate received the related aggregate amount in respect of them or (ii) the date on which an unwind or closeout of the Relevant Hedge(s) was effective and (iii) in other cases, the date on which a Notional Holder could reasonably be expected to have completed such disposals and received the aggregate amount (which date not be earlier than the date on which the Issuer or an Affiliate received the aggregate amount in respect of any of such Underlying Securities which it did so dispose of or otherwise realise) (in each case, such date being the "**ASA Receipt Date**").
- (ii) The Aggregate Sale Amount received or deemed received shall then be translated into the Specified Currency as follows:
- (1) if the Calculation Agent is satisfied that in relation to the ASA Receipt Date the Issuer or an Affiliate in respect of the redemption of these Notes, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation, as determined by the Calculation Agent, shall be the rate obtained by the Issuer or such Affiliate, adjusted to take into account the effect of any non-deliverable forward transaction ("**NDF transaction**") if such is entered into by the Issuer or such Affiliate in relation to the ASA Receipt Date in respect of the Aggregate Sale Amount; or

- (2) if the Calculation Agent determines that Relevant Hedge(s) are denominated in the Specified Currency, then the rate of exchange for the purpose of such translation shall be that rate implicit in the determination of the final value under such Relevant Hedge(s); or
- (3) in other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Aggregate Sale Amount on the ASA Receipt Date would have been able to convert the Aggregate Sale Amount into the Specified Currency, taking into account the effect of any NDF transaction that such Notional Holder would have entered, or would have been able to enter, into in respect of the Aggregate Sale Amount in relation to the ASA Receipt Date; and
- (4) in each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs. The sum of the resulting amount(s) (each a "**Converted ASA**") less applicable Redemption Costs divided by the associated X and then multiplied by the relevant Number of Underlying Securities per Note shall be the contribution to the Realisable Sale Price for such Underlying Security.

The Realisable Sale Price shall be payable by the Issuer on the later of the Maturity Date and the day (the "**Cash Settlement Payment Date**") which is the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on which the Issuer or an Affiliate received the Converted ASA in respect of an exchange transaction entered into in relation to the ASA Receipt Date or, as the case may be, (ii) the day on which a Notional Holder entering into an exchange transaction in relation to the ASA Receipt Date would have received the Converted ASA and, in each case, the effective translation rate including Conversion Costs being the "**Effective FX Rate**".

- (iii) For the purposes of this Condition 22A:

"**Conversion Costs**" shall mean the costs of conversion for the purposes of converting an Aggregate Sale Amount into a Converted ASA and an Underlying Currency Amount (as defined in paragraph (b) (*Additional Payments*) below) or Event Receipt (as defined in paragraph (c) (*Payment in respect of a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting*) below) into a Converted Amount respectively, the amount being determined by the Calculation Agent by reference to actual costs incurred by the Issuer or an Affiliate or, as the case may be, the costs which, in the determination of the Calculation Agent, would have been incurred by a Notional Holder.

"**Costs**" shall mean all costs, expenses, fees and levies taken into account in determining an Aggregate Sale Amount, an Underlying Currency Amount or an Event Payment (as appropriate) including, without limitation, all brokers' fees, bank and custody charges, transaction processing fees and expenses and all taxes (including potential taxes which the Calculation Agent considers may arise) and other duties in respect of the relevant Underlying Security whether such Costs are or would be withheld at source or would otherwise be required to be paid, all as determined by the Calculation Agent.

Where (i) the amount of Costs or the basis on which it is to be determined is not confirmed before the applicable Determination Date and/or is subject to change in the future (such amount of Costs being "**Unpaid Costs**") and (ii) the Unpaid Costs were not deducted from the calculation of the Realisable Sale Price, each Noteholder will be required to pay to the Issuer an amount equal to such Unpaid Costs upon notification from the Issuer. Any Noteholder's obligation to pay such Unpaid Costs shall survive the redemption of the Notes and any transfers made by any such Noteholder prior to such date.

In relation to Notes in respect of PRC securities markets only:

As referred to above, "all taxes" shall include potential taxes which the Calculation Agent considers may arise and "other duties" shall include, without limitation, any capital gains tax such as PRC Capital Gains Tax and, in all cases, including any interest thereon levied by the applicable PRC tax authorities, all as determined by the Calculation Agent.

Where the amount of Costs (including, without limitation, PRC Capital Gains Tax) or the basis on which it is to be determined is not definitely known (each a "**tax uncertainty**" and together "**tax uncertainties**"), the Issuer may use the same basis for calculation of such amount as it would use in respect of a holding, purchase or, as applicable, sale of the Underlying Security either (a) for itself as beneficial owner, (b) for a Notional Holder as beneficial owner, or (c) for the Noteholder as beneficial owner, as appropriately determined by the Calculation Agent (**provided that** the rate in respect of PRC Capital Gains Tax shall be the Fixed CGT Rate) until the applicable Tax Certainty Date.

In addition (and notwithstanding the provisions relating to PRC Capital Gains Tax stated above), once the relevant tax uncertainties are clarified so as to remove the relevant tax uncertainties, (1) where the amount of tax which has actually been deducted ("**Tax Deducted**") is greater than the amount of tax properly payable (the amount of the excess, the "**Excess Deduction**"), the Issuer will pay to the Noteholder an amount in the Specified Currency (converted at the Effective FX Rate at the time the relevant determination of the Excess Deduction is made) equal to the Excess Deduction, or (2) where the Tax Deducted is less than the amount of tax properly payable (the amount of the excess, the "**Deduction Shortfall**"), the Noteholder will pay to the Issuer an amount in the Specified Currency (converted at the Effective FX Rate at the time the relevant determination of the Deduction Shortfall is made) equal to the Deduction Shortfall. In either case, the relevant amount (the "**Tax Equalisation Payment**") will be (x) conclusively determined as soon as reasonably practicable on or after the Tax Certainty Date by the Calculation Agent and notified as soon as practicable after such determination to Noteholders (such notification date, the "**Tax Equalisation Payment Notification Date**"), and (y) (where the Tax Certainty Date falls on or before the latest ASA Receipt Date) payable on the Settlement Date applicable to any redemption of Notes on the Maturity Date, or (where the Tax Certainty Date falls after the latest ASA Receipt Date) payable on the date notified to Noteholders as the applicable payment date by the Issuer, being no less than two Business Days after the Tax Equalisation Payment Notification Date (such payment date, the "**Tax Equalisation Payment Date**"). The obligation to pay any Excess Deduction or Deduction Shortfall shall survive the maturity of the Notes and any transfers of Notes made by any Noteholder prior thereto.

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

"**PRC**" means, solely for the purpose stated herein, the People's Republic of China excluding the Hong Kong and Macau Special Administrative Regions of the People's Republic of China and Taiwan.

"**PRC Capital Gains Tax**" means, unless and until definitively stated by any applicable PRC tax authorities (as determined by the Calculation Agent in its sole and absolute discretion), 10 per cent. (such rate, the "**Fixed CGT Rate**") of the excess (if any) of (a) the Realisable Sale Price (without deduction of Costs) over (b) Relevant Reference Price, and if (and once) so definitively stated, the capital gains tax properly applicable as so stated.

"**QFII**" means a Qualified Foreign Institutional Investor pursuant to the Measures for the Administration of Securities Investments by Qualified Foreign Institutional Investors, which were jointly promulgated by the China Securities

Regulatory Commission, the People's Bank of China and The State Administration of Foreign Exchange on 24 August 2006, and which became effective on 1 September 2006.

"Relevant Reference Price" means the CNY equivalent of the purchase price (excluding commission charged by the Issuer or its Affiliate) of one Note at the time a Noteholder purchased the Notes.

"Tax Certainty Date" means, in respect of any tax uncertainty, the date on which the Calculation Agent becomes aware of the clarification by the applicable tax authorities so as to remove the relevant uncertainty or, if later, the Tax Clarification Effective Date.

"Tax Clarification Effective Date" means the first date on which the relevant clarified tax position becomes effective (and where the clarified tax position becomes effective with retrospective effect on a certain date or affecting a certain payment, the Tax Clarification Effective Date will be that certain date or the date of that certain payment), all as determined by the Calculation Agent.

Noteholders should note that if the PRC taxing authorities clarify the PRC Capital Gains Tax rate after the Final Redemption Amount has been paid and such rate properly applied is different from the Fixed CGT Rate, either the Issuer or the Noteholder (as the case may be) will have an obligation to pay the Excess Deduction or Deduction Shortfall (as the case may be).

The following applies to all Notes:

"Determination Date" means the Valuation Date, in the case of the Final Redemption Amount, or, in the case of an Early Redemption Amount, the day on which the Issuer gave notice of redemption, or if that day was not an Exchange Business Day on which there was no Market Disruption Event, the next succeeding Exchange Business Day on which there was no Market Disruption Event).

"FII" means a Foreign Institutional Investor pursuant to The Securities and Exchange Board of India (Foreign Institutional Investor) Regulations 1995.

"FINI" means a foreign institutional investor eligible under the securities laws of Taiwan to invest, *inter alia*, in equity securities listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market.

"Notional Holder" means an institution subject to the same tax laws, securities laws, rules and regulations of any tax authorities, securities regulators, exchanges or self-regulating organisations as would apply to the Issuer or its Affiliate had they held the Underlying Securities or Relevant Hedge(s). In the case that the Underlying Security or Underlying Securities are (i) securities that are traded on the PRC securities market in CNY, (ii) Indian securities, or (iii) Taiwanese securities or (iv) Saudi Arabian securities, then such Notional Holder will additionally be deemed to be, respectively, (i) a QFII, (ii) a FII, (iii) a FINI or (iv) an Authorised Person (as defined by the Saudi Arabian Capital Markets Authority).

"Number of Underlying Securities per Note" shall mean the number of the relevant Underlying Security to which each Note relates as specified in the Final Terms.

"Redemption Commission" shall be defined as the equivalent amount, in the Specified Currency, of the Redemption Commission Percentage (as specified in the Final Terms) of the Gross Sale Amount.

"Redemption Costs" shall mean the greater of zero, and the Redemption Commission giving credit in respect of an amount which is the equivalent, in the Specified Currency, of the Transaction Costs.

"Transaction Costs" shall mean the value of the relevant Costs and Conversion Costs aggregated together.

(b) ***Additional Payments***

If during the period from and including the Issue Date to but including the Determination Date (the **"Relevant Period"**) any Underlying Security is marked on the relevant Exchange as ex-dividend or ex-distribution (the date on which it is so marked being the **"Mark Date"**), then, where in the determination of the Calculation Agent, such dividend or distribution is to be paid by the related Underlying Company, the Issuer shall make an additional payment per Note calculated as follows:

- (i) if the Calculation Agent determines that on the Business Day prior to the Mark Date the Issuer or an Affiliate held any of the relevant Underlying Securities, the Calculation Agent shall determine the net aggregate amount of the cash dividend or distribution which the Issuer or such Affiliate would have received in respect of such holding after deduction of Costs (the date on which it would have been received being the **"Receipt Date"**), and divide that net aggregate amount by the number of Underlying Securities so held to give a per Underlying Security amount (the **"Underlying Currency Amount"**); or
- (ii) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Relevant Hedge(s) on the Business Day prior to the Mark Date, then the Calculation Agent shall determine the net aggregate amount of the cash dividend or distribution equivalent payment which the Issuer or such Affiliate would have received in respect of such Relevant Hedges(s) after deduction of Costs (the date on which it would have been received being the **"Receipt Date"**), and divide that net aggregate amount by the number of Underlying Securities to which such Relevant Hedge(s) relate to give a per Underlying Security amount (a **"Converted Amount"** if in the Specified Currency and otherwise an **"Underlying Currency Amount"**); and
- (iii) in all other cases, the net amount which, in the determination of the Calculation Agent, would have been receivable per Underlying Security by a Notional Holder which was a holder of one of the relevant Underlying Security on the Business Day prior to the Mark Date after deduction of Costs shall be the **"Underlying Currency Amount"**, and the date on which, in the determination of the Calculation Agent, such Notional Holder would have received the Underlying Currency Amount shall be the **"Receipt Date"**.

The cash value of any non-cash dividend or distribution shall be as determined by the Calculation Agent, save that:

- (1) where the Calculation Agent determines that the Issuer or an Affiliate held any of the relevant Underlying Securities on the Business Day prior to the Mark Date and that the Issuer or such Affiliate disposed of any relevant non-cash dividend or distribution received in respect of such Underlying Security for cash on the date it received the same, the Calculation Agent shall have regard to the value at which the Issuer or such Affiliate disposed of such relevant non-cash dividend or distribution in determining the cash value of the relevant additional payment; and
- (2) where the Calculation Agent determines that the Issuer or an Affiliate held any Relevant Hedge(s) on the Business Day prior to the Mark Date and that the Issuer or such Affiliate received, in respect of such Relevant Hedge(s), cash by way of adjustment or settlement of such non-cash dividend or distribution, the

Calculation Agent shall have regard to such value received by the Issuer or such Affiliate in determining the cash value of the relevant additional payment.

The Receipt Date for this purpose shall be: (i) in the case of (1) above, the date on which the Issuer or such Affiliate received the cash disposal proceeds, (ii) in the case of (2) above, the date on which the Issuer or such Affiliate received such a cash payment by way of such adjustment or settlement and, in any other case, the date on which a Notional Holder which received such relevant dividend or distribution and disposed of it immediately would have received the cash disposal proceeds, all as determined by the Calculation Agent (such cash value being a "**Converted Amount**" if in the Specified Currency and otherwise an "**Underlying Currency Amount**").

Any Underlying Currency Amount shall then be converted into the Specified Currency. If the Calculation Agent is satisfied that in relation to the Receipt Date the Issuer or an Affiliate in connection with the determination of the relevant additional payment actually entered into an exchange transaction to convert Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such conversion shall be the rate actually obtained by the Issuer or such Affiliate, as determined by the Calculation Agent. In other cases, the rate of exchange shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received an Underlying Currency Amount on the Receipt Date would have been able to convert such Underlying Currency Amount into the Specified Currency. In each case the Calculation Agent shall deduct from the converted Specified Currency amount any Conversion Costs per Underlying Security. The resulting amount (the "**Converted Amount**") multiplied by the Number of Underlying Securities per Note shall be the amount of the additional payment (the "**Additional Payment**") per Note.

Any Additional Payments shall be payable by the Issuer as specified in the Final Terms but in any case not earlier than the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on which the Issuer or its Affiliate would have received the Converted Amount in respect of an exchange transaction entered into in relation to the Receipt Date or, as the case may be, (ii) the day on which a Notional Holder entering into an exchange transaction in relation to the Receipt Date would have received the Converted Amount.

Any Additional Payments shall be payable, where the Notes are held in a clearing system such as DTC, Euroclear and/or Clearstream, Luxembourg to the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg (as the case may be) as Noteholders on the Business Day immediately preceding the Mark Date, and in any other case to the holders for the time being of the Notes (irrespective of whether or not they were Noteholders on the Business Day immediately preceding the Mark Date).

(c) ***Payment in respect of an Extraordinary Event or Conversion***

For the purposes of payments (if any) made pursuant to Condition 21(g)(ii) or Condition 21(g)(iii) (each an "**Event Payment**"):

- (i) if the Calculation Agent is satisfied that the Issuer or an Affiliate held any relevant Underlying Security on the Business Day immediately preceding the occurrence of the Extraordinary Event or Conversion (the "**Event Occurrence Date**"), the Calculation Agent shall determine the net cash value of any payment which the Issuer or such Affiliate actually received in respect of such holding after deduction of Costs (the date on which it would have received being the "**Event Receipt Date**") and divide that net cash value by the number of such Underlying Security so held by the Issuer or such Affiliate to give a per Underlying Security amount (the "**Event Receipt**"); or
- (ii) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Relevant Hedge(s) on the Business Day prior to the Event Occurrence Date, then the Calculation Agent shall determine the net cash value of any payment which the Issuer or such Affiliate would have received in respect of such Relevant

Hedges(s) after deduction of Costs (the date on which it would have been received being the "**Event Receipt Date**"), and divide that net cash value by the number of Underlying Securities to which such Relevant Hedge(s) relate to give a per Underlying Security amount (the "**Event Receipt**"); and

- (iii) in all other cases, the net cash value of the payment per Underlying Security which, in the determination of the Calculation Agent, would have been received by a Notional Holder which was a holder of such Underlying Security on the Business Day prior to the Event Occurrence Date after deduction of Costs shall be the "**Event Receipt**" and the date on which, in the determination of the Calculation Agent, such Notional Holder would have received the Event Receipt shall be the "**Event Receipt Date**").

Where the Event Receipt is in the same currency as the Specified Currency, the Event Receipt multiplied by the relevant Number of Underlying Securities per Note shall be the amount of the Event Payment per Note. Where this sub-paragraph applies, the Event Payment shall not be made sooner than the Event Receipt Date.

Where the Event Receipt is not in the same currency as the Specified Currency, it shall then be translated into the Specified Currency. If the Calculation Agent is satisfied that on the Event Receipt Date the Issuer or an Affiliate, in connection with the determination of the relevant Event Payment, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation shall be the rate obtained by the Issuer or such Affiliate, as determined by the Calculation Agent. In other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Event Receipt on the Event Receipt Date would have been able to convert the Event Receipt into the Specified Currency. In each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs per Underlying Security. The resulting amount (the "**Converted Amount**") multiplied by the relevant Number of Underlying Securities per Note shall be the amount of the Event Payment per Note. Where this sub-paragraph applies, the Event Payment shall not be made sooner than the day on which the Issuer or an Affiliate actually received the Converted Amount in respect of an exchange transaction entered into in relation to the Event Receipt Date or on which a Notional Holder entering into an exchange transaction in relation to the Event Receipt Date would have received the Converted Amount as determined by the Calculation Agent.

Event Payments shall be payable, where the Notes are held in a clearing system such as DTC, Euroclear and/or Clearstream, Luxembourg to the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the case may be, as Noteholders on the Business Day immediately preceding the Event Occurrence Date, and in any other case to the holders for the time being of the Notes (irrespective of whether or not they were Noteholders on the Business Day immediately preceding the Event Occurrence Date).

(d) ***Dealing restrictions in relation to Underlying Securities and Currency Events***

Notwithstanding Condition 6(c) (*Redemption at the Option of the Issuer*), whenever any sum is due in respect of the Notes (whether upon early redemption or upon final redemption or otherwise), the Issuer shall be entitled to suspend its obligation to make such payment in respect of the Notes if, and for as long as, in the determination of the Calculation Agent, (i) dealing by the Issuer, any Affiliate or Notional Holders generally in the relevant Underlying Security or Relevant Hedge(s) is or is likely to be prevented, delayed or restricted by closure of a relevant Exchange or Related Exchange, suspension of trading in such Underlying Security, Relevant Hedge(s) or other circumstances or (ii) a Currency Event has occurred. The Noteholders shall not be entitled to any interest or other compensation in respect of any such suspension nor shall such a suspension constitute a default. The Issuer shall give notice to the Noteholders as soon as practical of any such suspension and, subsequently, of the termination of any such suspension.

For the purposes hereof:

"Currency Event" means:

- (A) the occurrence of an event or a condition which, in the opinion of the Calculation Agent, on any day with respect to the Underlying Currency that has the effect of preventing, hindering, limiting or restricting (including, without limitation, by delays, increased costs or discriminatory rates of exchange) the Issuer or its Affiliates directly or indirectly from:
 - (i) converting the Underlying Currency into the Specified Currency through any customary legal channel;
 - (ii) converting the Underlying Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Reference Jurisdiction;
 - (iii) delivering the Specified Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction;
 - (iv) delivering the Underlying Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction; or
 - (v) effectively realising the value of any underlying hedge in the Specified Currency at any time; or
- (B) the government of the Reference Jurisdiction imposes, or gives public notice of its intention to impose, any capital controls (including, without limitation, the imposition of an upper limit on the amount of assets denominated in the Underlying Currency in the Reference Jurisdiction which can be held by any party) which the Calculation Agent determines in good faith are likely to materially affect the ability of the Issuer or its Affiliates to hedge the Issuer's position under the Notes or to unwind such hedge; or
- (C) the unavailability of the Specified Currency in any legal exchange market in the Reference Jurisdiction in accordance with normal commercial practice as determined by the Calculation Agent; and

"Reference Jurisdiction" means any jurisdiction in which a relevant Exchange is located.

(e) ***Hedging***

For the purposes of Condition 21(h)(iv), as amended by the Final Terms:

"Hedging Disruption" means that the Issuer or an Affiliate would be unable, after using commercially reasonable efforts, to conduct any Hedging (as defined below) or would suffer any material delay in conducting any Hedging.

"Hedging" means to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk (including, but not limited to, any currency risk) of entering into and performing its obligations with respect to these Notes; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the relevant transaction between accounts within a relevant

jurisdiction of the Hedge Positions (an "**Affected Jurisdiction**") or from accounts within an Affected Jurisdiction to accounts outside of such Affected Jurisdiction; or

- (iii) without prejudice to (ii) above, transfer (A) amounts denominated in the Specified Currency from accounts within a relevant Underlying Country to accounts outside such Underlying Country, to other accounts within such Underlying Country or to the accounts of a non-resident of such Underlying Country or (B) amounts denominated in a relevant Underlying Currency from accounts within the related Underlying Country to other accounts within such Underlying Country, to accounts outside such Underlying Country or to the accounts of a non-resident of such Underlying Country; or
- (iv) without prejudice to (ii) and (iii) above, convert the Specified Currency into a relevant Underlying Currency or a relevant Underlying Currency into the Specified Currency.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or an Affiliate in order to hedge, individually or on a portfolio basis, a Note.

(f) **Miscellaneous**

- (i) Any person (the "**relevant person**") shall be treated as "**holding**" Underlying Securities where the relevant person is registered as registered owner of such Underlying Securities in the Underlying Company's share register or where the registered owner of such Underlying Securities in the Underlying Company's share register is a custodian or agent and directly or indirectly the person for whose account those Underlying Securities are held is the relevant person. The terms "**hold**" and "**holder**" shall, in the context of holding Underlying Securities, be construed accordingly.
- (ii) Where there is a dividend or distribution in respect of any Underlying Security or any disposal or transfer of Underlying Securities, the dividend distribution or proceeds of disposal or transfer shall not be treated as having been received by any person unless and until it or they have been paid or delivered to that person or to any bank, custodian or agent on behalf of that person in circumstances where that person may (i) (in the case of a payment denominated in a currency other than the Specified Currency) freely convert such payment into the Specified Currency and (ii) freely withdraw and transfer the payment (or, as the case may be, the Specified Currency conversion proceeds of such payment) or delivery.
- (iii) For purposes of Condition 21(h) and the relevant Final Terms, the following terms if specified as an Additional Disruption Event shall have the following meanings unless otherwise provided in the relevant Final Terms:

"**Currency Event**" has the meaning given to it in paragraph (d) above;

"**Security Redemption**" means any Underlying Security is early redeemed, terminated or cancelled, in whole or in part, on or prior to its stated maturity for whatever reason; and

"**Underlying Company Default**" means a default of the Underlying Company of its obligations under the Underlying Security.

22B. **Provisions relating to Market Access Notes linked to a single Underlying Fund or a basket of Underlying Funds**

The provisions of this Condition 22B shall only apply in relation to Notes which are specified in the Final Terms as being Market Access Notes linked to one or more Underlying Funds.

(a) ***Final Redemption Amount***

Unless previously redeemed or purchased and cancelled, and subject to the other Conditions of the Notes, the Issuer shall redeem each Note outstanding by paying on the later of the Maturity Date and the Cash Settlement Payment Date an amount per Note in the Specified Currency determined by the Calculation Agent to be equal to the greater of (a) 0.03 per cent. of the Issue Price per Note, and (b) the aggregate of each Underlying Fund Value_{final}.

For the purposes hereof:

"**Business Day**" has the meaning given to it in the relevant Final Terms;

"**Currency Business Day**" has the meaning given to it in the relevant Final Terms;

"**Exchange**" has the meaning given to it in the relevant Final Terms;

"**Exchange Business Day**" means any Scheduled Trading Day on which the Exchange is open for trading during its regular trading session, notwithstanding such Exchange closing prior to its Scheduled Closing Time;

"**Final Valuation Date**" means the last Business Day prior to the Maturity Date on which a Hypothetical Investor could have validly submitted a redemption application for value on the Maturity Date (the "**Scheduled Valuation Date**"), subject to postponement due to an Underlying Fund Disruption Event. If an Underlying Fund Disruption Event occurs on the Scheduled Valuation Date, then the Final Valuation Date shall be postponed until the earlier of (i) the second Business Day following the date on which the Calculation Agent determines an Underlying Fund Disruption Event is no longer subsisting, and (ii) the twentieth (20th) Business Day following the Scheduled Valuation Date. If the Final Valuation Date shall be such 20th Business Day, notwithstanding that an Underlying Fund Disruption Event has occurred or is continuing on such day, the Calculation Agent shall determine the Underlying Fund Value;

"**Fund Application Date**" means any day on which there is set a cut-off time for receiving applications for redemptions in accordance with the Underlying Fund Terms and Conditions, subject to such day being an Exchange Business Day;

"Hypothetical Investor" means an institution subject to the same tax laws, securities laws, rules and regulations of any tax authorities, securities regulators, exchanges or self-regulating organisations as would apply to the Issuer or its Affiliate had they held the Underlying Fund(s).

"Redemption Commission" means the equivalent amount, in the Specified Currency, of the Redemption Commission Percentage (as defined in the Final Terms) of the Final Redemption Amount;

"Related Costs" means, in connection with a Hypothetical Redemption and in each case as determined by the Calculation Agent, (i) all accrued management, load, administrative and other per Share fees, costs, expenses, levies, or adjustments; (ii) all taxes and duties which may be withheld or applied by the Underlying Fund (including any potential taxes and duties which the Calculation Agent considers may arise); and (iii) all other taxes and duties in respect of the Underlying Fund which would otherwise be required to be paid (including any potential taxes and duties which the Calculation Agent considers may arise).

Where in relation to the calculation of an Underlying Fund Value (A) the amount of the Related Costs or the basis on which they are to be determined is not confirmed before the applicable Valuation Date and/or is subject to change in the future (such amount of Related Costs, **"Unpaid Related Costs"**), and (B) the Unpaid Related Costs were not deducted from the calculation of the Underlying Fund Value, each Noteholder will be required to pay to the Issuer an amount equal to such Unpaid Related Costs upon notification from the Issuer. Any Noteholder's obligation to pay such Unpaid Related Costs shall survive the redemption of the Notes and any transfers made by any such Noteholder prior to such date.

"Scheduled Closing Time" means the scheduled weekday closing time of the Exchange, without regard to after hours or any other trading outside of the regular session hours;

"Scheduled Trading Day" means any day on which the Exchange is scheduled to open for trading for its regular trading session;

"Specified Currency Equivalent" means, in respect of a Share of the Underlying Fund and an Underlying Currency price or amount, such Underlying Currency price or amount divided by the rate of exchange of the Underlying Currency for the Specified Currency (expressed as the number of Underlying Currency per Specified Currency) as (i) the offer rate of exchange (as aforesaid) as displayed on the Reuters Screen related to the relevant Underlying Currency at approximately 11:00 a.m. local time in London on the day two (2) Currency Business Days prior to the related Valuation Date, Determination Date or Fund Application Date (as applicable); except that the rate of exchange for determining the Underlying Fund Value_{final}, shall be the relevant rate of exchange (as aforesaid) that the Calculation Agent shall determine would be available to the Issuer or its Affiliate in the market at the relevant time;

"Share" means, in relation to any Underlying Fund, a unit or share therein;

"Underlying Currency" means, in relation to an Underlying Fund, the currency specified as such for such Underlying Fund in the relevant Final Terms; and

"Underlying Fund" has the meaning given to it in the relevant Final Terms.

The Issuer shall be under no obligation to make or hold, directly or indirectly, investments in the Underlying Fund. The Noteholders will not hold any direct or indirect interest in the Underlying Fund as a result of being a Noteholder;

"Underlying Fund Value" means for any Valuation Date an amount per Note as determined by the Calculation Agent as the net redemption proceeds per Share that would have been received as of such Valuation Date by a Hypothetical Investor in the Underlying Fund had such Hypothetical Investor provided a timely notice in accordance with the Underlying Fund Terms and Conditions to the Underlying Fund and any other

party necessary to effect a redemption (or other disposition) of an investment in the Underlying Fund for such Valuation Date (such redemption, a "**Hypothetical Redemption**") net of any Related Costs, such net redemption proceeds per Share being multiplied by the Number of Shares in Underlying Fund per Note;

"**Underlying Fund Value** _{final}" means the Specified Currency Equivalent of the Underlying Fund Value on the applicable Fund Application Date relating to the Final Valuation Date, as determined by the Calculation Agent; and

"**Valuation Date**" has the meaning given to it in the relevant Final Terms.

(b) ***Early Redemption Amount and Early Redemption Date***

"**Early Redemption Amount**" means with respect to the Early Redemption Date, the amount payable on such designated Early Redemption Date which shall be based on the Specified Currency Equivalent of the Underlying Fund Value determined by the Calculation Agent as of the designated Early Redemption Date.

"**Early Redemption Date**" means the date designated by the Issuer upon the occurrence of an Extraordinary Fund Event, Hedging Disruption Event, Merger Event or Potential Adjustment Event and notified to the Noteholders in accordance with Condition 13 (*Notices*) (such Early Redemption Date being subject to postponement as further described above).

(c) ***Effect of Extraordinary Fund Events, Hedging Disruption Event, Merger Events and Potential Adjustment Events***

The following provisions replace Conditions 21(g)(i) and (ii).

Upon the occurrence of an Extraordinary Fund Event, Hedging Disruption Event, Merger Event or Potential Adjustment Event, on the Valuation Date immediately following such occurrence:

- (i) with respect to a Merger Event where consideration for the Shares of the Underlying Fund consists solely of shares of a fund in which the Issuer or its Affiliate could invest (the "**New Shares**"), references to a Share of the related Underlying Fund shall be replaced by references to the number of New Shares to which a holder of a Share would be entitled upon consummation of the Merger Event and the New Shares and their issuer will be deemed to be the Shares and issuer of the Underlying Fund and, if necessary, the Calculation Agent will make adjustments to the Underlying Fund Value and/or any other terms of the Notes in such manner as it considers appropriate;
- (ii) with respect to a Hedging Disruption Event or Merger Event where the consideration for the Shares consists of anything other than the consideration described in (a) above, the Issuer may declare an Early Redemption Date and, if so, the Noteholders will receive the Early Redemption Amount (as computed under "**Early Redemption Amount**" above);
- (iii) with respect to a Potential Adjustment Event, the Calculation Agent may make such adjustment, if any, to the Underlying Fund Value, the notional number of Shares in the Underlying Fund and/or any other terms of the Notes as the Calculation Agent determines appropriate and determine the effective times thereof; and
- (iv) with respect to the occurrence of an Extraordinary Fund Event the Calculation Agent may either (A) declare one or more Valuation Dates and designate an Early Redemption Date and the Noteholders will receive the Early Redemption Amount (as computed under "**Early Redemption Amount**" above), or (B) make such adjustment, if any, to the Underlying Fund Value, the notional number of Shares in the Underlying Fund and/or any other terms of the Notes as

the Calculation Agent determines appropriate and determine the effective times thereof.

(d) **Definitions**

"**Extraordinary Fund Event**" means with respect to the Underlying Fund, in the determination of the Calculation Agent, the occurrence or existence of any of the following on or prior to the Final Valuation Date:

- (i) any breach or violation of the provisions of the Underlying Fund's operating documents, including for the avoidance of doubt any strategy or investment guidelines, by the Underlying Fund and/or its manager or investment advisor that is reasonably likely to affect the value of the Underlying Fund;
- (ii) the non-execution or partial execution by the Underlying Fund for any reason of a subscription or redemption order in respect of any Shares in the Underlying Fund given by an Hypothetical Investor in the Underlying Fund, other than a partial execution or a delay in execution which the Calculation Agent considers to be in the usual course and except as provided in the Underlying Fund's operating documents;
- (iii) the Underlying 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) (X) 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 (Y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or 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 Clause (X) 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 fifteen 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 its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen 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 clauses (A) through (E) above;
- (iv) the administration agent, the investment adviser, manager or the custodian, as applicable, of the Underlying Fund ceases to act in its capacity as administrator or manager of or adviser or custodian of the Underlying Fund, as the case may be;
- (v) a material modification of the investment programme, investment objectives, investment policies, investment strategy, investment process or investment guidelines of the Underlying Fund;

- (vi) the failure by the Underlying Fund to comply with its reporting obligations (including, without limitation, the scheduled regular reporting of Share prices or the estimated net asset value of the Underlying Fund, scheduled regular statements thereof, return numbers and composition of the Underlying Fund and the allocation of capital for the Underlying Fund) in accordance with the Underlying Fund's operating documents;
- (vii) a material modification (other than any modifications referred to in (v) above) of the Underlying Fund (including but not limited to a modification of the Underlying Fund's operating documents or the articles of association or other constitutional documents of the Underlying Fund) or the occurrence of a change or any event materially affecting the Underlying Fund (including, but not limited to, the interruption, breakdown or suspension of the calculation of the net asset value of the Underlying Fund unless such interruption, breakdown or suspension is cured within two Business Days);
- (viii) a material modification of the type of assets in which the relevant Underlying Fund invests or the trading practices of the Underlying Fund (including but not limited to a material deviation from the investment policy and investment objectives set out in the Underlying Fund's operating documents) which, in the determination of the Calculation Agent, has or is likely to have a material effect on any Hedging entered into by the Issuer or its Affiliates in respect of the Notes;
- (ix) (A) the suspension of redemptions of Shares in the Underlying Fund or (B) the Underlying Fund repurchases or compulsorily redeems any Shares in the Underlying Fund or (C) the Underlying Fund imposes any restriction, charge or fee in respect of a redemption or issue of Shares in the Underlying Fund (other than any restriction, charge or fee in existence as at the Trade Date);
- (x) the Underlying Fund or its investment adviser or manager has its authorisation or registration cancelled by any applicable regulatory authority;
- (xi) the Underlying Fund or the investment adviser, manager or the administration agent of the Underlying Fund (A) 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 Underlying Fund, investment adviser or administration agent, (B) commits an act which constitutes fraud or criminal activity in the performance of its obligations in respect of the Underlying Fund; (C) makes any material misrepresentation under any document in respect of the relevant Underlying Fund or (D) announces its intention to cease the business of investment management; or
- (xii) (A) cancellation, suspension or revocation of the registration or approval of the Shares or the Underlying Fund by any governmental, legal or regulatory entity with authority over the Shares or the Underlying Fund or (B) any change in the legal, tax, accounting or regulatory treatments of the Underlying Fund or the investment adviser or manager that is reasonably likely to have an adverse impact on the value of the Shares or on any investor therein (as determined by the Calculation Agent); or
- (xiii) all the Shares or all or substantially all the assets of the Underlying Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"Hedging Disruption Events" means the Calculation Agent determines that any arrangements made to hedge the Issuer's or its Affiliate's obligations under the Notes have or will (i) become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any government, administrative, legislative or judicial authority or power (a "**Law**"), or in the interpretation of a Law or (ii) be materially

adversely affected by the introduction of or any change in (or in the interpretation, administration or application of) any Law (including, for the avoidance of doubt, a reduction in the rate of return, an additional or increased cost or the imposition of any taxes, duties, assessments or government charges of whatever nature). The Issuer or its Affiliate is under no obligation vis-à-vis Noteholders to hedge its obligations under the Notes or, if it does hedge, to hedge in any particular way.

"Merger Event" means, in respect of the Shares of the Underlying Fund, the occurrence on or prior to the Final Valuation Date of any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding, (b) consolidation, amalgamation or merger of the issuer of the Underlying Fund with or into another entity (other than consolidation, amalgamation or merger in which such issuer is the continuing entity and which does not result in any such reclassification or change of all of such Shares outstanding) or (c) other takeover offer for such Shares that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the offeror).

"Potential Adjustment Event" means, in relation to the Underlying Fund the occurrence at any time on or prior to the Final Valuation Date of:

- (i) a subdivision, reclassification, reorganisation, consolidation, increase, reduction by cancellation of the Shares of the Underlying Fund (other than that constituting a Merger Event), or, a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution or dividend to existing holders of the such Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of such Shares equally or proportionately with such payments to holders of such Shares, or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend;
- (iv) a repurchase by the issuer of such Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (v) any other event that may have a diluting or concentrative effect on the theoretical value of the Shares of the Underlying Fund.

"Underlying Fund Disruption Event" means in respect of a Share in the Underlying Fund on any day (i) the occurrence or continuation of a postponement of the date as of which the Underlying Fund is scheduled, according to the documentation governing the Underlying Fund, to determine the price per Share or net asset value of the Underlying Fund for the purposes of calculating the redemption proceeds to be paid to an investor that has submitted a timely and valid notice for redemption, or (ii) the occurrence or continuation of a postponement of the reporting by the Underlying Fund to its investors or, if applicable, the publishing by the Underlying Fund or the relevant publishing service, in each case of the price per Share or net asset value of the Underlying Fund and/or (iii) the occurrence or continuation of a postponement in the payment of the redemption proceeds relating to Shares of the Underlying Fund.

(e) ***Dealing restrictions in relation to Underlying Funds and Currency Events***

Notwithstanding Condition 6(c) (*Redemption at the Option of the Issuer*), whenever any sum is due in respect of the Notes (whether upon early redemption or upon final redemption or otherwise), the Issuer shall be entitled to suspend its obligation to make such payment in respect of the Notes if, and for as long as, in the determination of the Calculation Agent, (i) dealing by the Issuer, any Affiliate or Hypothetical Investors generally in the Shares of the relevant Underlying Fund is or is likely to be prevented,

delayed or restricted for any reason or (ii) a Currency Event has occurred. The Noteholders shall not be entitled to any interest or other compensation in respect of any such suspension nor shall such a suspension constitute a default. The Issuer shall give notice to the Noteholders as soon as practical of any such suspension and, subsequently, of the termination of any such suspension.

For the purposes hereof:

"Currency Event" means:

- (A) the occurrence of an event or a condition which, in the opinion of the Calculation Agent, on any day with respect to the Underlying Currency that has the effect of preventing, hindering, limiting or restricting (including, without limitation, by delays, increased costs or discriminatory rates of exchange) the Issuer or its Affiliates directly or indirectly from:
 - (i) converting the Underlying Currency into the Specified Currency through any customary legal channel;
 - (ii) converting the Underlying Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Reference Jurisdiction;
 - (iii) delivering the Specified Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction;
 - (iv) delivering the Underlying Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction; or
 - (v) effectively realising the value of any underlying hedge in the Specified Currency at any time; or
- (B) the government of the Reference Jurisdiction imposes, or gives public notice of its intention to impose, any capital controls (including, without limitation, the imposition of an upper limit on the amount of assets denominated in the Underlying Currency in the Reference Jurisdiction which can be held by any party) which the Calculation Agent determines in good faith are likely to materially affect the ability of the Issuer or its Affiliates to hedge the Issuer's position under the Notes or to unwind such hedge; or
- (C) the unavailability of the Specified Currency in any legal exchange market in the Reference Jurisdiction in accordance with normal commercial practice as determined by the Calculation Agent; and

"Reference Jurisdiction" means any jurisdiction in which a relevant Exchange is located.

(f) ***Hedging***

For the purposes of Condition 21(h)(iv), as amended by the Final Terms:

"Hedging Disruption" means that the Issuer or an Affiliate would be unable, after using commercially reasonable efforts, to conduct any Hedging (as defined below) or would suffer any material delay in conducting any Hedging.

"**Hedging**" means to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk (including, but not limited to, any currency risk) of entering into and performing its obligations with respect to these Notes; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the relevant transaction between accounts within a relevant jurisdiction of the Hedge Positions (an "**Affected Jurisdiction**") or from accounts within an Affected Jurisdiction to accounts outside of such Affected Jurisdiction; or
- (iii) without prejudice to (ii) above, transfer (A) amounts denominated in the Specified Currency from accounts within a relevant Underlying Country to accounts outside such Underlying Country, to other accounts within such Underlying Country or to the accounts of a non-resident of such Underlying Country or (B) amounts denominated in a relevant Underlying Currency from accounts within the related Underlying Country to other accounts within such Underlying Country, to accounts outside such Underlying Country or to the accounts of a non-resident of such Underlying Country; or
- (iv) without prejudice to (ii) and (iii) above, convert the Specified Currency into a relevant Underlying Currency or a relevant Underlying Currency into the Specified Currency.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or an Affiliate in order to hedge, individually or on a portfolio basis, a Note.

(g) **Miscellaneous**

- (i) Any person (the "**relevant person**") shall be treated as "**holding**" Shares in an Underlying Fund where the relevant person is registered as registered owner of such Shares in the Underlying Fund's register or where the registered owner of such Shares in the Underlying Fund's register is a custodian or agent and directly or indirectly the person for whose account those Shares are held is the relevant person. The terms "**hold**" and "**holder**" shall, in the context of holding Shares in an Underlying Fund, be construed accordingly.
- (ii) Where there is a dividend or distribution in respect of any Underlying Fund or any disposal or transfer of Shares in an Underlying Fund, the dividend distribution or proceeds of disposal or transfer shall not be treated as having been received by any person unless and until it or they have been paid or delivered to that person or to any bank, custodian or agent on behalf of that person in circumstances where that person may (i) (in the case of a payment denominated in a currency other than the Specified Currency) freely convert such payment into the Specified Currency and (ii) freely withdraw and transfer the payment (or, as the case may be, the Specified Currency conversion proceeds of such payment) or delivery.

22C. **Provisions relating to Market Access Notes linked to a single Underlying ETF or a basket of Underlying ETFs**

The provisions of this Condition 22C shall only apply in relation to Notes which are specified in the Final Terms as being Market Access Notes linked to one or more Underlying ETFs.

(a) ***Final Redemption Amount***

Unless previously redeemed or purchased and cancelled, and subject to the other Conditions of the Notes, the Issuer shall redeem each Note outstanding by paying on the later of the Maturity Date and the Cash Settlement Payment Date an amount in the Specified Currency determined by the Calculation Agent to be equal to the Realisable Sale Price per Note, as defined below, or 0.03 per cent. of the Issue Price per Note (whichever is greater).

"**Realisable Sale Price**" is an amount per Note calculated as follows:

- (i) The Calculation Agent shall determine the Aggregate Sale Amount(s) in respect of each Underlying ETF as follows:
- (a) if the Calculation Agent is satisfied that the Issuer, or any relevant affiliate of the Issuer (an "**Affiliate**") held a number of Shares in such Underlying ETF ("**X**", being equal to the total number of Shares in such Underlying ETF to which the Notes outstanding relate) on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the redemption of these Notes disposed or otherwise realised X of the Shares in such Underlying ETF through the Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the "**Aggregate Sale Amount**" shall be the aggregate amount at which the Issuer or such Affiliate effects the disposal or realisation of that number of Shares in such Underlying ETF ("**Gross Sale Amount**"), less any Costs incurred in connection with such disposal or realisation; or
- (b) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Shares in such Underlying ETF on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith disposed of or otherwise realised the value of a number ("**Y**") (where Y is less than X) of Shares in such Underlying ETF through the Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), the Calculation Agent shall:
- (A) determine the average price per Share in the Underlying ETF ("**M**") at which the Issuer or such Affiliate effected the disposal or realisation of Y of the Shares in such Underlying ETF (such average price M multiplied by X being the "**Gross Sale Amount**"), and
- (B) deduct any Costs per Share in the Underlying ETF from M (the resulting figure being "**N**"), and
- (C) multiply N by X (the resulting figure being the "**Aggregate Sale Price**"); or
- (c) if the Calculation Agent is satisfied that the Issuer or an Affiliate acting reasonably held any other relevant instrument(s) or had entered into any other relevant arrangements relating to or referencing the Underlying ETF, in each case for the purposes of hedging, funding or otherwise performing the Issuer's obligations in respect of the Notes (each a "**Relevant Hedge**") on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the redemption of these Notes disposed of, unwound or otherwise realised or closed out part or all of such Relevant Hedge(s) through an Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the Calculation Agent shall determine the average reference net price per Share in the Underlying ETF ("**N**") at, or in relation to, which the Relevant Hedge(s) were disposed of, unwound or otherwise realised or closed out by the Issuer or such Affiliate after deducting any Costs per Share in the Underlying ETF incurred in connection with such disposal, unwind, realisation or closeout, with such average reference net price N multiplied by X being the "**Aggregate Sale Amount**"; and

- (d) in all other cases, the "**Aggregate Sale Amount**" shall be the aggregate amount, as determined by the Calculation Agent, at which a Notional Holder of X Shares in such Underlying ETF on the Determination Date would have on and from the Determination Date been able to dispose of such Shares in the Underlying ETF through any applicable Exchange (in the Calculation Agent's absolute discretion) (the "**Gross Sale Amount**"), less any Costs which, in the determination of the Calculation Agent would have been incurred in effecting such disposal; and
 - (e) any such disposal, realisation, unwind or closeout effected by the Issuer or an Affiliate (and the disposal that for the purposes of sub-paragraph (4) above the Calculation Agent determines a Notional Holder would have been able to effect) may be effected in one lot of the Shares in the Underlying ETF or divided up into smaller lots whose disposal is effected over a number of days. The Calculation Agent shall also determine (i) in the case where the Issuer or an Affiliate disposes or realises the value of any such Shares in such Underlying ETF, the date on which the Issuer or such Affiliate received the related aggregate amount in respect of them or (ii) the date on which an unwind or closeout of the Relevant Hedge(s) was effective and (iii) in other cases, the date on which a Notional Holder could reasonably be expected to have completed such disposals and received the aggregate amount (which date not be earlier than the date on which the Issuer or an Affiliate received the aggregate amount in respect of any of such Shares in such Underlying ETF which it did so dispose of or otherwise realise) (in each case, such date being the "**ASA Receipt Date**").
- (ii) The Aggregate Sale Amount received or deemed received shall then be translated into the Specified Currency as follows:
- (a) if the Calculation Agent is satisfied that in relation to the ASA Receipt Date the Issuer or an Affiliate in respect of the redemption of these Notes, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation, as determined by the Calculation Agent, shall be the rate obtained by the Issuer or such Affiliate, adjusted to take into account the effect of any non-deliverable forward transaction ("**NDF transaction**") if such is entered into by the Issuer or such Affiliate in relation to the ASA Receipt Date in respect of the Aggregate Sale Amount; or
 - (b) if the Calculation Agent determines that Relevant Hedge(s) are denominated in the Specified Currency, then the rate of exchange for the purpose of such translation shall be that rate implicit in the determination of the final value under such Relevant Hedge(s); or
 - (c) in other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Aggregate Sale Amount on the ASA Receipt Date would have been able to convert the Aggregate Sale Amount into the Specified Currency, taking into account the effect of any NDF transaction that such Notional Holder would have entered, or would have been able to enter, into in respect of the Aggregate Sale Amount in relation to the ASA Receipt Date; and
 - (d) in each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs. The sum of the resulting amount(s) (each a "**Converted ASA**") less applicable Redemption Costs divided by the associated X and then multiplied by the relevant Number of Underlying ETFs per Note shall be the contribution to the Realisable Sale Price for such Underlying ETF.

The Realisable Sale Price shall be payable by the Issuer on the later of the Maturity Date and the day (the "**Cash Settlement Payment Date**") which is the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on

which the Issuer or an Affiliate received the Converted ASA in respect of an exchange transaction entered into in relation to the ASA Receipt Date or, as the case may be, (ii) the day on which a Notional Holder entering into an exchange transaction in relation to the ASA Receipt Date would have received the Converted ASA and, in each case, the effective translation rate including Conversion Costs being the "**Effective FX Rate**".

(iii) For the purposes of this Condition 22C:

"**Conversion Costs**" shall mean the costs of conversion for the purposes of converting an Aggregate Sale Amount into a Converted ASA and an Underlying Currency Amount (as defined in paragraph (b) (*Additional Payments*) below) or Event Receipt (as defined in paragraph (c) (*Payment in respect of an Extraordinary ETF Event, Hedging Disruption Event, Merger Event, or Potential Adjustment Event*) below) into a Converted Amount respectively, the amount being determined by the Calculation Agent by reference to actual costs incurred by the Issuer or an Affiliate or, as the case may be, the costs which, in the determination of the Calculation Agent, would have been incurred by a Notional Holder.

"**Costs**" shall mean all costs, expenses, fees and levies taken into account in determining an Aggregate Sale Amount, an Underlying Currency Amount or an Event Payment (as appropriate) including, without limitation, all brokers' fees, bank and custody charges, transaction processing fees and expenses, any redemption fees or management charges and all taxes (including potential taxes which the Calculation Agent considers may arise) and other duties in respect of the relevant Underlying ETF or the securities constituting the Underlying ETF whether such Costs are or would be withheld at source or would otherwise be required to be paid, all as determined by the Calculation Agent.

Where (i) the amount of Costs or the basis on which it is to be determined is not confirmed before the applicable Determination Date and/or is subject to change in the future (such amount of Costs being "**Unpaid Costs**") and (ii) the Unpaid Costs were not deducted from the calculation of the Realisable Sale Price, each Noteholder will be required to pay to the Issuer an amount equal to such Unpaid Costs upon notification from the Issuer. Any Noteholder's obligation to pay such Unpaid Costs shall survive the redemption of the Notes and any transfers made by any such Noteholder prior to such date.

In relation to Notes in respect of PRC securities markets only:

As referred to above, "all taxes" shall include potential taxes which the Calculation Agent considers may arise and "other duties" shall include, without limitation, any capital gains tax such as PRC Capital Gains Tax and, in all cases, including any interest thereon levied by the applicable PRC tax authorities, all as determined by the Calculation Agent.

Where the amount of Costs (including, without limitation, PRC Capital Gains Tax) or the basis on which it is to be determined is not definitely known (each a "**tax uncertainty**" and together "**tax uncertainties**"), the Issuer may use the same basis for calculation of such amount as it would use in respect of a holding, purchase or, as applicable, sale of the Shares of the Underlying ETF or the securities constituting the Underlying ETF either (a) for itself as beneficial owner, (b) for a Notional Holder as beneficial owner, or (c) for the Noteholder as beneficial owner, as appropriately determined by the Calculation Agent (**provided that** the rate in respect of PRC Capital Gains Tax shall be the Fixed CGT Rate) until the applicable Tax Certainty Date.

In addition (and notwithstanding the provisions relating to PRC Capital Gains Tax stated above), once the relevant tax uncertainties are clarified so as to remove the relevant tax uncertainties, (1) where the amount of tax which has actually been deducted ("**Tax Deducted**") is greater than the amount of tax properly payable (the amount of the excess, the "**Excess Deduction**"), the Issuer will pay to the Noteholder an amount in the Specified Currency (converted at the Effective FX Rate at the time the relevant determination of the Excess Deduction is made) equal to the Excess Deduction, or (2)

where the Tax Deducted is less than the amount of tax properly payable (the amount of the excess, the "**Deduction Shortfall**"), the Noteholder will pay to the Issuer an amount in the Specified Currency (converted at the Effective FX Rate at the time the relevant determination of the Deduction Shortfall is made) equal to the Deduction Shortfall. In either case, the relevant amount (the "**Tax Equalisation Payment**") will be (x) conclusively determined as soon as reasonably practicable on or after the Tax Certainty Date by the Calculation Agent and notified as soon as practicable after such determination to Noteholders (such notification date, the "**Tax Equalisation Payment Notification Date**"), and (y) (where the Tax Certainty Date falls on or before the latest ASA Receipt Date) payable on the Settlement Date applicable to any redemption of Notes on the Maturity Date, or (where the Tax Certainty Date falls after the latest ASA Receipt Date) payable on the date notified to Noteholders as the applicable payment date by the Issuer, being no less than two Business Days after the Tax Equalisation Payment Notification Date (such payment date, the "**Tax Equalisation Payment Date**"). The obligation to pay any Excess Deduction or Deduction Shortfall shall survive the maturity of the Notes and any transfers of Notes made by any Noteholder prior thereto.

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

"**PRC**" means, solely for the purpose stated herein, the People's Republic of China excluding the Hong Kong and Macau Special Administrative Regions of the People's Republic of China and Taiwan.

"**PRC Capital Gains Tax**" means, unless and until definitively stated by any applicable PRC tax authorities (as determined by the Calculation Agent in its sole and absolute discretion), 10 per cent. (such rate, the "**Fixed CGT Rate**") of the excess (if any) of (a) the Realisable Sale Price (without deduction of Costs) over (b) Relevant Reference Price, and if (and once) so definitively stated, the capital gains tax properly applicable as so stated.

"**QFII**" means a Qualified Foreign Institutional Investor pursuant to the Measures for the Administration of Securities Investments by Qualified Foreign Institutional Investors, which were jointly promulgated by the China Securities Regulatory Commission, the People's Bank of China and The State Administration of Foreign Exchange on 24 August 2006, and which became effective on 1 September 2006.

"**Relevant Reference Price**" means the CNY equivalent of the purchase price (excluding commission charged by the Issuer or its Affiliate) of one Note at the time a Noteholder purchased the Notes.

"**Tax Certainty Date**" means, in respect of any tax uncertainty, the date on which the Calculation Agent becomes aware of the clarification by the applicable tax authorities so as to remove the relevant uncertainty or, if later, the Tax Clarification Effective Date.

"**Tax Clarification Effective Date**" means the first date on which the relevant clarified tax position becomes effective (and where the clarified tax position becomes effective with retrospective effect on a certain date or affecting a certain payment, the Tax Clarification Effective Date will be that certain date or the date of that certain payment), all as determined by the Calculation Agent.

Noteholders should note that if the PRC taxing authorities clarify the PRC Capital Gains Tax rate after the Final Redemption Amount has been paid and such rate properly applied is different from the Fixed CGT Rate, either the Issuer or the Noteholder (as the case may be) will have an obligation to pay the Excess Deduction or Deduction Shortfall (as the case may be).

The following applies to all Notes:

"**Determination Date**" means the Valuation Date, in the case of the Final Redemption Amount, or, in the case of an Early Redemption Amount, the day on which the Issuer gave notice of redemption, or if that day was not an Exchange Business Day on which

there was no Market Disruption Event, the next succeeding Exchange Business Day on which there was no Market Disruption Event).

"**FII**" means a Foreign Institutional Investor pursuant to The Securities and Exchange Board of India (Foreign Institutional Investor) Regulations 1995.

"**FINI**" means a foreign institutional investor eligible under the securities laws of Taiwan to invest, *inter alia*, in equity securities listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market.

"**Notional Holder**" means an institution subject to the same tax laws, securities laws, rules and regulations of any tax authorities, securities regulators, exchanges or self-regulating organisations as would apply to the Issuer or its Affiliate had they held Shares in the Underlying ETFs or Relevant Hedge(s). In the case that the Shares in the Underlying ETF or Underlying ETFs are (i) securities that are traded on the PRC securities market in CNY, (ii) Indian securities, or (iii) Taiwanese securities or (iv) Saudi Arabian securities, then such Notional Holder will additionally be deemed to be, respectively, (i) a QFII, (ii) a FII, (iii) a FINI or (iv) an Authorised Person (as defined by the Saudi Arabian Capital Markets Authority).

"**Number of Underlying ETFs per Note**" shall mean the number of Shares in the relevant Underlying ETF to which each Note relates as specified in the Final Terms.

"**Redemption Commission**" shall be defined as the equivalent amount, in the Specified Currency, of the Redemption Commission Percentage (as specified in the Final Terms) of the Gross Sale Amount.

"**Redemption Costs**" shall mean the greater of zero, and the Redemption Commission giving credit in respect of an amount which is the equivalent, in the Specified Currency, of the Transaction Costs.

"**Share**" means, in relation to any Underlying ETF, a unit or share therein.

"**Transaction Costs**" shall mean the value of the relevant Costs and Conversion Costs aggregated together.

(b) **Additional Payments**

If during the period from and including the Issue Date to but including the Determination Date (the "**Relevant Period**") any Shares in an Underlying ETF are marked on the relevant Exchange as ex-dividend or ex-distribution (the date on which it is so marked being the "**Mark Date**"), then, where in the determination of the Calculation Agent, such dividend or distribution is to be paid by the related Underlying ETF, the Issuer shall make an additional payment per Note calculated as follows:

- (i) if the Calculation Agent determines that on the Business Day prior to the Mark Date the Issuer or an Affiliate held any Shares in the relevant Underlying ETFs, the Calculation Agent shall determine the net aggregate amount of the cash dividend or distribution which the Issuer or such Affiliate would have received in respect of such holding after deduction of Costs (the date on which it would have been received being the "**Receipt Date**"), and divide that net aggregate amount by the number of Shares in the Underlying ETFs so held to give a per Share in the Underlying ETF amount (the "**Underlying Currency Amount**"); or
- (ii) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Relevant Hedge(s) on the Business Day prior to the Mark Date, then the Calculation Agent shall determine the net aggregate amount of the cash dividend or distribution equivalent payment which the Issuer or such Affiliate would have received in respect of such Relevant Hedges(s) after deduction of Costs (the date on which it would have been received being the "**Receipt Date**"), and divide that net aggregate amount by the number of Shares of the Underlying

ETFs to which such Relevant Hedge(s) relate to give a per Share in the Underlying ETF amount (a "**Converted Amount**" if in the Specified Currency and otherwise an "**Underlying Currency Amount**"); and

- (iii) in all other cases, the net amount which, in the determination of the Calculation Agent, would have been receivable per Share in the Underlying ETF by a Notional Holder which was a holder of one of the relevant Shares in the Underlying ETF on the Business Day prior to the Mark Date after deduction of Costs shall be the "**Underlying Currency Amount**", and the date on which, in the determination of the Calculation Agent, such Notional Holder would have received the Underlying Currency Amount shall be the "**Receipt Date**".

The cash value of any non-cash dividend or distribution shall be as determined by the Calculation Agent, save that:

- (1) where the Calculation Agent determines that the Issuer or an Affiliate held any of the Shares in the relevant Underlying ETF on the Business Day prior to the Mark Date and that the Issuer or such Affiliate disposed of any relevant non-cash dividend or distribution received in respect of such Shares in the Underlying ETF for cash on the date it received the same, the Calculation Agent shall have regard to the value at which the Issuer or such Affiliate disposed of such relevant non-cash dividend or distribution in determining the cash value of the relevant additional payment; and
- (2) where the Calculation Agent determines that the Issuer or an Affiliate held any Relevant Hedge(s) on the Business Day prior to the Mark Date and that the Issuer or such Affiliate received, in respect of such Relevant Hedge(s), cash by way of adjustment or settlement of such non-cash dividend or distribution, the Calculation Agent shall have regard to such value received by the Issuer or such Affiliate in determining the cash value of the relevant additional payment.

The Receipt Date for this purpose shall be: (i) in the case of (1) above, the date on which the Issuer or such Affiliate received the cash disposal proceeds, (ii) in the case of (2) above, the date on which the Issuer or such Affiliate received such a cash payment by way of such adjustment or settlement and, in any other case, the date on which a Notional Holder which received such relevant non-cash dividend or distribution and disposed of it immediately would have received the cash disposal proceeds, all as determined by the Calculation Agent (such cash value being a "**Converted Amount**" if in the Specified Currency and otherwise an "**Underlying Currency Amount**").

Any Underlying Currency Amount shall then be converted into the Specified Currency. If the Calculation Agent is satisfied that in relation to the Receipt Date the Issuer or an Affiliate in connection with the determination of the relevant additional payment actually entered into an exchange transaction to convert Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such conversion shall be the rate actually obtained by the Issuer or such Affiliate, as determined by the Calculation Agent. In other cases, the rate of exchange shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received an Underlying Currency Amount on the Receipt Date would have been able to convert such Underlying Currency Amount into the Specified Currency. In each case the Calculation Agent shall deduct from the converted Specified Currency amount any Conversion Costs per Share in the Underlying ETF. The resulting amount (the "**Converted Amount**") multiplied by the Number of Underlying ETFs per Note shall be the amount of the additional payment (the "**Additional Payment**") per Note.

Any Additional Payments shall be payable by the Issuer as specified in the Final Terms but in any case no earlier than the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on which the Issuer or its Affiliate would have received the Converted Amount in respect of an exchange transaction entered into in relation to the Receipt Date or, as the case may be, (ii) the day on which a Notional

Holder entering into an exchange transaction in relation to the Receipt Date would have received the Converted Amount.

Any Additional Payments shall be payable, where the Notes are held in a clearing system such as DTC, Euroclear and/or Clearstream, Luxembourg to the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg (as the case may be) as Noteholders on the Business Day immediately preceding the Mark Date, and in any other case to the holders for the time being of the Notes (irrespective of whether or not they were Noteholders on the Business Day immediately preceding the Mark Date).

(c) ***Early Redemption Amount and Early Redemption Date***

"Early Redemption Amount" means with respect to the Early Redemption Date, the amount payable on such designated Early Redemption Date which shall be based on the Specified Currency Equivalent of the Realisable Sale Price determined by the Calculation Agent as of the designated Early Redemption Date.

"Early Redemption Date" means the date designated by the Issuer upon the occurrence of an Extraordinary Fund Event, Hedging Disruption Event, Merger Event or Potential Adjustment Event and notified to the Noteholders in accordance with Condition 13 (*Notices*) (such Early Redemption Date being subject to postponement as further described above).

(d) ***Payment in respect of an Extraordinary ETF Event, Hedging Disruption Event, Merger Event or Potential Adjustment Event***

Upon the occurrence of an Extraordinary ETF Event, Hedging Disruption Event, Merger Event or Potential Adjustment Event, on the Business Day immediately following such occurrence:

- (i) with respect to a Merger Event where consideration for the Shares of the Underlying ETF consists solely of shares in which the Issuer could invest (the **"New Shares"**), references to a Share of the related Underlying ETF shall be replaced by references to the number of New Shares to which a holder of a Share of the Underlying ETF would be entitled upon consummation of the Merger Event and the New Shares and their issuer will be deemed to be the Shares and issuer of the Underlying ETF and, if necessary, the Calculation Agent will make adjustments to the Underlying ETF Value and/or any other terms of the Notes in such manner as it considers appropriate;
- (ii) with respect to a Hedging Disruption Event or Merger Event where the consideration for the Shares of the Underlying ETF consists of anything other than the consideration described in (a) above, the Issuer may declare an Early Redemption Date and, if so, the Noteholders will receive the Early Redemption Amount (as computed under *"Early Redemption Amount"* above);
- (iii) with respect to a Potential Adjustment Event, the Calculation Agent may make such adjustment, if any, to the Underlying ETF Value, the notional number of Shares in the Underlying ETF and/or any other terms of the Notes as the Calculation Agent determines appropriate and determine the effective times thereof; and
- (iv) with respect to the occurrence of an Extraordinary ETF Event the Calculation Agent may either (a) declare one or more Valuation Dates and designate an Early Redemption Date and the Noteholders will receive the Early Redemption Amount (as computed under *"Early Redemption Amount"* above), or (b) make such adjustment, if any, to the Underlying ETF Value, the notional number of Shares in the Underlying ETF and/or any other terms of the Notes as the Calculation Agent determines appropriate and determine the effective times thereof.

For the purposes hereof:

"**Extraordinary ETF Event**" means with respect to the Underlying ETF, in the determination of the Calculation Agent, the occurrence or existence of any of the following on or prior to the Final Valuation Date:

- (i) any breach or violation of the provisions of the Underlying ETF's operating documents, including for the avoidance of doubt any strategy or investment guidelines, by the Underlying ETF and/or its manager or investment adviser that is reasonably likely to affect the value of the Shares in the Underlying ETF;
- (ii) the non-execution or partial execution by the Underlying ETF for any reason of a subscription or redemption order in respect of any Shares in the Underlying ETF given by a Notional Holder in the Underlying ETF, other than a partial execution or a delay in execution which the Calculation Agent considers to be in the usual course and except as provided in the Underlying ETF's operating documents;
- (iii) that the Underlying ETF (1) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (2) makes a general assignment or arrangement with or for the benefit of its creditors, (3) (A) 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 (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or 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 (A) 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 fifteen days of the institution or presentation thereof, (4) 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, (5) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter, or (6) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) through (5) above;
- (iv) the administration agent, the investment adviser, manager or the custodian, as applicable, of the Underlying ETF ceases to act in its capacity as administrator or manager of or adviser or custodian of the Underlying ETF, as the case may be;
- (v) a material modification of the investment programme, investment objectives, investment policies, investment strategy, investment process or investment guidelines of the Underlying ETF;
- (vi) the failure by the Underlying ETF to comply with its reporting obligations (including, without limitation, the scheduled regular reporting of share prices or the estimated net asset value of the Underlying ETF, scheduled regular

statements thereof, return numbers and composition of the Underlying ETF and the allocation of capital for the Underlying ETF) in accordance with the Underlying ETF's operating documents;

- (vii) a material modification (other than any modifications referred to in (v) above) of the Underlying ETF (including but not limited to a modification of the Underlying ETF's operating documents or the articles of association or other constitutional documents of the Underlying ETF) or the occurrence of a change or any event materially affecting the Underlying ETF (including, but not limited to, the interruption, breakdown or suspension of the calculation of the net asset value of the Underlying ETF unless such interruption, breakdown or suspension is cured within two Business Days);
 - (viii) a material modification of the type of assets in which the relevant ETF invests or the trading practices of the Underlying ETF (including but not limited to a material deviation from the investment policy and investment objectives set out in the Underlying ETF's operating documents) which, in the determination of the Calculation Agent, has or is likely to have a material effect on any Hedging entered into by the Issuer or its Affiliates in respect of the Notes;
 - (ix) the suspension of redemptions of Shares in (1) the Underlying ETF or (2) the Underlying ETF repurchases or compulsorily redeems any Shares in the Underlying ETF or (3) the Underlying ETF imposes any restriction, charge or fee in respect of a redemption or issue of Shares in the Underlying ETF (other than any restriction, charge or fee in existence as at the Trade Date);
 - (x) the Underlying ETF or its investment adviser or manager has its authorisation or registration cancelled by any applicable regulatory authority;
 - (xi) the Underlying ETF or the investment adviser, manager or the administration agent of the Underlying ETF (1) 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 Underlying ETF, investment adviser or administration agent, (2) commits an act which constitutes fraud or criminal activity in the performance of its obligations in respect of the Underlying ETF; (3) makes any material misrepresentation under any document in respect of the relevant Underlying ETF or (4) announces its intention to cease the business of investment management;
 - (xii) (A) cancellation, suspension or revocation of the registration or approval of the Shares or the Underlying ETF by any governmental, legal or regulatory entity with authority over the Shares or the Underlying ETF or (B) any change in the legal, tax, accounting or regulatory treatments of the Underlying FTF or the investment adviser or manager that is reasonably likely to have an adverse impact on the value of the Shares or on any investor therein (as determined by the Calculation Agent); or
 - (xiii) all the Shares or all or substantially all the assets of the Underlying ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.
- (e) ***Dealing restrictions in relation to Underlying ETFs and Currency Events***

Notwithstanding Condition 6(c) (*Redemption at the Option of the Issuer*), whenever any sum is due in respect of the Notes (whether upon early redemption or upon final redemption or otherwise), the Issuer shall be entitled to suspend its obligation to make such payment in respect of the Notes if, and for as long as, in the determination of the Calculation Agent, (i) dealing by the Issuer, any Affiliate or Notional Holders generally in the relevant Shares in the Underlying ETF or Relevant Hedge(s) is or is likely to be prevented, delayed or restricted by closure of a relevant Exchange or Related Exchange,

suspension of trading in such Shares in the Underlying ETF, Relevant Hedge(s) or other circumstances or (ii) a Currency Event has occurred. The Noteholders shall not be entitled to any interest or other compensation in respect of any such suspension nor shall such a suspension constitute a default. The Issuer shall give notice to the Noteholders as soon as practical of any such suspension and, subsequently, of the termination of any such suspension.

For the purposes hereof:

"Currency Event" means:

- (A) the occurrence of an event or a condition which, in the opinion of the Calculation Agent, on any day with respect to the Underlying Currency that has the effect of preventing, hindering, limiting or restricting (including, without limitation, by delays, increased costs or discriminatory rates of exchange) the Issuer or its Affiliates directly or indirectly from:
 - (i) converting the Underlying Currency into the Specified Currency through any customary legal channel;
 - (ii) converting the Underlying Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Reference Jurisdiction;
 - (iii) delivering the Specified Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction;
 - (iv) delivering the Underlying Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction; or
 - (v) effectively realising the value of any underlying hedge in the Specified Currency at any time; or
- (B) the government of the Reference Jurisdiction imposes, or gives public notice of its intention to impose, any capital controls (including, without limitation, the imposition of an upper limit on the amount of assets denominated in the Underlying Currency in the Reference Jurisdiction which can be held by any party) which the Calculation Agent determines in good faith are likely to materially affect the ability of the Issuer or its Affiliates to hedge the Issuer's position under the Notes or to unwind such hedge; or
- (C) the unavailability of the Specified Currency in any legal exchange market in the Reference Jurisdiction in accordance with normal commercial practice as determined by the Calculation Agent; and

"Reference Jurisdiction" means any jurisdiction in which a relevant Exchange is located.

(f) ***Hedging***

For the purposes of Condition 21(h)(iv), as amended by the Final Terms:

"Hedging Disruption" means that the Issuer or an Affiliate would be unable, after using commercially reasonable efforts, to conduct any Hedging (as defined below) or would suffer any material delay in conducting any Hedging.

"**Hedging**" means to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk (including, but not limited to, any currency risk) of entering into and performing its obligations with respect to these Notes; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the relevant transaction between accounts within a relevant jurisdiction of the Hedge Positions (an "**Affected Jurisdiction**") or from accounts within an Affected Jurisdiction to accounts outside of such Affected Jurisdiction; or
- (iii) without prejudice to (ii) above, transfer (A) amounts denominated in the Specified Currency from accounts within a relevant Underlying Country to accounts outside such Underlying Country, to other accounts within such Underlying Country or to the accounts of a non-resident of such Underlying Country or (B) amounts denominated in a relevant Underlying Currency from accounts within the related Underlying Country to other accounts within such Underlying Country, to accounts outside such Underlying Country or to the accounts of a non-resident of such Underlying Country; or
- (iv) without prejudice to (ii) and (iii) above, convert the Specified Currency into a relevant Underlying Currency or a relevant Underlying Currency into the Specified Currency.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or an Affiliate in order to hedge, individually or on a portfolio basis, a Note.

(g) **Miscellaneous**

- (i) Any person (the "**relevant person**") shall be treated as "**holding**" the Shares in the Underlying ETF where the relevant person is registered as registered owner of such Shares in the Underlying ETF in the Underlying ETF's share register or where the registered owner of such Shares in the Underlying ETF in the Underlying ETF's share register is a custodian or agent and directly or indirectly the person for whose account those Shares in the Underlying ETF are held is the relevant person. The terms "**hold**" and "**holder**" shall, in the context of holding Shares in the Underlying ETF, be construed accordingly.
- (ii) Where there is a dividend or distribution in respect of any Shares in an Underlying ETF or any disposal or transfer of Shares in an Underlying ETF, the dividend distribution or proceeds of disposal or transfer shall not be treated as having been received by any person unless and until it or they have been paid or delivered to that person or to any bank, custodian or agent on behalf of that person in circumstances where that person may (i) (in the case of a payment denominated in a currency other than the Specified Currency) freely convert such payment into the Specified Currency and (ii) freely withdraw and transfer the payment (or, as the case may be, the Specified Currency conversion proceeds of such payment) or delivery.

22D. **Provisions relating to Market Access Notes linked to a single Underlying Index or a basket of Underlying Indices**

The provisions of this Condition 22D shall only apply in relation to Notes which are specified in the Final Terms as being Market Access Notes linked to one or more Underlying Indices.

(a) ***Final Redemption Amount***

Unless previously redeemed or purchased and cancelled, and subject to the other Conditions of the Notes, the Issuer shall redeem each Note outstanding by paying on the later of the Maturity Date and the Cash Settlement Payment Date an amount in the Specified Currency determined by the Calculation Agent to be equal to the Realisable Sale Price per Note, as defined below, or 0.03 per cent. of the Issue Price per Note (whichever is greater).

"**Realisable Sale Price**" is an amount per Note calculated as follows:

- (i) Unless otherwise specified in the Final Terms, the Calculation Agent shall determine the Aggregate Net Proceeds in respect of each Underlying Index.

For these purposes:

- (1) if the Calculation Agent is satisfied that the Issuer or any relevant affiliate of the Issuer (an "**Affiliate**") acting reasonably held any relevant instrument(s) or had entered into or was party to any other relevant arrangements relating to or referencing the Underlying Index, in each case for the purposes of hedging, funding or otherwise performing the Issuer's obligations in respect of the Notes (each a "**Relevant Hedge**") on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the redemption of these Notes disposed of, unwound or otherwise realised or closed out part or all of such Relevant Hedge(s) through an Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the Calculation Agent shall determine the average reference net price per Underlying Index ("**N**") at, or in relation to, which the Relevant Hedge(s) were disposed of, unwound or otherwise realised or closed out by the Issuer or such Affiliate after deducting any Costs per Underlying Index incurred in connection with such disposal, unwind, realisation or closeout, with such average reference net price N multiplied by the total Weighting of such Underlying Index to which the Notes outstanding relate being the "**Aggregate Net Proceeds**;
- (2) in all other cases, the "**Aggregate Net Proceeds**" shall be equal to the aggregate amount, as determined by the Calculation Agent, at which a Notional Holder of a basket of Reference Securities representing the total Weighting of such Reference Securities in the Underlying Index on the Determination Date would have on and from the Determination Date received upon the disposal, unwind or other realisation or closeout of such Reference Securities after deducting any Costs incurred in connection with such disposal, unwind, realisation or closeout. Such total Weighting shall be determined by reference to the formula for and method of calculating the Underlying Index, as may be qualified in the Final Terms, at the relevant time; and
- (3) any such disposal, realisation, unwind or closeout effected by the Issuer or an Affiliate (and the disposal, realisation, unwind or closeout that for the purposes of sub-paragraph (2) above the Calculation Agent determines a Notional Holder would have been able to effect) may be effected in one lot or divided up into smaller lots whose disposal is effected over a number of days. The Calculation Agent shall also determine (i) in the case where the Issuer or an Affiliate disposes, realises, unwinds or closes out any such Relevant Hedge(s), the date on which the Issuer or such Affiliate received the aggregate amount due to it in respect of such disposal, realisation, unwind or closeout it and (ii) in other cases, the date on which a Notional Holder could reasonably be expected to have completed such disposal, realisation, unwind or

closeout and received the aggregate amount due to it in respect thereof (which date not be earlier than the date on which the Issuer or an Affiliate received the aggregate amount in respect of any of any Relevant Hedge(s) that it disposed of, unwound or otherwise realised or closed out) (in each case, such date being the "**ANP Receipt Date**").

(ii) The Aggregate Net Proceeds received or deemed received shall then be translated into the Specified Currency as follows:

- (1) if the Calculation Agent is satisfied that in relation to the ANP Receipt Date the Issuer or an Affiliate in respect of the redemption of these Notes, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation, as determined by the Calculation Agent, shall be the rate obtained by the Issuer or such Affiliate, adjusted to take into account the effect of any non-deliverable forward transaction ("**NDF transaction**") if such is entered into by the Issuer or such Affiliate in relation to the ANP Receipt Date in respect of the Aggregate Net Proceeds; or
- (2) if the Calculation Agent determines that Relevant Hedge(s) are denominated in the Specified Currency, then the rate of exchange for the purpose of such translation shall be that rate implicit in the determination of the final value under such Relevant Hedge(s); or
- (3) in other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Aggregate Net Proceeds on the ANP Receipt Date would have been able to convert the Aggregate Net Proceeds into the Specified Currency, taking into account the effect of any NDF transaction that such Notional Holder would have entered, or would have been able to enter, into in respect of the Aggregate Net Proceeds in relation to the ANP Receipt Date; and
- (4) in each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs. The sum of the resulting amount(s) (each a "**Converted ANP**") less applicable Redemption Costs scaled appropriately to give a per Note amount shall be the contribution to the Realisable Sale Price for such Underlying Index.

The Realisable Sale Price shall be payable by the Issuer on the later of the Maturity Date and the day (the "**Cash Settlement Payment Date**") which is the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on which the Issuer or an Affiliate received the Converted ANP in respect of an exchange transaction entered into in relation to the ANP Receipt Date or, as the case may be, (ii) the day on which a Notional Holder entering into an exchange transaction in relation to the ANP Receipt Date would have received the Converted ANP and, in each case, the effective translation rate including Conversion Costs being the "**Effective FX Rate**".

(iii) For the purposes of this Condition 22D:

"**Conversion Costs**" shall mean the costs of conversion for the purposes of converting any Aggregate Net Proceeds into a Converted ANP, the amount being determined by the Calculation Agent by reference to actual costs incurred by the Issuer or an Affiliate or, as the case may be, the costs which, in the determination of the Calculation Agent, would have been incurred by a Notional Holder.

"**Costs**" shall mean all costs, expenses, fees and levies taken into account in determining an Aggregate Net Proceeds, including, without limitation, all brokers' fees, bank and custody charges, transaction processing fees and expenses and all taxes (including potential taxes which the Calculation Agent considers may arise) and other duties in respect of the relevant Underlying Index whether such Costs are or would be withheld at source or would otherwise be required to be paid, all as determined by the Calculation Agent.

Where (i) the amount of Costs or the basis on which it is to be determined is not confirmed before the applicable Valuation Date and/or is subject to change in the future (such amount of Costs being "**Unpaid Costs**") and (ii) the Unpaid Costs were not deducted from the calculation of the Realisable Sale Price, each Noteholder will be required to pay to the Issuer an amount equal to such Unpaid Costs upon notification from the Issuer. Any Noteholder's obligation to pay such Unpaid Costs shall survive the redemption of the Notes and any transfers made by any such Noteholder prior to such date.

"**Determination Date**" means the Valuation Date, in the case of the Final Redemption Amount, or, in the case of an Early Redemption Amount, the day on which the Issuer gave notice of redemption, or if that day was not an Exchange Business Day on which there was no Market Disruption Event, the next succeeding Exchange Business Day on which there was no Market Disruption Event.

"**FII**" means a Foreign Institutional Investor pursuant to The Securities and Exchange Board of India (Foreign Institutional Investor) Regulations 1995.

"**FINI**" means a foreign institutional investor eligible under the securities laws of Taiwan to invest, *inter alia*, in equity securities listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market.

"**Notional Holder**" means an institution subject to the same tax laws, securities laws, rules and regulations of any tax authorities, securities regulators, exchanges or self-regulating organisations as would apply to the Issuer or its Affiliate had they held the Relevant Hedge(s). In the case that the Reference Securities of the Underlying Index or Underlying Indices are (i) securities that are traded on the PRC securities market in CNY, (ii) Indian securities, or (iii) Taiwanese securities or (iv) Saudi Arabian securities, then such Notional Holder will additionally be deemed to be, respectively, (i) a QFII, (ii) a FII, (iii) a FINI or (iv) an Authorised Person (as defined by the Saudi Arabian Capital Markets Authority).

"**Number of Underlying Indices per Note**" shall mean the total Weighting of each Underlying Index to which each Note relates as specified in the Final Terms.

"**Redemption Commission**" means the equivalent amount, in the Specified Currency, of the Redemption Commission Percentage (as specified in the Final Terms) of the Final Redemption Amount.

"**Redemption Costs**" shall mean the greater of zero and the Redemption Commission giving credit in respect of an amount which is the equivalent, in the Specified Currency, of the Transaction Costs.

"**Reference Securities**" means, in relation to any Underlying Index, the securities comprising such Underlying Index.

"**Transaction Costs**" shall mean the value of the relevant Costs and Conversion Costs aggregated together.

(b) ***Additional Payments***

For the avoidance of doubt, unless otherwise stated in the Final Terms, dividends on the Reference Securities of each Underlying Index will be taken into account in the Underlying Index calculation in accordance with the formula for and method of calculating such Underlying Index, and investors will not separately receive any payments relating to dividends or other distributions relating to any securities which comprise the Reference Securities of such Underlying Index.

(c) ***Dealing restrictions in relation to Underlying Indices and Currency Events***

For the purposes of payments (if any) made pursuant to Condition 21(g)(ii) or Condition 21(g)(iii) (each an "**Event Payment**"):

- (i) If the Calculation Agent is satisfied that the Issuer or an Affiliate held any relevant Underlying Index on the Business Day immediately preceding the occurrence of the Extraordinary Event or Conversion (the "**Event Occurrence Date**"), the Calculation Agent shall determine the net cash value of any payment which the Issuer or such Affiliate actually received in respect of such holding after deduction of Costs (the date on which it would have received being the "**Event Receipt Date**") and divide that net cash value by the number of such Underlying Index so held by the Issuer or such Affiliate to give a per Underlying Index amount (the "**Event Receipt**"); or
- (ii) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Relevant Hedge(s) on the Business Day prior to the Event Occurrence Date, then the Calculation Agent shall determine the net cash value of any payment which the Issuer or such Affiliate would have received in respect of such Relevant Hedges(s) after deduction of Costs (the date on which it would have been received being the "**Event Receipt Date**"), and divide that net cash value by the number of Underlying Securities to which such Relevant Hedge(s) relate to give a per Underlying Index amount (the "**Event Receipt**"); and
- (iii) in all other cases, the net cash value of the payment per Underlying Index which, in the determination of the Calculation Agent, would have been received by a Notional Holder which was a holder of such Underlying Index on the Event Occurrence Date after deduction of Costs shall be the "**Event Receipt**" and the date on which, in the determination of the Calculation Agent, such Notional Holder would have received the Event Receipt shall be the "**Event Receipt Date**").

Where the Event Receipt is in the same currency as the Specified Currency, the Event Receipt multiplied by the relevant Number of Underlying Securities per Note shall be the amount of the Event Payment per Note. Where this sub-paragraph applies, the Event Payment shall not be made sooner than the Event Receipt Date.

Where the Event Receipt is not in the same currency as the Specified Currency, it shall then be translated into the Specified Currency. If the Calculation Agent is satisfied that on the Event Receipt Date the Issuer or an Affiliate, in connection with the determination of the relevant Event Payment, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation shall be the rate obtained by the Issuer or such Affiliate, as determined by the Calculation Agent. In other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Event Receipt on the Event Receipt Date would have been able to convert the Event Receipt into the Specified Currency. In each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs per Underlying Index. The resulting amount (the "**Converted Amount**") multiplied by the relevant Number of Underlying Securities per Note shall be the amount of the Event Payment per Note. Where this sub-paragraph applies, the Event Payment shall not be made sooner than the day on which the Issuer or

an Affiliate actually received the Converted Amount in respect of an exchange transaction entered into in relation to the Event Receipt Date or on which a Notional Holder entering into an exchange transaction in relation to the Event Receipt Date would have received the Converted Amount as determined by the Calculation Agent.

Event Payments shall be payable, where the Notes are held in a clearing system such as DTC, Euroclear and/or Clearstream, Luxembourg to the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the case may be, as Noteholders on the Business Day immediately preceding the Event Occurrence Date, and in any other case to the holders for the time being of the Notes (irrespective of whether or not they were Noteholders on the Business Day immediately preceding the Event Occurrence Date).

"Currency Event" means:

- (A) the occurrence of an event or a condition which, in the opinion of the Calculation Agent, on any day with respect to the Underlying Currency that has the effect of preventing, hindering, limiting or restricting (including, without limitation, by delays, increased costs or discriminatory rates of exchange) the Issuer or its Affiliates directly or indirectly from:
 - (i) converting the Underlying Currency into the Specified Currency through any customary legal channel;
 - (ii) converting the Underlying Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Reference Jurisdiction;
 - (iii) delivering the Specified Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction;
 - (iv) delivering the Underlying Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction; or
 - (v) effectively realising the value of any underlying hedge in the Specified Currency at any time; or
- (B) the government of the Reference Jurisdiction imposes, or gives public notice of its intention to impose, any capital controls (including, without limitation, the imposition of an upper limit on the amount of assets denominated in the Underlying Currency in the Reference Jurisdiction which can be held by any party) which the Calculation Agent determines in good faith are likely to materially affect the ability of the Issuer or its Affiliates to hedge the Issuer's position under the Notes or to unwind such hedge; or
- (C) the unavailability of the Specified Currency in any legal exchange market in the Reference Jurisdiction in accordance with normal commercial practice as determined by the Calculation Agent; and

"Reference Jurisdiction" means any jurisdiction in which a relevant Exchange is located.

(d) **Hedging**

For the purposes of Condition 21(h)(iv), as amended by the Final Terms:

"**Hedging**" means to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk (including, but not limited to, any currency risk) of entering into and performing its obligations with respect to these Notes; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the relevant transaction between accounts within a relevant jurisdiction of the Hedge Positions (an "**Affected Jurisdiction**") or from accounts within an Affected Jurisdiction to accounts outside of such Affected Jurisdiction; or
- (iii) without prejudice to (ii) above, transfer (A) amounts denominated in the Specified Currency from accounts within a relevant Underlying Country to accounts outside such Underlying Country, to other accounts within such Underlying Country or to the accounts of a non-resident of such Underlying Country or (B) amounts denominated in a relevant Underlying Currency from accounts within the related Underlying Country to other accounts within such Underlying Country, to accounts outside such Underlying Country or to the accounts of a non-resident of such Underlying Country; or
- (iv) without prejudice to (ii) and (iii) above, convert the Specified Currency into a relevant Underlying Currency or a relevant Underlying Currency into the Specified Currency."

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or an Affiliate in order to hedge, individually or on a portfolio basis, a Note.

22E. **Buy-Back Provisions for Market Access Notes**

This Condition 22E shall apply to all Market Access Notes unless the relevant Final Terms specify otherwise.

Provided that the Calculation Agent determines that normal market conditions exist the Issuer shall, during local market hours on each local business day from and including the Issue Date to but excluding the Valuation Date, publish on Bloomberg (page <HSMA> *et seq*) indicative Specified Currency bid and ask prices in respect of the Notes calculated from (i) the bid and ask prices/ levels respectively of each of the relevant Underlying(s) on any applicable Exchange(s) divided by (ii) the relevant Underlying Currency/ Specified Currency exchange rate(s), each as published on Bloomberg as of such time on such local business day. For the avoidance of doubt, such Specified Currency bid and ask prices for the Notes as published on Bloomberg are for indicative purposes only, and are subject to change in accordance with normal market movements.

In addition, provided that the Calculation Agent determines that normal market conditions exist, the Issuer shall, following a request from a Noteholder received by the Issuer/ Dealer during normal local market hours on any local business day from and including the Issue Date to but excluding the Valuation Date, (a) provide such Noteholder with a firm bid price at which the Issuer/ Dealer will purchase a specified number of Notes from such Noteholder and/or (b) accept a related sale order from such Noteholder specifying a maximum number of Notes to be sold, subject to any specified local price/ level and volume conditions. In respect of (a) above, any such firm bid price will only be valid and binding at the time it is given and, thereafter, will be subject to change in accordance with normal market movements. In respect of (b) above, any order shall be executed in good faith and a commercially reasonable manner in line with the

specified conditions (if any) of the sale order and underlying market liquidity at such time. For the avoidance of doubt, the extent to which a Note order will be filled and the price at which such fill is achieved will be fully consistent with the liquidity and the prices/ level(s) traded in each relevant Underlying on any applicable Exchange(s), at such time on such business day and within any conditions specified for the order by such Noteholder. Further, the exchange rates used for converting the local price(s)/ level(s) of each relevant Underlying into Specified Currency prices of the Notes for any filled orders will be determined by the Calculation Agent using such exchange rate(s) that are available to the Issuer at the relevant time on the relevant business day(s) consistent with the Issuer's normal market practice for such trades.

If the Calculation Agent considers that exceptional market conditions make it impossible to provide an indicative and/or firm bid and/or ask price for the Notes, and/or to accept or execute an order in the Notes, then the Issuer's related obligations hereunder shall be postponed to the following local business day on which the Calculation Agent, acting in good faith and a commercially reasonable manner, determines that such exceptional market conditions have ceased to exist and that it considers possible to determine such bid and ask prices or to accept or execute an order, as the case may be.

PRO FORMA FINAL TERMS FOR MARKET ACCESS NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Market Access 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 dated [•]
 Series No.: [•]
 Tranche No.: [•]

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

Issue of [Aggregate Principal Amount of Tranche] Market Access Notes linked to [Description of Underlying(s)]

[issued by [[Name of Underlying Company]]²

**(the "Underlying Security/Securities"/"Underlying Index/Indices"/"Underlying Fund/Funds"/"Underlying ETF/ETFs")) due [•]
 (the "Notes" or "MANs")**

[(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 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 prospectus

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 principal 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 Include if MANs linked to Underlying Security/Securities.

("Prospectus") [for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive")]³.

[If these Final Terms indicate that they relate to an issue of Certificates, then all references herein and in the Prospectus to the 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 the Prospectus.]⁴ 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]⁵ 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 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")]⁶ 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]⁷. 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]⁸ and copies may be obtained from [address].

[For Market Access 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 REGULATIONS 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 REGULATIONS) 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

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.

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.

⁸ Only for Notes which are publicly offered or admitted to trading on a regulated market.

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.]

[Insert, if relevant, any other relevant provisions relating to such investment and country specifically, including any representations, agreements or conditions.]

[HONG KONG

Each Noteholder represents and agrees, as a condition of acquiring or holding such Notes: (i) that the Issuer is authorised to provide information regarding the holder and the Notes to any Hong Kong governmental or regulatory authority, or if applicable, to any Affiliate for onward transmission to any such Hong Kong governmental or regulatory authority if required under applicable Hong Kong regulations and/or as requested by any Hong Kong governmental or regulatory authority from time to time; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of any Hong Kong governmental or regulatory authority from time to time; and (iii) that such holder is not currently the subject of any investigation or enquiry by any Hong Kong governmental or regulatory authority in connection with a failure to disclose information relating to such holder or to an offshore transaction linked to underlying Hong Kong securities.]

[INDIA

The Notes are sold or transferred subject to the laws and regulations from time to time in force in India, including without limitation, those that prohibit their acquisition by Indian investors/non-resident Indians/persons or entities who are not regulated entities and subject to the execution and delivery to the Issuer by the relevant investor of a letter of representation. See "Transfer Restrictions".]

[JAPAN

Each Noteholder represents and agrees, as a condition of acquiring or holding such Notes: (i) that the Issuer is authorised to provide information regarding the holder and the Notes to any Japanese government or regulatory authority, or if applicable, to any Affiliate for onward transmission to any such Japanese governmental or regulatory authority, if required under applicable Japanese regulations in connection with an acquisition of underlying Japanese securities; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with the regulations of any Japanese governmental or regulatory authority from time to time; and (iii) that such holder is not currently the subject of any investigation or enquiry by any Japanese governmental or regulatory authority in connection with a failure to disclose information relating to such holder or to an offshore transaction linked to underlying Japanese securities.]

[MALAYSIA

Each Noteholder represents and agrees, as a condition of acquiring or holding such Notes: (i) that the Issuer is authorised to provide information regarding the holder and the Notes to the relevant Underlying Company and any Malaysian governmental or regulatory authority, or if applicable, to any Affiliate for onward transmission to the relevant Underlying Company and any such Malaysian governmental or regulatory authority if required under applicable Malaysian regulations and/or as requested by any Malaysian governmental or regulatory authority from time to time and where a Noteholder is or becomes, as a consequence of holding the Notes, a "substantial shareholder" (as that term is used in the Malaysian Companies Act 1965) in the Underlying Company, then such Noteholder shall disclose the same to the Underlying Company and to the Securities Commission of Malaysia as required under applicable Malaysian regulations and shall continue to disclose any dealings it may have thereafter in its capacity as a substantial shareholder of the Underlying Company to the Underlying Company and to the Securities Commission of Malaysia, as required under applicable Malaysian regulations, until it ceases to be a substantial shareholder; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of the relevant Underlying Company and any Malaysian governmental or regulatory authority from time to time; (iii) that the Notes are not being purchased by or for the benefit or account of any "resident" of Malaysia as that term is used in the Malaysian Exchange Control Notices ("ECM") issued pursuant to the Malaysian Exchange Control Act 1953 (a "**Resident**") unless such purchase by or for the benefit or account of a Resident is wholly conducted offshore Malaysia and in accordance with the provisions of the ECM; (iv) that that such holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Notes to or for the benefit or account of any Resident unless such sale, transfer or disposal of any Notes to or for the benefit or account of a Resident is wholly conducted offshore Malaysia and in accordance with the provisions of the ECM; and (v) that such holder is not currently the subject of any investigation or enquiry by any Malaysian governmental or regulatory authority in connection with a failure to disclose information relating to such holder or to any "regulated activity" as that term is defined in the Malaysian Capital Markets and Services Act 2007.]

[PAKISTAN

Each Noteholder represents and agrees, as a condition of acquiring or holding such Notes: (i) that the Notes are being purchased for the benefit or account of, or pursuant to or in connection with any back-to-back transactions with a Person resident outside Pakistan; and (ii) that such holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Notes to or for the benefit or account of any person other than a Person resident outside Pakistan.]

[PEOPLE'S REPUBLIC OF CHINA

A QFII is required to disclose to the PRC regulators and other relevant PRC authorities or institutions the holding information of PRC securities, including exchange-traded bonds, held by it (including information on securities held by investors through the QFII) in accordance with the relevant laws and regulations in the PRC. The Issuer may therefore request any investor to provide to it and pass to the QFII such information as required by the relevant laws, regulations and regulatory requirements.

Each Noteholder represents and agrees, as a condition of acquiring or holding such Notes: (i) that the Issuer is authorised to provide information regarding the Noteholder and the Notes to the QFII investing in the Reference Assets ("**HSBC QFII**") for onward transmission to the regulators or any other authorities or institutions in the PRC in accordance with applicable PRC laws and regulations; and (ii) that such Noteholder will provide the Issuer with such additional information that the Issuer and/or the HSBC QFII deems necessary or appropriate in order to comply with any laws and regulations in the PRC from time to time.]

[SINGAPORE

Each Noteholder represents and agrees, as a condition of acquiring or holding such Notes: (i) that the Issuer is authorised to provide information regarding the holder and the Notes to any Singapore governmental or regulatory authority or the relevant Underlying Company[ies], or if applicable, to any Affiliate for onward transmission to any such Singapore governmental or regulatory authority or the relevant Underlying Company[ies], if required under applicable Singapore regulations and/or as requested by any Singapore governmental or regulatory authority or the relevant Underlying Company[ies] from time to time; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of any Singapore governmental or regulatory authority or the relevant Underlying Company[ies] from time to time; and (iii) that such holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Notes to or for the benefit or account of any person in Singapore except in accordance with applicable Singapore law ((including any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore).)

[TAIWAN

Each Noteholder represents and agrees:

- (a) it is not purchasing the Notes for the benefit or account of, or using funds of, (A) any residents of The People's Republic of China ("**PRC**"), corporations in the PRC, or corporations outside the PRC that are beneficially owned by residents of, or corporations in, the PRC or (B) any residents of Taiwan or corporations in Taiwan;
- (b) it will not, directly or indirectly, sell, transfer, assign, novate or otherwise dispose of the Notes to or for the benefit or account of, or in consideration of funds received from, (A) any residents of the PRC, corporations in the PRC, or corporations outside the PRC that are beneficially owned by residents of, or corporations in, the PRC or (B) any residents of Taiwan or corporations in Taiwan; and
- (c) details of the transaction (including the identity of the parties) may, (A) upon request or order by any competent authority, regulatory or enforcement organisation, governmental or otherwise, including the stock exchange on which the underlying shares are listed, (B) as required by applicable law, rules, regulations, codes or guidelines (whether having the force of law or otherwise), be disclosed in accordance with such request, order, law, rules, regulations, codes or guidelines (whether such disclosure is to be made to third parties or otherwise). By purchasing the Notes, each Noteholder agrees to such disclosure and releases the Issuer (and its subsidiaries and affiliates) from any duty of confidentiality owed to it in relation to such information.]

[VIETNAM

Each Noteholder represents and agrees, as a condition of acquiring or holding such Notes: (i) that the Issuer is authorised to provide information regarding the holder and the Notes to any Affiliate for onward transmission to any Vietnamese governmental or regulatory authority if required under applicable Vietnamese regulations and/or as requested by any Vietnamese governmental or regulatory authority from time to time; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of any Vietnamese governmental or regulatory authority from time to time; (iii) that the Notes are not being purchased for the benefit or account of, or pursuant to or in connection with any back-to-back transactions with a "resident" in Vietnam as that term is used in the 2006 Ordinance on Foreign Exchange Control (a "**Resident**"); (iv) that such holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Notes to or for the benefit or account of a Resident and (v) that such holder is not currently the subject of any investigation or enquiry by any Vietnamese governmental or regulatory authority in connection with a failure to disclose information relating to such holder or to an offshore transaction linked to underlying Vietnamese securities.]

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 subparagraphs. Italics denote guidance for completing the Final Terms.)

1. (i) Issuer: HSBC Bank plc
- (ii) Arranger: HSBC Bank plc
2. (i) Series number: []
- (ii) Tranche number: []
- (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. Currency or currencies:
 - (i) of denomination: [United States Dollar ("USD")] (the "**Specified Currency**")
 - (ii) of payment: [USD] (the "**Settlement Currency**")
4. Aggregate Principal Amount:
 - [(i) Series:] [[] Notes ([USD] [])]
 - [(ii) Tranche:] [[] Notes ([USD] [])]
5. (i) Issue Price: [USD] [] per Note (100 per cent. of the Aggregate Principal Amount)
- (ii) Commission payable: [] [None] [Information not provided]
- (iii) Selling concession: [] [None] [Information not provided]
6. (i) Denomination(s) (*Condition 1(b)*): [USD] [] per Note

The Notes are transferable in a minimum number of 1 Note (equivalent to a principal amount of [USD] []).

[Each Cash Equity Note or Equity-Linked Note relates to an Underlying Security or Underlying Securities as detailed in paragraph 36 below]

[Each Index-Linked Note relates to an Underlying Index or Underlying Indices as detailed in paragraph 38 below]

[Each Fund-Linked Note relates to an Underlying Fund or

Underlying Funds as detailed in paragraph 36 below]

[Each ETF-Linked Note relates to an Underlying ETF or Underlying ETFs as detailed in paragraph 36 below].

- | | | | |
|-----|------|---|--|
| | (ii) | Calculation Amount ⁹ : | [] |
| 7. | (i) | Issue Date: | [] |
| | (ii) | Interest Commencement Date: | Not applicable |
| 8. | | Maturity Date: (Condition 6(a)) | (<i>specify date</i>) [or, if later the [fifth/ <i>specify</i>] Business Day following the [Valuation Date/ <i>specify</i>] [adjusted in accordance with [<i>specify</i>]. (<i>Note: In respect of Equity-Linked Saudi PALMS this must not be later than 4 years after the Issue Date.</i>) |
| 9. | | Interest basis: (Conditions 3 to 5) | Not applicable, save that if any amount in respect of any Note is not paid when due and payable pursuant to the Conditions, interest shall accrue on the overdue amount at the rate of [1 week USD-LIBOR plus 1 per cent. reset daily]. |
| 10. | | Redemption basis: (Condition 6) | Cash Equity Redemption. The Notes are Market Access Notes linked to one or more Underlying [Securities / Funds/ ETFs / Indices] (<i>delete as appropriate</i>) |
| 11. | | Change of interest or redemption basis: | Not applicable. As provided in Condition 22 (<i>Provisions relating to Market Access Notes</i>), one or more Additional Payment Amounts may become due in certain circumstances. |
| 12. | | Put/Call options: | Condition 6(c) will apply as specified in paragraph 21 below. |
| 13. | (i) | Status of the Notes: (Condition 2) | Unsubordinated, unsecured |
| | (ii) | Date approval for issuance of Notes obtained: | Not applicable |
| 14. | | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | |
|-----|--|
| 15. | Fixed Rate Note provisions: (Condition 3) |
| 16. | Floating Rate Note provisions: (Condition 4) |
| 17. | Variable Coupon Amount Note provisions: |

⁹ 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.

(Condition 5)

18. Zero Coupon Note provisions:
(Condition 5)
19. Index-Linked Interest Note/other variable-linked interest Note Provisions:
20. Dual Currency Note provisions/Multi-currency Note provisions:

PROVISIONS RELATING TO REDEMPTION

21. Issuer's optional redemption (Call):
(Condition 6(c))
 - (i) Redemption amount (Call):
 - (ii) Series redeemable in part:
 - (iii) Call option date(s)/Call option period:
22. Noteholder's optional redemption (Put):
(Condition 6(d))
23. Final Redemption Amount of each Note:
(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:
 - [(i) Calculation Agent responsible for calculating the Final Redemption Amount:]
 - [(ii) Determination Date(s):]
 - [(iii) Business Centre(s):]
 - [[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:]
- [(v) Payment Date:]
- [(vi) Minimum Final Redemption Amount:]
- [(vii) Maximum Final Redemption Amount:]
25. Instalment Notes:
(*Condition 6(a)*)
26. Early Redemption Amount:
- (i) Early Redemption Amount (upon redemption for taxation reasons, illegality or following an Event of Default):
(*Conditions 6(b), 6(h) or 10*)
- (ii) Other redemption provisions:
(*Condition 6(i)*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes:
(*Condition 1(a)*)
- (i) Form of Notes:
- (ii) Bearer Notes exchangeable for Registered Notes:
28. [New Global Note][(*delete if Registered Note*)]/
[Issued under the new safekeeping structure][(*delete if Bearer Note*)]
29. If issued in bearer form:

- (i) Initially represented by a Temporary Global Note or Permanent Global Note:
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes and/or Registered Notes:
(Condition I(a))
- (iii) Permanent Global Note exchangeable at the option of the bearer for Definitive Notes and/or Registered Notes:
- (iv) Coupons to be attached to Definitive Notes¹⁰:
- (v) Talons for future Coupons to be attached to Definitive Notes¹¹:
- (vi)
 - (a) Definitive Notes to be security printed:
 - (b) if the answer to (a) is yes, whether steel engraved plates will be used¹²:
- (vii) Definitive Notes to be in ICMA or successor's format:

¹⁰ *Definitive Notes will typically have coupons attached to them if interest bearing.*

¹¹ *Talons will be needed if there are 27 or more coupons.*

¹² *Answer to (a) and (b) should generally be 'yes' in all cases where Definitive Notes are to be printed.*

- (viii) Issuer or Noteholder to pay costs of security printing:
- 30. Exchange Date for exchange of Temporary Global Note:
- 31. Payments:
(*Condition 8*)
 - (i) Method of payment:
 - (ii) Relevant Financial Centre Day:
 - (iii) Local banking day specified for payments in respect of the Notes in global form:
- 32. Partly Paid Notes:
(*Condition 1*)
- 33. Redenomination:
(*Condition 9*)
 - (i) Redenomination:
 - (ii) Exchange:
- 34. Other final terms:

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

- 35. Security Delivery (Equity-Linked Notes only):
- 36. Provisions for Cash Equity Notes and Equity-Linked Notes:

[EITHER]

| Underlying Securities (including ISIN or other security identification code) | Underlying Companies | Number of Underlying Securities per Note | Exchange(s) | Related Exchange(s) | |
|--|----------------------|--|-------------|---------------------|--|
| | | | | [All Exchanges] | |

| | | | | | |
|--|--|--|--|--|--|
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|--|--|--|--|--|--|

- (i) Securities:
- (ii) Underlying Companies:
- (iii) Exchange(s):
- (iv) Related Exchange(s):
- (v) Underlying Currencies:

[OR]

| Underlying Funds (including ISIN or other security identification code, where applicable) | Number of Shares in Underlying Fund per Note | Exchange(s) | Related Exchange(s) | |
|--|---|--------------------|----------------------------|--|
| | | | [All Exchanges] | |

- (i) Funds:
- (ii) Exchange(s):
- (iii) Related Exchange(s):
- (iv) Underlying Currencies:

[OR]

| Underlying ETFs (including ISIN or other security identification code) | Number of Shares in Underlying ETF per Note | Exchange(s) | Related Exchange(s) | |
|---|--|--------------------|----------------------------|--|
| | | | [All Exchanges] | |

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

- (i) ETFs:
- (ii) Exchange(s):
- (iii) Related Exchange(s):
- (iv) Underlying Currencies:
- (v) Cash Settlement Payment Date:
- (vi) Securities Transfer Amount:
(for Equity-Linked Notes only)
- (vii) Settlement Date:
(for Equity-Linked Notes only)
- (viii) Settlement Disruption Event:
(for Equity-Linked Notes only)
- (ix) Delivery Disruption Event:
(for Equity-Linked Notes only)
- (x) Potential Adjustment Event:

- (xi) Extraordinary Event:

- (xii) Conversion:
(for Notes relating to Government Bonds and debt securities only)
- (xiii) Corrections of prices:
- (xiv) Additional Disruption Event:

37. Additional provisions for Equity-Linked Notes:

38. Provisions for Index-Linked Notes:

| Underlying Indices | Index Sponsor | Index Rules | Exchanges | Related Exchanges | Weighting | |
|--------------------|---------------|-------------|-----------|-------------------|-----------|--|
| | | | | [All Exchanges] | | |

- (i) Index(ices):
- (ii) Index Sponsor:
- (iii) Index Rules:
- (iv) Exchange(s):
- (v) Related Exchange(s):
- (vi) Adjustments to Indices:
- (vii) Additional Disruption Event:
- (viii) Index Substitution:

39. For Equity-Linked and

Credit-Linked Notes:

- 40. Valuation Date(s):
- 41. Valuation Time:
- 42. Averaging Dates:
- 43. Other terms or special conditions relating to Market Access Notes:

DISTRIBUTION

- 44. (i) If syndicated, names, addresses and underwriting commitments of Relevant Dealer(s)/Lead Manager(s):
- (ii) If syndicated, names, addresses and underwriting commitments of other Dealers/Managers (if any):
- (iii) Date of Subscription Agreement:
- (iv) Stabilising Manager (if any):
- 45. If non-syndicated, name and address of Relevant Dealer:
- 46. Total commission and concession:
- 47. Selling restrictions:
United States of America:

Other:
- 48. Stabilisation:

[LISTING AND ADMISSION TO TRADING APPLICATION

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

[In cases of Market Access Notes offered 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 Combined 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]¹³ 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.

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

¹³ To be included if the underlying securities have not been registered under the Securities Act.

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.

EACH PURCHASER OR TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) WILL BE DEEMED BY ITS ACQUISITION AND HOLDING OF THIS NOTE 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, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (A "SIMILAR LAW PLAN"), OR (II) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR 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.

Before any interest in a Note represented by a Combined Global Registered Note may be exchanged for Combined Definitive Registered Notes, a person having an interest in such Combined Global Registered Note must provide the Registrar with a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A or Regulation S, a certification that the transfer is being made in compliance with the provisions of Rule 144A or Regulation S, as applicable.]

[INDONESIA

"EACH PURCHASER HAS AGREED, AND EACH FURTHER PURCHASER WILL BE REQUIRED TO AGREE, THAT IT WILL NOT OFFER OR SELL THE NOTES NOR MAKE THE NOTES THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, NOR WILL IT CIRCULATE OR DISTRIBUTE THESE FINAL TERMS, THE ACCOMPANYING PROSPECTUS OR ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE NOTES, WHETHER DIRECTLY OR INDIRECTLY, IN THE REPUBLIC OF INDONESIA OR TO INDONESIAN CITIZENS, CORPORATIONS OR RESIDENTS, EXCEPT IN A MANNER THAT WILL NOT BE CONSIDERED

AS A "PUBLIC OFFER" UNDER THE PREVAILING LAW AND REGULATIONS IN THE REPUBLIC OF INDONESIA."]¹⁴

[KOREA

"ANY TRANSFER OF NOTES TO A KOREAN RESIDENT AS THE TERM IS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION LAW OF KOREA AND ITS PRESIDENTIAL DECREE SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE."]

[MALAYSIA

"ANY PLEDGE, SALE OR OTHER TRANSFER OF NOTES TO A PERSON THAT IS A MALAYSIAN RESIDENT AS THE TERM IS DEFINED IN THE PROSPECTUS SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE. THE FOREGOING SHALL NOT APPLY TO ANY PLEDGE, SALE OR OTHERWISE TRANSFER OF NOTES WHERE:

(A) SUCH PLEDGE, SALE OR TRANSFER TO OR FOR THE BENEFIT OF A RESIDENT IS WHOLLY CONDUCTED OFFSHORE MALAYSIA; AND

(B) THE INVESTMENT BY SUCH PERSON IN THE NOTES IS IN ACCORDANCE WITH THE PROVISIONS OF THE MALAYSIAN EXCHANGE CONTROL ACT 1953 AND THE NOTICES ISSUED THEREUNDER."]

[PAKISTAN

"ANY PLEDGE, SALE OR OTHER TRANSFER OF NOTES TO A PERSON OTHER THAN "A PERSON RESIDENT OUTSIDE PAKISTAN" AS THE TERM IS DEFINED IN THE FOREIGN EXCHANGE REGULATION ACT, 1947 AND THE REGULATIONS THEREUNDER SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID AND (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE. IN ADDITION, THE STATE BANK OF PAKISTAN MAY REQUIRE SUCH TRANSFEREE TO REPATRIATE THE DIVIDENDS RETAINED OUTSIDE PAKISTAN OR SELL THE NOTES AND REPATRIATE THE SALE PROCEEDS TO PAKISTAN. SUCH TRANSFEREE MAY ALSO BE LIABLE TO BE PROSECUTED UNDER THE RELEVANT PROVISIONS OF THE FOREIGN EXCHANGE REGULATION ACT, 1947."]

[PEOPLE'S REPUBLIC OF CHINA

"ANY PLEDGE, SALE OR OTHER TRANSFER OF NOTES TO A PERSON THAT IS A "DOMESTIC INVESTOR", OR TO ANY PERSON USING FUNDS TO PURCHASE NOTES SOURCED FROM A "DOMESTIC INVESTOR", AS THE TERM IS DEFINED IN THE PROSPECTUS SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE."]

[TAIWAN

"ANY SALE OR OTHER TRANSFER OF NOTES TO A PERSON THAT IS, OR MADE IN CONSIDERATION OF FUNDS RECEIVED FROM, (A) A RESIDENT OF THE PEOPLE'S REPUBLIC OF CHINA ("PRC"), A CORPORATION IN THE PRC, OR A CORPORATION OUTSIDE THE PRC THAT IS BENEFICIALLY OWNED BY RESIDENTS OF, OR CORPORATIONS IN, THE PRC OR (B) A RESIDENT OF TAIWAN OR A CORPORATION IN TAIWAN SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE."]

¹⁴ To be inserted where the Reference Asset has not been registered with the Indonesian Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK).

[VIETNAM

"ANY PLEDGE, SALE OR OTHER TRANSFER OF NOTES TO A PERSON THAT IS A VIETNAMESE RESIDENT AS THE TERM IS DEFINED IN THE PROSPECTUS AND/OR THE FINAL TERMS SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY NOTES HELD BY SUCH TRANSFEREE."

[For SPICEs consider inserting the transfer restrictions set out in Part 2 of the India Supplement contained in the Schedule to Part E of the Base Prospectus.]

[RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. Information on the [Underlying Securities and the Underlying Company] [Underlying Index] [Underlying Fund] [Underlying ETF] has been extracted from *[insert name of source of information]*. 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]*, no facts have been omitted which would render the reproduced information 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 [17/19¹⁵]. 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 Notes to be admitted to trading [on the Regulated Market of the London Stock Exchange]/[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]
- (iii) Estimated total expenses of admission to trading:] [Information not provided / Not applicable / (*specify amount*)]¹⁶

2. RATINGS

Ratings: The long-term senior debt of HSBC Bank plc has been rated:

S&P: []
 Moody's: []

[The Notes have not specifically been rated.]/ [The Notes have been assigned a rating of [] by [].]¹⁷

[Each of [Fitch, S&P and Moody's] are established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended).]

[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

¹⁵ 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.

¹⁶ Only required for debt securities with a denomination per unit of at least EUR100,000.

¹⁷ Select only if Notes are rated.

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.]

(Provide brief explanation of the meaning of the ratings if previously published by rating provider)

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**

(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]

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

(i) Reasons for the offer: []

(See ["Use of Proceeds"] wording in Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(ii) Estimated net proceeds: []¹⁸ *[(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)*¹⁹

6. **YIELD**

¹⁸ Delete for debt securities with a denomination per unit of less than EUR 100,000.

¹⁹ Delete for debt securities with a denomination per unit of less than EUR 100,000.

[insert details as appropriate/ Not applicable]

7. **HISTORIC INTEREST RATE**

[insert details as appropriate/ Not applicable]

8. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING²⁰**

The Notes reflect the risks of a UK incorporated bank or relevant affiliate taking a direct investment in or exposure to [[the equity of each Underlying Company] [each Underlying Index comprising each Reference Security] [each Underlying Fund] [each Underlying ETF] [in each Underlying Country]] (*delete as appropriate*).

Investors are therefore generally exposed to such risks on a one to one basis, as more particularly described in the section "*Product Description – Market Access Securities*" of Part E of the Prospectus and [[Condition 22A (*specify if linked to one or more Underlying Securities*)] [Condition 22B (*specify if linked to one or more Underlying Funds*)] [Condition 22C (*specify if linked to one or more Underlying ETFs*)] [Condition 22D (*specify if linked to one or more Underlying Indices*)] (*delete as appropriate*)]. See also paragraph 36 of Part A of these Final Terms for details of the Underlying[s].

The effect of such risks on the Notes will always be calculated in the sole and absolute discretion of the Calculation Agent. In certain circumstances, the Noteholders' entire investment may be at risk and they may receive nothing on redemption except the minimum amount of 0.03 per cent. of the Issue Price per Note.

(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 final terms.)

Information source

Details of past performance and volatility of each Underlying [Security]/ [Index]/ [Fund]/ [ETF] are obtainable from the following display pages on the Bloomberg and/or Reuters Service:

[]

[Information about the Underlying Index can be found at [(*insert website or other information source relating to Underlying Index*)]²¹

[Further information regarding each [Underlying Company] [Underlying Fund] [Underlying ETF] [in each Underlying Country] (*delete as appropriate*)] can be found at [(*insert website or other information source relating to Underlying*)]

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. **PERFORMANCE OF EXCHANGE RATE(S) AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS**

The Notes reflect the risk of an investment in each Underlying Currency ("**Currency Abbreviations**"). The [Realisable Sale Price]/[Underlying Fund Value]²² (as defined in the applicable section of Condition 22 (*Provisions relating to Market Access Notes*)) of Part E of the

²⁰ Refer to Prospectus Rules, Annex XII, paragraph 4.2.2 for disclosure requirements.

²¹ Please note that if the Underlying Index is composed by the Issuer, a description of such Underlying Index will be required and this may necessitate a drawdown prospectus.

²² Delete as appropriate.

Base Prospectus) shall have been converted from each Underlying Currency into the Specified Currency at the rate of exchange obtained (or which the Calculation Agent determines would have been obtainable) by the Issuer or its Affiliate, adjusted to take into account any non-deliverable forward rate transaction entered into (or which the Calculation Agent determines would have been entered into) by the Issuer or an Affiliate on the Determination Date. Therefore, the performance of each Underlying Currency/ Specified Currency exchange rate will have a direct effect on the Final Redemption Amount of the Notes.

Details of past performance and volatility of each Underlying Currency / Specified Currency exchange rate are obtainable from the following display pages on the Bloomberg and/or Reuters service:

[]

OPERATIONAL INFORMATION

- | | | |
|-----|--|---|
| 10. | ISIN Code: | [[]/Not applicable] |
| 11. | Common Code: | [[]/Not applicable] |
| 12. | CUSIP: | [[]/Not applicable] |
| 13. | SEDOL: | [[]/Not applicable] |
| 14. | New Global Note intended to be held in a manner which would allow Eurosystem eligibility: | Not applicable |
| 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 payment] [Delivery free of payment] |
| 17. | Settlement procedures: | Medium Term Note |
| 18. | (i) Principal Paying Agent ²³ /Registrar ²⁴ : | [HSBC Bank plc] [Other (specify)] |
| | (ii) Additional Paying Agent(s) (if any): | [None/ specify] |
| 19. | Common Depositary: | [HSBC Bank plc/Not applicable/specify] |
| 20. | Agent Bank/Calculation Agent: | [HSBC Bank plc] [HSBC France] [other (specify)] |
| | • is Calculation Agent to make calculations?: | [Yes/No] |
| | • if not, identify calculation agent: | [specify] |

²³ Delete if Notes are Registered Notes.

²⁴ Delete if Notes are Bearer Notes.

21. Notices: Condition 13 is applicable
(Condition 13)
22. City in which specified office of Registrar to be maintained: [Not applicable][London][*other (specify)*]
(Condition 14)
23. Tradable amount: One Note
24. Other relevant Conditions: [Not applicable]/[*For Brazilian LAMAS only insert the following: For purposes of Condition 22A(b), a distribution by the Underlying Company designated as being interest attributable to shareholders' equity shall be treated as a payment in respect of a cash dividend in relation to the Underlying Securities.*]
25. ERISA Considerations: [The Notes may not be purchased by "benefit plan investors". See "*Certain ERISA Considerations – Market Access Securities*" in Part E of the Base Prospectus for further information./*give details*] [Not applicable]

TERMS AND CONDITIONS OF THE OFFER (*this section applies only to public offers. Delete if not a public offer*)

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

countries:

35. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not applicable/*give details*]
36. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable/*give details*]
37. 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*]

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MARKET ACCESS WARRANTS – TERMS AND CONDITIONS

The terms and conditions of the Market Access Warrants (including LEPOS) shall consist of the Terms and Conditions of the Warrants set out in "Part C – Warrants" and the additional terms and conditions set out in the section entitled "*Additional Provisions relating to Equity-Linked Warrants and Index-Linked Warrants*" in "Part D – Product Supplement for Equity/Index-Linked Notes and Warrants and Preference Share-Linked Notes" of this Base Prospectus, and the additional terms and conditions set out in the section entitled "*Additional Provisions relating to Market Access Warrants*" in this Part E as amended or supplemented by the Final Terms.

The form of Final Terms which will be completed for each Tranche of Market Access Warrants (including LEPOS as a sub-category) issued under the Programme, shall consist of the Final Terms as set out below on page E-113 entitled "*Pro forma Final Terms for Market Access Warrants*" (duly completed and amended).

ADDITIONAL PROVISIONS RELATING TO MARKET ACCESS WARRANTS

In respect of the Market Access Warrants, the following additional condition shall be deemed to be added as Condition 19 to the terms and conditions set out in the section headed "*Terms and Conditions of the Warrants*" appearing in "*Part C – Warrants*" of the Base Prospectus.

19. Provisions relating to Market Access Warrants

19A. Provisions relating to Market Access Warrants linked to a single Underlying Security or a basket of Underlying Securities

The provisions of this Condition 19A shall only apply in relation to Warrants which are specified in the Final Terms as being Market Access Warrants linked to one or more Underlying Securities.

(a) *Cash Settlement Amount*

The Cash Settlement Amount in respect of each Warrant shall be paid on the Cash Settlement Payment Date and shall be an amount in the Specified Currency determined by the Calculation Agent to be equal to the Realisable Sale Price.

"**Realisable Sale Price**" is an amount per Warrant calculated as follows:

- (i) The Calculation Agent shall determine the Aggregate Sale Amount(s) in respect of each Underlying Security issued by each Underlying Company as follows:
 - (1) if the Calculation Agent is satisfied that the Issuer, or any relevant affiliate of the Issuer (an "**Affiliate**") held a number of such Underlying Securities ("**X**", being equal to the total number of such Underlying Securities to which the Warrants relate) on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the settlement of these Warrants disposed or otherwise realised X of such Underlying Securities through the Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the "**Aggregate Sale Amount**" shall be the aggregate amount at which the Issuer or such Affiliate effects the disposal or realisation of that number of such Underlying Security ("**Gross Sale Amount**"), less any Costs incurred in connection with such disposal or realisation; or
 - (2) if the Calculation Agent is satisfied that the Issuer or an Affiliate held such Underlying Securities on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith disposed of or otherwise realised the value of a number ("**Y**") (where Y is less than X) of such Underlying Securities through the Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), the Calculation Agent shall:
 - (A) determine the average price per Underlying Security ("**M**") at which the Issuer or such Affiliate effected the disposal or realisation of Y of such Underlying Securities (such average price M multiplied by X being the "**Gross Sale Amount**"), and
 - (B) deduct any Costs per Underlying Security from M (the resulting price being "**N**"), and
 - (C) multiply N by X (the resulting figure being the "**Aggregate Sale Amount**"); or
 - (3) if the Calculation Agent is satisfied that the Issuer or an Affiliate acting reasonably held any other relevant instrument(s) or had entered into any other relevant arrangements relating to or referencing the Underlying Security, in each case for the purposes of hedging, funding or otherwise

performing the Issuer's obligations in respect of the Warrants (each a "**Relevant Hedge**") on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the settlement of these Warrants disposed of, unwound or otherwise realised or closed out part or all of such Relevant Hedge(s) through an Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the Calculation Agent shall determine the average reference net price per Underlying Security ("**N**") at, or in relation to, which the Relevant Hedge(s) were disposed of, unwound or otherwise realised or closed out by the Issuer or such Affiliate after deducting any Costs per Underlying Security incurred in connection with such disposal, unwind, realisation or closeout, with such average reference net price N multiplied by X being the "**Aggregate Sale Amount**"; and

- (4) in all other cases, the "**Aggregate Sale Amount**" shall be the aggregate amount, as determined by the Calculation Agent, at which a Notional Holder of X of such Underlying Securities on the Determination Date would have on and from the Determination Date been able to dispose of such Underlying Securities through any applicable Exchange (in the Calculation Agent's absolute discretion) (the "**Gross Sale Amount**"), less any Costs which, in the determination of the Calculation Agent would have been incurred in effecting such disposal; and
 - (5) any such disposal, realisation, unwind or closeout effected by the Issuer or an Affiliate (and the disposal that for the purposes of sub-paragraph (4) above the Calculation Agent determines a Notional Holder would have been able to effect) may be effected in one lot of the Underlying Security or divided up into smaller lots whose disposal is effected over a number of days. The Calculation Agent shall also determine (i) in the case where the Issuer or an Affiliate disposes or realises the value of any such Underlying Securities, the date on which the Issuer or such Affiliate received the related aggregate amount in respect of them or (ii) the date on which an unwind or closeout of the Relevant Hedge(s) was effective and (iii) in other cases, the date on which a Notional Holder could reasonably be expected to have completed such disposals and received the aggregate amount (which date not be earlier than the date on which the Issuer or an Affiliate received the aggregate amount in respect of any of such Underlying Securities which it did so dispose of or otherwise realise) (in each case, such date being the "**ASA Receipt Date**").
- (ii) The Aggregate Sale Amount received or deemed received shall then be translated into the Specified Currency as follows:
- (1) if the Calculation Agent is satisfied that in relation to the ASA Receipt Date the Issuer or an Affiliate in respect of the settlement of these Warrants, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation, as determined by the Calculation Agent, shall be the rate obtained by the Issuer or such Affiliate, adjusted to take into account the effect of any non-deliverable forward transaction ("**NDF transaction**") if such is entered into by the Issuer or such Affiliate in relation to the ASA Receipt Date in respect of the Aggregate Sale Amount; or
 - (2) if the Calculation Agent determines that Relevant Hedge(s) are denominated in the Specified Currency, then the rate of exchange for the purpose of such translation shall be that rate implicit in the determination of the final value under such Relevant Hedge(s); or

- (3) in other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Aggregate Sale Amount on the ASA Receipt Date would have been able to convert the Aggregate Sale Amount into the Specified Currency, taking into account the effect of any NDF transaction that such Notional Holder would have entered, or would have been able to enter, into in respect of the Aggregate Sale Amount in relation to the ASA Receipt Date; and
- (4) in each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs. The sum of the resulting amount(s) (each a "**Converted ASA**") less applicable Settlement Costs divided by the associated X and then multiplied by the relevant Number of Underlying Securities per Warrant shall be the contribution to the Realisable Sale Price for such Underlying Security.

The Realisable Sale Price shall be payable by the Issuer on the later of the Maturity Date and the day (the "**Cash Settlement Payment Date**") which is the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on which the Issuer or an Affiliate received the Converted ASA in respect of an exchange transaction entered into in relation to the ASA Receipt Date or, as the case may be, (ii) the day on which a Notional Holder entering into an exchange transaction in relation to the ASA Receipt Date would have received the Converted ASA and, in each case, the effective translation rate including Conversion Costs being the "**Effective FX Rate**".

- (iii) For the purposes of this Condition 19A:

"**Conversion Costs**" shall mean the costs of conversion for the purposes of converting an Aggregate Sale Amount into a Converted ASA and an Underlying Currency Amount (as defined in paragraph (b) (*Additional Payments*) below) or Event Receipt (as defined in paragraph (c) (*Payment in respect of a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting*) below) into a Converted Amount respectively, the amount being determined by the Calculation Agent by reference to actual costs incurred by the Issuer or an Affiliate or, as the case may be, the costs which, in the determination of the Calculation Agent, would have been incurred by a Notional Holder.

"**Costs**" shall mean all costs, expenses, fees and levies taken into account in determining an Aggregate Sale Amount, an Underlying Currency Amount or an Event Payment (as appropriate) including, without limitation, all brokers' fees, bank and custody charges, transaction processing fees and expenses and all taxes (including potential taxes which the Calculation Agent considers may arise) and other duties in respect of the relevant Underlying Security whether such Costs are or would be withheld at source or would otherwise be required to be paid, all as determined by the Calculation Agent.

Where (i) the amount of Costs or the basis on which it is to be determined is not confirmed before the applicable Determination Date and/or is subject to change in the future (such amount of Costs being "**Unpaid Costs**") and (ii) the Unpaid Costs were not deducted from the calculation of the Realisable Sale Price, each Warranholder will be required to pay to the Issuer an amount equal to such Unpaid Costs upon notification from the Issuer. Any Warranholder's obligation to pay such Unpaid Costs shall survive the expiration of the Warrants and any transfers made by any such Warranholder prior to such date.

In relation to Warrants in respect of PRC securities markets only:

As referred to above, "all taxes" shall include potential taxes which the Calculation Agent considers may arise and "other duties" shall include, without limitation, any capital gains tax such as PRC Capital Gains Tax and, in all cases,

including any interest thereon levied by the applicable PRC tax authorities, all as determined by the Calculation Agent.

Where the amount of Costs (including, without limitation, PRC Capital Gains Tax) or the basis on which it is to be determined is not definitely known (each a "tax uncertainty" and together "tax uncertainties"), the Issuer may use the same basis for calculation of such amount as it would use in respect of a holding, purchase or, as applicable, sale of the Underlying Security either (a) for itself as beneficial owner, (b) for a Notional Holder as beneficial owner, or (c) for the Warrantholder as beneficial owner, as appropriately determined by the Calculation Agent (**provided that** the rate in respect of PRC Capital Gains Tax shall be the Fixed CGT Rate) until the applicable Tax Certainty Date.

In addition (and notwithstanding the provisions relating to PRC Capital Gains Tax stated above), once the relevant tax uncertainties are clarified so as to remove the relevant tax uncertainties, (1) where the amount of tax which has actually been deducted ("**Tax Deducted**") is greater than the amount of tax properly payable (the amount of the excess, the "**Excess Deduction**"), the Issuer will pay to the Warrantholder an amount in the Specified Currency (converted at the Effective FX Rate at the time the relevant determination of the Excess Deduction is made) equal to the Excess Deduction, or (2) where the Tax Deducted is less than the amount of tax properly payable (the amount of the excess, the "**Deduction Shortfall**"), the Warrantholder will pay to the Issuer an amount in the Specified Currency (converted at the Effective FX Rate at the time the relevant determination of the Deduction Shortfall is made) equal to the Deduction Shortfall. In either case, the relevant amount (the "**Tax Equalisation Payment**") will be (x) conclusively determined as soon as reasonably practicable on or after the Tax Certainty Date by the Calculation Agent and notified as soon as practicable after such determination to Warranholders (such notification date, the "**Tax Equalisation Payment Notification Date**"), and (y) (where the Tax Certainty Date falls on or before the latest ASA Receipt Date) payable on the Settlement Date applicable to any settlement of Warrants on the Settlement Date, or (where the Tax Certainty Date falls after the latest ASA Receipt Date) payable on the date notified to Warranholders as the applicable payment date by the Issuer, being no less than two Business Days after the Tax Equalisation Payment Notification Date (such payment date, the "**Tax Equalisation Payment Date**"). The obligation to pay any Excess Deduction or Deduction Shortfall shall survive the expiration of the Warrants and any transfers of Warrants made by any Warrantholder prior thereto.

"CNY" means the lawful currency of the PRC.

"PRC" means, solely for the purpose stated herein, the People's Republic of China excluding the Hong Kong and Macau Special Administrative Regions of the People's Republic of China and Taiwan.

"PRC Capital Gains Tax" means, unless and until definitively stated by any applicable PRC tax authorities (as determined by the Calculation Agent in its sole and absolute discretion), 10 per cent. (such rate, the "**Fixed CGT Rate**") of the excess (if any) of (a) the Realisable Sale Price (without deduction of Costs) over (b) Relevant Reference Price, and if (and once) so definitively stated, the capital gains tax properly applicable as so stated.

"QFII" means a Qualified Foreign Institutional Investor pursuant to the Measures for the Administration of Securities Investments by Qualified Foreign Institutional Investors, which were jointly promulgated by the China Securities Regulatory Commission, the People's Bank of China and The State Administration of Foreign Exchange on 24 August 2006, and which became effective on 1 September 2006.

"Relevant Reference Price" means the CNY equivalent of the purchase price (excluding commission charged by the Issuer or its Affiliate) of one Warrant at the time a Warrantholder purchased the Warrants.

"Tax Certainty Date" means, in respect of any tax uncertainty, the date on which the Calculation Agent becomes aware of the clarification by the applicable tax authorities so as to remove the relevant uncertainty or, if later, the Tax Clarification Effective Date.

"Tax Clarification Effective Date" means the first date on which the relevant clarified tax position becomes effective (and where the clarified tax position becomes effective with retrospective effect on a certain date or affecting a certain payment, the Tax Clarification Effective Date will be that certain date or the date of that certain payment), all as determined by the Calculation Agent.

Warrantholders should note that if the PRC taxing authorities clarify the PRC Capital Gains Tax rate after the Cash Settlement Amount has been paid and such rate properly applied is different from the Fixed CGT Rate, either the Issuer or the Warrantholder (as the case may be) will have an obligation to pay the Excess Deduction or Deduction Shortfall (as the case may be).

The following applies to all Warrants:

"Determination Date" means the Valuation Date, in the case of the Cash Settlement Amount, or in the case of the Early Settlement Amount, the day on which the Issuer gave notice of settlement, or if that day was not an Exchange Business Day on which there was no Market Disruption Event, the next succeeding Exchange Business Day on which there was no Market Disruption Event.

"FII" means a Foreign Institutional Investor pursuant to The Securities and Exchange Board of India (Foreign Institutional Investor) Regulations 1995.

"FINI" means a foreign institutional investor eligible under the securities laws of Taiwan to invest, *inter alia*, in equity securities listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market.

"Notional Holder" means an institution subject to the same tax laws, securities laws, rules and regulations of any tax authorities, securities regulators, exchanges or self-regulating organisations as would apply to the Issuer or its Affiliate had they held the Underlying Securities or Relevant Hedge(s). In the case that the Underlying Security or Underlying Securities are (i) securities that are traded on the PRC securities market in CNY, (ii) Indian securities, or (iii) Taiwanese securities or (iv) Saudi Arabian securities, then such Notional Holder will additionally be deemed to be, respectively, (i) a QFII, (ii) a FII, (iii) a FINI or (iv) an Authorised Person (as defined by the Saudi Arabian Capital Markets Authority).

"Number of Underlying Securities per Warrant" shall mean the number of the relevant Underlying Security to which each Warrant relates as specified in the Final Terms.

"Settlement Commission" shall be defined as the equivalent amount, in the Specified Currency, of the Settlement Commission Percentage (as specified in the Final Terms) of the Gross Sale Amount.

"Settlement Costs" shall mean the greater of zero, and the Settlement Commission giving credit in respect of an amount which is the equivalent, in the Specified Currency, of the Transaction Costs.

"**Transaction Costs**" shall mean the value of the relevant Costs and Conversion Costs aggregated together.

(b) **Additional Payments**

If during the period from and including the Issue Date to but including the Determination Date (the "**Relevant Period**") any Underlying Security is marked on the relevant Exchange as ex-dividend or ex-distribution (the date on which it is so marked being the "**Mark Date**"), then, where in the determination of the Calculation Agent, such dividend or distribution is to be paid by the related Underlying Company, the Issuer shall make an additional payment per Warrant calculated as follows:

- (i) if the Calculation Agent determines that on the Business Day prior to the Mark Date the Issuer or an Affiliate held any of the relevant Underlying Securities, the Calculation Agent shall determine the net aggregate amount of the cash dividend or distribution which the Issuer or such Affiliate would have received in respect of such holding after deduction of Costs (the date on which it would have been received being the "**Receipt Date**"), and divide that net aggregate amount by the number of Underlying Securities so held to give a per Underlying Security amount (the "**Underlying Currency Amount**"); or
- (ii) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Relevant Hedge(s) on the Business Day prior to the Mark Date, then the Calculation Agent shall determine the net aggregate amount of the cash dividend or distribution equivalent payment which the Issuer or such Affiliate would have received in respect of such Relevant Hedges(s) after deduction of Costs (the date on which it would have been received being the "**Receipt Date**"), and divide that net aggregate amount by the number of Underlying Securities to which such Relevant Hedge(s) relate to give a per Underlying Security amount (a "**Converted Amount**" if in the Specified Currency and otherwise an "**Underlying Currency Amount**"); and
- (iii) in all other cases, the net amount which, in the determination of the Calculation Agent, would have been receivable per Underlying Security by a Notional Holder which was a holder of one of the relevant Underlying Security on the Business Day prior to the Mark Date after deduction of Costs shall be the "**Underlying Currency Amount**", and the date on which, in the determination of the Calculation Agent, such Notional Holder would have received the Underlying Currency Amount shall be the "**Receipt Date**".

The cash value of any non-cash dividend or distribution shall be as determined by the Calculation Agent, save that:

- (1) where the Calculation Agent determines that the Issuer or an Affiliate held any of the relevant Underlying Securities on the Business Day prior to the Mark Date and that the Issuer or such Affiliate disposed of any relevant non-cash dividend or distribution received in respect of such Underlying Security for cash on the date it received the same, the Calculation Agent shall have regard to the value at which the Issuer or such Affiliate disposed of such relevant non-cash dividend or distribution in determining the cash value of the relevant additional payment; and
- (2) where the Calculation Agent determines that the Issuer or an Affiliate held any Relevant Hedge(s) on the Business Day prior to the Mark Date and that the Issuer or such Affiliate received, in respect of such Relevant Hedge(s), cash by way of adjustment or settlement of such non-cash dividend or distribution, the Calculation Agent shall have regard to such value received by the Issuer or such Affiliate in determining the cash value of the relevant additional payment.

The Receipt Date for this purpose shall be: (i) in the case of (1) above, the date on which the Issuer or such Affiliate received the cash disposal proceeds, (ii) in the case of (2)

above, the date on which the Issuer or such Affiliate received such a cash payment by way of such adjustment or settlement and, in any other case, the date on which a Notional Holder which received such relevant dividend or distribution and disposed of it immediately would have received the cash disposal proceeds, all as determined by the Calculation Agent (such cash value being a "**Converted Amount**" if in the Specified Currency and otherwise an "**Underlying Currency Amount**").

Any Underlying Currency Amount shall then be converted into the Specified Currency. If the Calculation Agent is satisfied that in relation to the Receipt Date the Issuer or an Affiliate in connection with the determination of the relevant additional payment actually entered into an exchange transaction to convert Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such conversion shall be the rate actually obtained by the Issuer or such Affiliate, as determined by the Calculation Agent. In other cases, the rate of exchange shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received an Underlying Currency Amount on the Receipt Date would have been able to convert such Underlying Currency Amount into the Specified Currency. In each case the Calculation Agent shall deduct from the converted Specified Currency amount any Conversion Costs per Underlying Security. The resulting amount (the "**Converted Amount**") multiplied by the Number of Underlying Securities per Warrant shall be the amount of the additional payment (the "**Additional Payment**") per Warrant.

Any Additional Payments shall be payable by the Issuer as specified in the Final Terms but in any case not earlier than the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on which the Issuer or its Affiliate would have received the Converted Amount in respect of an exchange transaction entered into in relation to the Receipt Date or, as the case may be, (ii) the day on which a Notional Holder entering into an exchange transaction in relation to the Receipt Date would have received the Converted Amount.

Any Additional Payments shall be payable, where the Warrants are held in a clearing system such as DTC, Euroclear and/or Clearstream, Luxembourg to the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg (as the case may be) as Warrantheolders on the Business Day immediately preceding the Mark Date, and in any other case to the holders for the time being of the Warrants (irrespective of whether or not they were Warrantheolders on the Business Day immediately preceding the Mark Date).

(c) ***Payment in respect of an Extraordinary Event or Conversion***

For the purposes of payments (if any) made pursuant to Condition 18(f)(ii) or Condition 18(f)(iii) (each an "**Event Payment**"):

- (i) if the Calculation Agent is satisfied that the Issuer or an Affiliate held any relevant Underlying Security on the Business Day immediately preceding the occurrence of the Extraordinary Event or Conversion (the "**Event Occurrence Date**"), the Calculation Agent shall determine the net cash value of any payment which the Issuer or such Affiliate actually received in respect of such holding after deduction of Costs (the date on which it would have received being the "**Event Receipt Date**") and divide that net cash value by the number of such Underlying Security so held by the Issuer or such Affiliate to give a per Underlying Security amount (the "**Event Receipt**"); or
- (ii) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Relevant Hedge(s) on the Business Day prior to the Event Occurrence Date, then the Calculation Agent shall determine the net cash value of any payment which the Issuer or such Affiliate would have received in respect of such Relevant Hedges(s) after deduction of Costs (the date on which it would have been received being the "**Event Receipt Date**"), and divide that net cash value by the number of Underlying Securities to which such Relevant Hedge(s) relate to give a per Underlying Security amount (the "**Event Receipt**"); and

- (iii) in all other cases, the net cash value of the payment per Underlying Security which, in the determination of the Calculation Agent, would have been received by a Notional Holder which was a holder of such Underlying Security on the Business Day prior to the Event Occurrence Date after deduction of Costs shall be the "**Event Receipt**" and the date on which, in the determination of the Calculation Agent, such Notional Holder would have received the Event Receipt shall be the "**Event Receipt Date**").

Where the Event Receipt is in the same currency as the Specified Currency, the Event Receipt multiplied by the relevant Number of Underlying Securities per Warrant shall be the amount of the Event Payment per Warrant. Where this sub-paragraph applies, the Event Payment shall not be made sooner than the Event Receipt Date.

Where the Event Receipt is not in the same currency as the Specified Currency, it shall then be translated into the Specified Currency. If the Calculation Agent is satisfied that on the Event Receipt Date the Issuer or an Affiliate, in connection with the determination of the relevant Event Payment, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation shall be the rate obtained by the Issuer or such Affiliate, as determined by the Calculation Agent. In other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Event Receipt on the Event Receipt Date would have been able to convert the Event Receipt into the Specified Currency. In each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs per Underlying Security. The resulting amount (the "**Converted Amount**") multiplied by the relevant Number of Underlying Securities per Warrant shall be the amount of the Event Payment per Warrant. Where this sub-paragraph applies, the Event Payment shall not be made sooner than the day on which the Issuer or an Affiliate actually received the Converted Amount in respect of an exchange transaction entered into in relation to the Event Receipt Date or on which a Notional Holder entering into an exchange transaction in relation to the Event Receipt Date would have received the Converted Amount as determined by the Calculation Agent.

Event Payments shall be payable, where the Warrants are held in a clearing system such as DTC, Euroclear and/or Clearstream, Luxembourg to the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the case may be, as Warrantholders on the Business Day immediately preceding the Event Occurrence Date, and in any other case to the holders for the time being of the Warrants (irrespective of whether or not they were Warrantholders on the Business Day immediately preceding the Event Occurrence Date).

(d) ***Dealing restrictions in relation to Underlying Securities and Currency Events***

Whenever any sum is due in respect of the Warrants, the Issuer shall be entitled to suspend its obligation to make such payment in respect of the Warrants if, and for as long as, in the determination of the Calculation Agent, (i) dealing by the Issuer, any Affiliate or Notional Holders generally in the relevant Underlying Security or Relevant Hedge(s) is or is likely to be prevented, delayed or restricted by closure of a relevant Exchange or Related Exchange, suspension of trading in such Underlying Security, Relevant Hedge(s) or other circumstances or (ii) a Currency Event has occurred. The Warrantholders shall not be entitled to any interest or other compensation in respect of any such suspension nor shall such a suspension constitute a default. The Issuer shall give notice to the Warrantholders as soon as practical of any such suspension and, subsequently, of the termination of any such suspension.

For the purposes hereof:

"Currency Event" means:

- (A) the occurrence of an event or a condition which, in the opinion of the Calculation Agent, on any day with respect to the Underlying Currency that has the effect of preventing, hindering, limiting or restricting (including, without limitation, by delays, increased costs or discriminatory rates of exchange) the Issuer or its Affiliates directly or indirectly from:
 - (i) converting the Underlying Currency into the Specified Currency through any customary legal channel;
 - (ii) converting the Underlying Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Reference Jurisdiction;
 - (iii) delivering the Specified Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction;
 - (iv) delivering the Underlying Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction; or
 - (v) effectively realising the value of any underlying hedge in the Specified Currency at any time; or
- (B) the government of the Reference Jurisdiction imposes, or gives public notice of its intention to impose, any capital controls (including, without limitation, the imposition of an upper limit on the amount of assets denominated in the Underlying Currency in the Reference Jurisdiction which can be held by any party) which the Calculation Agent determines in good faith are likely to materially affect the ability of the Issuer or its Affiliates to hedge the Issuer's position under the Warrants or to unwind such hedge; or
- (C) the unavailability of the Specified Currency in any legal exchange market in the Reference Jurisdiction in accordance with normal commercial practice as determined by the Calculation Agent; and

"Reference Jurisdiction" means any jurisdiction in which a relevant Exchange is located.

(e) ***Hedging***

For the purposes of Condition 18(g)(iv), as amended by the Final Terms:

"Hedging Disruption" means that the Issuer or an Affiliate would be unable, after using commercially reasonable efforts, to conduct any Hedging (as defined below) or would suffer any material delay in conducting any Hedging.

"Hedging" means to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk (including, but not limited to, any currency risk) of entering into and performing its obligations with respect to these Warrants; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the relevant transaction between accounts within a relevant

jurisdiction of the Hedge Positions (an "**Affected Jurisdiction**") or from accounts within an Affected Jurisdiction to accounts outside of such Affected Jurisdiction; or

- (iii) without prejudice to (ii) above, transfer (A) amounts denominated in the Specified Currency from accounts within a relevant Underlying Country to accounts outside such Underlying Country, to other accounts within such Underlying Country or to the accounts of a non-resident of such Underlying Country or (B) amounts denominated in a relevant Underlying Currency from accounts within the related Underlying Country to other accounts within such Underlying Country, to accounts outside such Underlying Country or to the accounts of a non-resident of such Underlying Country; or
- (iv) without prejudice to (ii) and (iii) above, convert the Specified Currency into a relevant Underlying Currency or a relevant Underlying Currency into the Specified Currency.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or an Affiliate in order to hedge, individually or on a portfolio basis, a Warrant.

(f) **Miscellaneous**

- (i) Any person (the "**relevant person**") shall be treated as "**holding**" Underlying Securities where the relevant person is registered as registered owner of such Underlying Securities in the Underlying Company's share register or where the registered owner of such Underlying Securities in the Underlying Company's share register is a custodian or agent and directly or indirectly the person for whose account those Underlying Securities are held is the relevant person. The terms "**hold**" and "**holder**" shall, in the context of holding Underlying Securities, be construed accordingly.
- (ii) Where there is a dividend or distribution in respect of any Underlying Security or any disposal or transfer of Underlying Securities, the dividend distribution or proceeds of disposal or transfer shall not be treated as having been received by any person unless and until it or they have been paid or delivered to that person or to any bank, custodian or agent on behalf of that person in circumstances where that person may (i) (in the case of a payment denominated in a currency other than the Specified Currency) freely convert such payment into the Specified Currency and (ii) freely withdraw and transfer the payment (or, as the case may be, the Specified Currency conversion proceeds of such payment) or delivery.
- (iii) For purposes of Condition 18(g) and the relevant Final Terms, the following terms if specified as an Additional Disruption Event shall have the following meanings unless otherwise provided in the relevant Final Terms:

"**Currency Event**" has the meaning given to it in paragraph (d) above;

"**Security Redemption**" means any Underlying Security is early redeemed, terminated or cancelled, in whole or in part, on or prior to its stated maturity for whatever reason; and

"**Underlying Company Default**" means a default of the Underlying Company of its obligations under the Underlying Security.

19B. **Provisions relating to Market Access Warrants linked to a single Underlying Fund or a basket of Underlying Funds**

The provisions of this Condition 19B shall only apply in relation to Warrants which are specified in the Final Terms as being Market Access Warrants linked to one or more Underlying Funds.

(a) **Cash Settlement Amount**

Unless previously settled and cancelled, and subject to the other Conditions of the Warrants, the Issuer shall settle each Warrant by paying on the later of the Settlement Date and the Cash Settlement Payment Date an amount per Warrant in the Specified Currency determined by the Calculation Agent to be equal to the aggregate of each Underlying Fund Value f_{final} .

For the purposes hereof:

"**Business Day**" has the meaning given to it in the relevant Final Terms;

"**Currency Business Day**" has the meaning given to it in the relevant Final Terms;

"**Exchange**" has the meaning given to it in the relevant Final Terms;

"**Exchange Business Day**" means any Scheduled Trading Day on which the Exchange is open for trading during its regular trading session, notwithstanding such Exchange closing prior to its Scheduled Closing Time;

"**Final Valuation Date**" means the last Business Day prior to the Settlement Date on which a Hypothetical Investor could have validly submitted a redemption application for value on the Settlement Date (the "**Scheduled Valuation Date**"), subject to postponement due to an Underlying Fund Disruption Event. If an Underlying Fund Disruption Event occurs on the Scheduled Valuation Date, then the Final Valuation Date shall be postponed until the earlier of (i) the second Business Day following the date on which the Calculation Agent determines an Underlying Fund Disruption Event is no longer subsisting, and (ii) the twentieth (20th) Business Day following the Scheduled Valuation Date. If the Final Valuation Date shall be such 20th Business Day, notwithstanding that an Underlying Fund Disruption Event has occurred or is continuing on such day, the Calculation Agent shall determine the Underlying Fund Value;

"**Fund Application Date**" means any day on which there is set a cut-off time for receiving applications for redemption in accordance with the Underlying Fund Terms and Conditions, subject to such day being an Exchange Business Day;

"**Hypothetical Investor**" means an institution subject to the same tax laws, securities laws, rules and regulations of any tax authorities, securities regulators, exchanges or self-regulating organisations as would apply to the Issuer or its Affiliate had they held the Underlying Fund(s).

"**Related Costs**" means, in connection with a Hypothetical Redemption and in each case as determined by the Calculation Agent, (i) all accrued management, load, administrative and other per Share fees, costs, expenses, levies, or adjustments; (ii) all taxes and duties which may be withheld or applied by the Underlying Fund (including any potential taxes and duties which the Calculation Agent considers may arise); and (iii) all other taxes and duties in respect of the Underlying Fund which would otherwise be required to be paid (including any potential taxes and duties which the Calculation Agent considers may arise).

Where in relation to the calculation of an Underlying Fund Value (A) the amount of the Related Costs or the basis on which they are to be determined is not confirmed before the applicable Valuation Date and/or is subject to change in the future (such amount of Related Costs, "**Unpaid Related Costs**"), and (B) the Unpaid Related Costs were not deducted from the calculation of the Underlying Fund Value, each Warranholder will be required to pay to the Issuer an amount equal to such Unpaid Related Costs upon

notification from the Issuer. Any Warrantholder's obligation to pay such Unpaid Related Costs shall survive the expiration of the Warrants and any transfers made by any such Warrantholder prior to such date.

"Settlement Commission" means the equivalent amount, in the Specified Currency, of the Settlement Commission Percentage (as defined in the Final Terms) of the Cash Settlement Amount;

"Scheduled Closing Time" means the scheduled weekday closing time of the Exchange, without regard to after hours or any other trading outside of the regular session hours;

"Scheduled Trading Day" means any day on which the Exchange is scheduled to open for trading for its regular trading session;

"Specified Currency Equivalent" means, in respect of a Share of the Underlying Fund and an Underlying Currency price or amount, such Underlying Currency price or amount divided by the rate of exchange of the Underlying Currency for the Specified Currency (expressed as the number of Underlying Currency per Specified Currency) as (i) the offer rate of exchange (as aforesaid) as displayed on the Reuters Screen related to the relevant Underlying Currency at approximately 11:00 a.m. local time in London on the day two (2) Currency Business Days prior to the related Valuation Date, Determination Date or Fund Application Date (as applicable); except that the rate of exchange for determining the Underlying Fund Value_{final}, shall be the relevant rate of exchange (as aforesaid) that the Calculation Agent shall determine would be available to the Issuer or its Affiliate in the market at the relevant time;

"Share" means, in relation to any Underlying Fund, a unit or share therein;

"Underlying Currency" means, in relation to an Underlying Fund, the currency specified as such for such Underlying Fund in the relevant Final Terms;

"Underlying Fund" has the meaning given to it in the relevant Final Terms.

The Issuer shall be under no obligation to make or hold, directly or indirectly, investments in the Underlying Fund. The Warrantholders will not hold any direct or indirect interest in the Underlying Fund as a result of being a Warrantholder;

"Underlying Fund Value" means for any Valuation Date an amount per Warrant as determined by the Calculation Agent as the net redemption proceeds per Share that would have been received as of such Valuation Date by a Hypothetical Investor in the Underlying Fund had such Hypothetical Investor provided a timely notice in accordance with the Underlying Fund Terms and Conditions to the Underlying Fund and any other party necessary to effect a redemption (or other disposition) of an investment in the Underlying Fund for such Valuation Date (such redemption, a **"Hypothetical Redemption"**) net of any Related Costs, such net redemption proceeds per Share being multiplied by the Number of Shares in Underlying Fund per Warrant;

"Underlying Fund Value_{final}" means the Specified Currency Equivalent of the Underlying Fund Value on the applicable Fund Application Date relating to the Final Valuation Date, as determined by the Calculation Agent; and

"Valuation Date" has the meaning given to it in the relevant Final Terms.

(b) ***Early Settlement Amount and Early Settlement Date***

"Early Settlement Amount" means with respect to the Early Settlement Date, the amount payable on such designated Early Settlement Date which shall be based on the Settlement Currency Equivalent of the Underlying Fund Value determined by the Calculation Agent as of the designated Early Settlement Date.

"Early Settlement Date" means the date designated by the Issuer upon the occurrence of an Extraordinary Fund Event, Hedging Disruption Event, Merger Event or Potential

Adjustment Event and notified to the Warranholders in accordance with Condition 10 (*Notices*) (such Early Settlement Date being subject to postponement as further described before).

(c) ***Effect of Extraordinary Fund Events, Hedging Disruption Event, Merger Events and Potential Adjustment Events***

The following provisions replace Conditions 18(f)(i) and (ii).

Upon the occurrence of an Extraordinary Fund Event, Hedging Disruption Event, Merger Event or Potential Adjustment Event, on the Valuation Date immediately following such occurrence:

- (i) with respect to a Merger Event where consideration for the Shares of the Underlying Fund consists solely of shares of a fund in which the Issuer or its Affiliate could invest (the "**New Shares**"), references to a Share of the related Underlying Fund shall be replaced by references to the number of New Shares to which a holder of a Share would be entitled upon consummation of the Merger Event and the New Shares and their issuer will be deemed to be the Shares and issuer of the Underlying Fund and, if necessary, the Calculation Agent will make adjustments to the Underlying Fund Value and/or any other terms of the Warrants in such manner as it considers appropriate;
- (ii) with respect to a Hedging Disruption Event or Merger Event where the consideration for the Shares consists of anything other than the consideration described in (a) above, the Issuer may declare an Early Settlement Date and, if so, the Warranholders will receive the Early Settlement Amount (as computed under "*Early Settlement Amount*" above);
- (iii) with respect to a Potential Adjustment Event, the Calculation Agent may make such adjustment, if any, to the Underlying Fund Value, the notional number of Shares in the Underlying Fund and/or any other terms of the Warrants as the Calculation Agent determines appropriate and determine the effective times thereof; and
- (iv) with respect to the occurrence of an Extraordinary Fund Event the Calculation Agent may either (A) declare one or more Valuation Dates and designate an Early Settlement Date and the Warranholders will receive the Early Settlement Amount (as computed under "*Early Settlement Amount*" above), or (B) make such adjustment, if any, to the Underlying Fund Value, the notional number of Shares in the Underlying Fund and/or any other terms of the Warrants as the Calculation Agent determines appropriate and determine the effective times thereof.

(d) ***Definitions***

"**Extraordinary Fund Event**" means with respect to the Underlying Fund, in the determination of the Calculation Agent, the occurrence or existence of any of the following on or prior to the Final Valuation Date:

- (i) any breach or violation of the provisions of the Underlying Fund's operating documents, including for the avoidance of doubt any strategy or investment guidelines, by the Underlying Fund and/or its manager or investment advisor that is reasonably likely to affect the value of the Underlying Fund;
- (ii) the non-execution or partial execution by the Underlying Fund for any reason of a subscription or redemption order in respect of any Shares in the Underlying Fund given by an Hypothetical Investor in the Underlying Fund, other than a partial execution or a delay in execution which the Calculation Agent considers to be in the usual course and except as provided in the Underlying Fund's operating documents;

- (iii) the Underlying 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) (X) 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 (Y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or 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 Clause (X) 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 fifteen 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 its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen 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 clauses (A) through (E) above;
- (iv) the administration agent, the investment adviser, manager or the custodian, as applicable, of the Underlying Fund ceases to act in its capacity as administrator or manager of or adviser or custodian of the Underlying Fund, as the case may be;
- (v) a material modification of the investment programme, investment objectives, investment policies, investment strategy, investment process or investment guidelines of the Underlying Fund;
- (vi) the failure by the Underlying Fund to comply with its reporting obligations (including, without limitation, the scheduled regular reporting of Share prices or the estimated net asset value of the Underlying Fund, scheduled regular statements thereof, return numbers and composition of the Underlying Fund and the allocation of capital for the Underlying Fund) in accordance with the Underlying Fund's operating documents;
- (vii) a material modification (other than any modifications referred to in (v) above) of the Underlying Fund (including but not limited to a modification of the Underlying Fund's operating documents or the articles of association or other constitutional documents of the Underlying Fund) or the occurrence of a change or any event materially affecting the Underlying Fund (including, but not limited to, the interruption, breakdown or suspension of the calculation of the net asset value of the Underlying Fund unless such interruption, breakdown or suspension is cured within two Business Days);
- (viii) a material modification of the type of assets in which the relevant Underlying Fund invests or the trading practices of the Underlying Fund (including but not limited to a material deviation from the investment policy and investment objectives set out in the Underlying Fund's operating documents) which, in the determination of the Calculation Agent, has or is likely to have a material effect

on any Hedging entered into by the Issuer or its Affiliates in respect of the Warrants;

- (ix) (A) the suspension of redemptions of Shares in the Underlying Fund or (B) the Underlying Fund repurchases or compulsorily redeems any Shares in the Underlying Fund or (C) the Underlying Fund imposes any restriction, charge or fee in respect of a redemption or issue of Shares in the Underlying Fund (other than any restriction, charge or fee in existence as at the Trade Date)
- (x) (A) cancellation, suspension or revocation of the registration or approval of the Shares or the Underlying Fund by any governmental, legal or regulatory entity with authority over the Shares or the Underlying Fund or (B) any change in the legal, tax, accounting or regulatory treatments of the Underlying Fund or the investment adviser or manager that is reasonably likely to have an adverse impact on the value of the Shares or on any investor therein (as determined by the Calculation Agent);
- (xi) the Underlying Fund or its investment adviser or manager has its authorisation or registration cancelled by any applicable regulatory authority;
- (xii) the Underlying Fund or the investment adviser, manager or the administration agent of the Underlying Fund (A) 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 Underlying Fund, investment adviser or administration agent, (B) commits an act which constitutes fraud or criminal activity in the performance of its obligations in respect of the Underlying Fund; (C) makes any material misrepresentation under any document in respect of the relevant Underlying Fund or (D) announces its intention to cease the business of investment management; or
- (xiii) all the Shares or all or substantially all the assets of the Underlying Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"Hedging Disruption Events" means the Calculation Agent determines that any arrangements made to hedge the Issuer's or its Affiliate's obligations under the Warrants have or will (i) become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any government, administrative, legislative or judicial authority or power (a "**Law**"), or in the interpretation of a Law or (ii) be materially adversely affected by the introduction of or any change in (or in the interpretation, administration or application of) any Law (including, for the avoidance of doubt, a reduction in the rate of return, an additional or increased cost or the imposition of any taxes, duties, assessments or government charges of whatever nature). The Issuer or its Affiliate is under no obligation vis-à-vis Warrantheolders to hedge its obligations under the Warrants or, if it does hedge, to hedge in any particular way.

"Merger Event" means, in respect of the Shares of the Underlying Fund, the occurrence on or prior to the Final Valuation Date of any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding, (b) consolidation, amalgamation or merger of the issuer of the Underlying Fund with or into another entity (other than consolidation, amalgamation or merger in which such issuer is the continuing entity and which does not result in any such reclassification or change of all of such Shares outstanding) or (c) other takeover offer for such Shares that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the offeror).

"Potential Adjustment Event" means, in relation to the Underlying Fund the occurrence at any time on or prior to the Final Valuation Date of:

- (i) a subdivision, reclassification, reorganisation, consolidation, increase, reduction by cancellation of the Shares of the Underlying Fund (other than that constituting a Merger Event), or, a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution or dividend to existing holders of the such Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of such Shares equally or proportionately with such payments to holders of such Shares, or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend;
- (iv) a repurchase by the issuer of such Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (v) any other event that may have a diluting or concentrative effect on the theoretical value of the Shares of the Underlying Fund.

"Underlying Fund Disruption Event" means in respect of a Share in the Underlying Fund on any day (i) the occurrence or continuation of a postponement of the date as of which the Underlying Fund is scheduled, according to the documentation governing the Underlying Fund, to determine the price per Share or net asset value of the Underlying Fund for the purposes of calculating the redemption proceeds to be paid to an investor that has submitted a timely and valid notice for redemption, or (ii) the occurrence or continuation of a postponement of the reporting by the Underlying Fund to its investors or, if applicable, the publishing by the Underlying Fund or the relevant publishing service, in each case of the price per Share or net asset value of the Underlying Fund and/or (iii) the occurrence or continuation of a postponement in the payment of the redemption proceeds relating to Shares of the Underlying Fund.

(e) ***Dealing restrictions in relation to Underlying Funds and Currency Events***

Whenever any sum is due in respect of the Warrants (whether upon early settlement or upon final settlement or otherwise), the Issuer shall be entitled to suspend its obligation to make such payment in respect of the Warrants if, and for as long as, in the determination of the Calculation Agent, (i) dealing by the Issuer, any Affiliate or Hypothetical Investors generally in the Shares of the relevant Underlying Fund is or is likely to be prevented, delayed or restricted for any reason or (ii) a Currency Event has occurred. The Warranholders shall not be entitled to any interest or other compensation in respect of any such suspension nor shall such a suspension constitute a default. The Issuer shall give notice to the Warranholders as soon as practical of any such suspension and, subsequently, of the termination of any such suspension.

For the purposes hereof:

- (A) the occurrence of an event or a condition which, in the opinion of the Calculation Agent, on any day with respect to the Underlying Currency that has the effect of preventing, hindering, limiting or restricting (including, without limitation, by delays, increased costs or discriminatory rates of exchange) the Issuer or its Affiliates directly or indirectly from:
 - (i) converting the Underlying Currency into the Specified Currency through any customary legal channel;

- (ii) converting the Underlying Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Reference Jurisdiction;
 - (iii) delivering the Specified Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction;
 - (iv) delivering the Underlying Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction; or
 - (v) effectively realising the value of any underlying hedge in the Specified Currency at any time; or
- (B) the government of the Reference Jurisdiction imposes, or gives public notice of its intention to impose, any capital controls (including, without limitation, the imposition of an upper limit on the amount of assets denominated in the Underlying Currency in the Reference Jurisdiction which can be held by any party) which the Calculation Agent determines in good faith are likely to materially affect the ability of the Issuer or its Affiliates to hedge the Issuer's position under the Warrants or to unwind such hedge; or
- (C) the unavailability of the Specified Currency in any legal exchange market in the Reference Jurisdiction in accordance with normal commercial practice as determined by the Calculation Agent; and

"Reference Jurisdiction" means any jurisdiction in which a relevant Exchange is located.

(f) ***Hedging***

For the purposes of Condition 18(g)(iv), as amended by the Final Terms:

"Hedging Disruption" means that the Issuer or an Affiliate would be unable, after using commercially reasonable efforts, to conduct any Hedging (as defined below) or would suffer any material delay in conducting any Hedging.

"Hedging" means to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk (including, but not limited to, any currency risk) of entering into and performing its obligations with respect to these Warrants; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the relevant transaction between accounts within a relevant jurisdiction of the Hedge Positions (an **"Affected Jurisdiction"**) or from accounts within an Affected Jurisdiction to accounts outside of such Affected Jurisdiction; or
- (iii) without prejudice to (ii) above, transfer (A) amounts denominated in the Specified Currency from accounts within a relevant Underlying Country to accounts outside such Underlying Country, to other accounts within such Underlying Country or to the accounts of a non-resident of such Underlying Country or (B) amounts denominated in a relevant Underlying Currency from accounts within the related Underlying Country to other accounts within such Underlying Country, to accounts outside such Underlying Country or to the accounts of a non-resident of such Underlying Country; or

- (iv) without prejudice to (ii) and (iii) above, convert the Specified Currency into a relevant Underlying Currency or a relevant Underlying Currency into the Specified Currency.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or an Affiliate in order to hedge, individually or on a portfolio basis, a Warrant.

(g) *Miscellaneous*

- (i) Any person (the "**relevant person**") shall be treated as "**holding**" Shares in an Underlying Fund where the relevant person is registered as registered owner of such Shares in the Underlying Fund's register or where the registered owner of such Shares in the Underlying Fund's register is a custodian or agent and directly or indirectly the person for whose account those Shares are held is the relevant person. The terms "**hold**" and "**holder**" shall, in the context of holding Shares in an Underlying Fund, be construed accordingly.
- (ii) Where there is a dividend or distribution in respect of any Underlying Fund or any disposal or transfer of Shares in an Underlying Fund, the dividend distribution or proceeds of disposal or transfer shall not be treated as having been received by any person unless and until it or they have been paid or delivered to that person or to any bank, custodian or agent on behalf of that person in circumstances where that person may (i) (in the case of a payment denominated in a currency other than the Specified Currency) freely convert such payment into the Specified Currency and (ii) freely withdraw and transfer the payment (or, as the case may be, the Specified Currency conversion proceeds of such payment) or delivery.

19C. **Provisions relating to Market Access Warrants linked to a single Underlying ETF or a basket of Underlying ETFs**

The provisions of this Condition 19C shall only apply in relation to Warrants which are specified in the Final Terms as being Market Access Warrants linked to one or more Underlying ETFs.

(a) *Cash Settlement Amount*

The Cash Settlement Amount in respect of each Warrant shall be paid on the Cash Settlement Payment Date and shall be an amount in the Specified Currency determined by the Calculation Agent to be equal to the Realisable Sale Price.

"**Realisable Sale Price**" is an amount per Warrant calculated as follows:

- (i) The Calculation Agent shall determine the Aggregate Sale Amount(s) in respect of each Underlying ETF as follows:
 - (a) if the Calculation Agent is satisfied that the Issuer, or any relevant affiliate of the Issuer (an "**Affiliate**") held a number of Shares in such Underlying ETF ("**X**", being equal to the total number of Shares in such Underlying ETF to which the Warrants relate) on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the settlement of these Warrants disposed or otherwise realised X of the Shares in such Underlying ETF through the Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the "**Aggregate Sale Amount**" shall be the aggregate amount at which the Issuer or such Affiliate effects the disposal or realisation of that number of Shares in such Underlying ETF ("**Gross Sale Amount**"), less any Costs incurred in connection with such disposal or realisation; or
 - (b) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Shares in such Underlying ETF on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith disposed of or otherwise realised the value of a number ("**Y**") (where Y is less than X) of Shares in such Underlying ETF through the Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), the Calculation Agent shall:

- (A) determine the average price per Share in the Underlying ETF ("**M**") at which the Issuer or such Affiliate effected the disposal or realisation of Y of the Shares in such Underlying ETF (such average price M multiplied by X being the "**Gross Sale Amount**"), and
 - (B) deduct any Costs per Share in the Underlying ETF from M (the resulting figure being "**N**"), and
 - (C) multiply N by X (the resulting figure being the "**Aggregate Sale Price**"); or
- (c) if the Calculation Agent is satisfied that the Issuer or an Affiliate acting reasonably held any other relevant instrument(s) or had entered into any other relevant arrangements relating to or referencing the Underlying ETF, in each case for the purposes of hedging, funding or otherwise performing the Issuer's obligations in respect of the Warrants (each a "**Relevant Hedge**") on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the settlement of these Warrants disposed of, unwound or otherwise realised or closed out part or all of such Relevant Hedge(s) through an Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the Calculation Agent shall determine the average reference net price per Share in the Underlying ETF ("**N**") at, or in relation to, which the Relevant Hedge(s) were disposed of, unwound or otherwise realised or closed out by the Issuer or such Affiliate after deducting any Costs per Share in the Underlying ETF incurred in connection with such disposal, unwind, realisation or closeout, with such average reference net price N multiplied by X being the "**Aggregate Sale Amount**"; and
- (d) in all other cases, the "**Aggregate Sale Amount**" shall be the aggregate amount, as determined by the Calculation Agent, at which a Notional Holder of X Shares in such Underlying ETF on the Determination Date would have on and from the Determination Date been able to dispose of such Shares in the Underlying ETF through any applicable Exchange (in the Calculation Agent's absolute discretion) (the "**Gross Sale Amount**"), less any Costs which, in the determination of the Calculation Agent would have been incurred in effecting such disposal; and
- (e) any such disposal, realisation, unwind or closeout effected by the Issuer or an Affiliate (and the disposal that for the purposes of sub-paragraph (4) above the Calculation Agent determines a Notional Holder would have been able to effect) may be effected in one lot of the Shares in the Underlying ETF or divided up into smaller lots whose disposal is effected over a number of days. The Calculation Agent shall also determine (i) in the case where the Issuer or an Affiliate disposes or realises the value of any such Shares in such Underlying ETF, the date on which the Issuer or such Affiliate received the related aggregate amount in respect of them or (ii) the date on which an unwind or closeout of the Relevant Hedge(s) was effective and (iii) in other cases, the date on which a Notional Holder could reasonably be expected to have completed such disposals and received the aggregate amount (which date not be earlier than the date on which the Issuer or an Affiliate received the aggregate amount in respect of any of such Shares in such Underlying ETF which it did so dispose of or otherwise realise) (in each case, such date being the "**ASA Receipt Date**").

- (ii) The Aggregate Sale Amount received or deemed received shall then be translated into the Specified Currency as follows:
- (a) if the Calculation Agent is satisfied that in relation to the ASA Receipt Date the Issuer or an Affiliate in respect of the settlement of these Warrants, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation, as determined by the Calculation Agent, shall be the rate obtained by the Issuer or such Affiliate, adjusted to take into account the effect of any non-deliverable forward transaction ("**NDF transaction**") if such is entered into by the Issuer or such Affiliate in relation to the ASA Receipt Date in respect of the Aggregate Sale Amount; or
 - (b) if the Calculation Agent determines that Relevant Hedge(s) are denominated in the Specified Currency, then the rate of exchange for the purpose of such translation shall be that rate implicit in the determination of the final value under such Relevant Hedge(s); or
 - (c) in other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Aggregate Sale Amount on the ASA Receipt Date would have been able to convert the Aggregate Sale Amount into the Specified Currency, taking into account the effect of any NDF transaction that such Notional Holder would have entered, or would have been able to enter, into in respect of the Aggregate Sale Amount in relation to the ASA Receipt Date; and
 - (d) in each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs. The sum of the resulting amount(s) (each a "**Converted ASA**") less applicable Redemption Costs divided by the associated X and then multiplied by the relevant Number of Underlying ETFs per Warrant shall be the contribution to the Realisable Sale Price for such Underlying ETF.

The Realisable Sale Price shall be payable by the Issuer on the later of the Maturity Date and the day (the "**Cash Settlement Payment Date**") which is the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on which the Issuer or an Affiliate received the Converted ASA in respect of an exchange transaction entered into in relation to the ASA Receipt Date or, as the case may be, (ii) the day on which a Notional Holder entering into an exchange transaction in relation to the ASA Receipt Date would have received the Converted ASA and, in each case, the effective translation rate including Conversion Costs being the "**Effective FX Rate**".

- (iii) For the purposes of this Condition 19C:

"**Conversion Costs**" shall mean the costs of conversion for the purposes of converting an Aggregate Sale Amount into a Converted ASA and an Underlying Currency Amount (as defined in paragraph (b) (*Additional Payments*) below) or Event Receipt (as defined in paragraph (c) (*Payment in respect of an Extraordinary ETF Event, Hedging Disruption Event, Merger Event, or Potential Adjustment Event*) below) into a Converted Amount respectively, the amount being determined by the Calculation Agent by reference to actual costs incurred by the Issuer or an Affiliate or, as the case may be, the costs which, in the determination of the Calculation Agent, would have been incurred by a Notional Holder.

"**Costs**" shall mean all costs, expenses, fees and levies taken into account in determining an Aggregate Sale Amount, an Underlying Currency Amount or an Event Payment (as appropriate) including, without limitation, all brokers' fees,

bank and custody charges, transaction processing fees and expenses, any redemption fees or management charges and all taxes (including potential taxes which the Calculation Agent considers may arise) and other duties in respect of the relevant Underlying ETF or the securities constituting the Underlying ETF whether such Costs are or would be withheld at source or would otherwise be required to be paid, all as determined by the Calculation Agent.

Where (i) the amount of Costs or the basis on which it is to be determined is not confirmed before the applicable Determination Date and/or is subject to change in the future (such amount of Costs being "**Unpaid Costs**") and (ii) the Unpaid Costs were not deducted from the calculation of the Realisable Sale Price, each Warrantholder will be required to pay to the Issuer an amount equal to such Unpaid Costs upon notification from the Issuer. Any Warrantholder's obligation to pay such Unpaid Costs shall survive the expiration of the Warrants and any transfers made by any such Warrantholder prior to such date.

In relation to Warrants in respect of PRC securities markets only:

As referred to above, "all taxes" shall include potential taxes which the Calculation Agent considers may arise and "other duties" shall include, without limitation, any capital gains tax such as PRC Capital Gains Tax and, in all cases, including any interest thereon levied by the applicable PRC tax authorities, all as determined by the Calculation Agent.

Where the amount of Costs (including, without limitation, PRC Capital Gains Tax) or the basis on which it is to be determined is not definitely known (each a "**tax uncertainty**" and together "**tax uncertainties**"), the Issuer may use the same basis for calculation of such amount as it would use in respect of a holding, purchase or, as applicable, sale of the Shares of the Underlying ETF or the securities constituting the Underlying ETF either (a) for itself as beneficial owner, (b) for a Notional Holder as beneficial owner, or (c) for the Warrantholder as beneficial owner, as appropriately determined by the Calculation Agent (**provided that** the rate in respect of PRC Capital Gains Tax shall be the Fixed CGT Rate) until the applicable Tax Certainty Date.

In addition (and notwithstanding the provisions relating to PRC Capital Gains Tax stated above), once the relevant tax uncertainties are clarified so as to remove the relevant tax uncertainties, (1) where the amount of tax which has actually been deducted ("**Tax Deducted**") is greater than the amount of tax properly payable (the amount of the excess, the "**Excess Deduction**"), the Issuer will pay to the Warrantholder an amount in the Specified Currency (converted at the Effective FX Rate at the time the relevant determination of the Excess Deduction is made) equal to the Excess Deduction, or (2) where the Tax Deducted is less than the amount of tax properly payable (the amount of the excess, the "**Deduction Shortfall**"), the Warrantholder will pay to the Issuer an amount in the Specified Currency (converted at the Effective FX Rate at the time the relevant determination of the Deduction Shortfall is made) equal to the Deduction Shortfall. In either case, the relevant amount (the "**Tax Equalisation Payment**") will be (x) conclusively determined as soon as reasonably practicable on or after the Tax Certainty Date by the Calculation Agent and notified as soon as practicable after such determination to Warranholders (such notification date, the "**Tax Equalisation Payment Notification Date**"), and (y) (where the Tax Certainty Date falls on or before the latest ASA Receipt Date) payable on the Settlement Date applicable to any settlement of Warrants on the Settlement Date, or (where the Tax Certainty Date falls after the latest ASA Receipt Date but before the Tax Equalisation Long-stop Date) payable on the date notified to Warranholders as the applicable payment date by the Issuer, being no less than two Business Days after the Tax Equalisation Payment Notification Date (such payment date, the "**Tax Equalisation Payment Date**"). The obligation to pay any Excess Deduction or Deduction Shortfall shall survive

the maturity of the Warrants and any transfers of Warrants made by any Warrantholder prior thereto.

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

"**PRC**" means, solely for the purpose stated herein, the People's Republic of China excluding the Hong Kong and Macau Special Administrative Regions of the People's Republic of China and Taiwan.

"**PRC Capital Gains Tax**" means, unless and until definitively stated by any applicable PRC tax authorities (as determined by the Calculation Agent in its sole and absolute discretion), 10 per cent. (such rate, the "**Fixed CGT Rate**") of the excess (if any) of (a) the Realisable Sale Price (without deduction of Costs) over (b) Relevant Reference Price, and if (and once) so definitively stated, the capital gains tax properly applicable as so stated.

"**QFII**" means a Qualified Foreign Institutional Investor pursuant to the Measures for the Administration of Securities Investments by Qualified Foreign Institutional Investors, which were jointly promulgated by the China Securities Regulatory Commission, the People's Bank of China and The State Administration of Foreign Exchange on 24 August 2006, and which became effective on 1 September 2006.

"**Relevant Reference Price**" means the CNY equivalent of the purchase price (excluding commission charged by the Issuer or its Affiliate) of one Warrant at the time a Warrantholder purchased the Warrants.

"**Tax Certainty Date**" means, in respect of any tax uncertainty, the date on which the Calculation Agent becomes aware of the clarification by the applicable tax authorities so as to remove the relevant uncertainty or, if later, the Tax Clarification Effective Date.

"**Tax Clarification Effective Date**" means the first date on which the relevant clarified tax position becomes effective (and where the clarified tax position becomes effective with retrospective effect on a certain date or affecting a certain payment, the Tax Clarification Effective Date will be that certain date or the date of that certain payment), all as determined by the Calculation Agent.

Warrantholders should note that if the PRC taxing authorities clarify the PRC Capital Gains Tax rate after the Cash Settlement Amount has been paid and such rate properly applied is different from the Fixed CGT Rate, either the Issuer or the Warrantholder as the case may be) will have an obligation to pay the Excess Deduction or Deduction Shortfall (as the case may be).

The following applies to all Warrants:

"**Determination Date**" means the Valuation Date, in the case of the Cash Settlement Amount, or in the case of the Early Settlement Amount, the day on which the Issuer gave notice of settlement, or if that day was not an Exchange Business Day on which there was no Market Disruption Event, the next succeeding Exchange Business Day on which there was no Market Disruption Event).

"**FII**" means a Foreign Institutional Investor pursuant to The Securities and Exchange Board of India (Foreign Institutional Investor) Regulations 1995.

"**FINI**" means a foreign institutional investor eligible under the securities laws of Taiwan to invest, *inter alia*, in equity securities listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market.

"**Notional Holder**" means an institution subject to the same tax laws, securities laws, rules and regulations of any tax authorities, securities regulators, exchanges or self-regulating organisations as would apply to the Issuer or its Affiliate had they held Shares in the Underlying ETFs or Relevant Hedge(s). In the case that the Shares in the Underlying ETF or Underlying ETFs are (i) securities that are traded on the PRC securities market in CNY, (ii) Indian securities, or (iii) Taiwanese securities or (iv) Saudi Arabian securities, then such Notional Holder will additionally be deemed to be, respectively, (i) a QFII, (ii) a FII, (iii) a FINI or (iv) an Authorised Person (as defined by the Saudi Arabian Capital Markets Authority).

"**Number of Underlying ETFs per Warrant**" shall mean the number of Shares in the relevant Underlying ETF to which each Warrant relates as specified in the Final Terms.

"**Settlement Commission**" shall be defined as the equivalent amount, in the Specified Currency, of the Settlement Commission Percentage (as specified in the Final Terms) of the Gross Sale Amount.

"**Settlement Costs**" shall mean the greater of zero, and the Settlement Commission giving credit in respect of an amount which is the equivalent, in the Specified Currency, of the Transaction Costs.

"**Share**" means, in relation to any Underlying ETF, a unit or share therein.

"**Transaction Costs**" shall mean the value of the relevant Costs and Conversion Costs aggregated together.

(b) ***Additional Payments***

If during the period from and including the Issue Date to but including the Determination Date (the "**Relevant Period**") any Shares in an Underlying ETF are marked on the relevant Exchange as ex-dividend or ex-distribution (the date on which it is so marked being the "**Mark Date**"), then, where in the determination of the Calculation Agent, such dividend or distribution is to be paid by the related Underlying ETF, the Issuer shall make an additional payment per Warrant calculated as follows:

- (i) if the Calculation Agent determines that on the Business Day prior to the Mark Date the Issuer or an Affiliate held any Shares in the relevant Underlying ETFs, the Calculation Agent shall determine the net aggregate amount of the cash dividend or distribution which the Issuer or such Affiliate would have received in respect of such holding after deduction of Costs (the date on which it would have been received being the "**Receipt Date**"), and divide that net aggregate amount by the number of Shares in the Underlying ETFs so held to give a per Share in the Underlying ETF amount (the "**Underlying Currency Amount**"); or
- (ii) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Relevant Hedge(s) on the Business Day prior to the Mark Date, then the Calculation Agent shall determine the net aggregate amount of the cash dividend or distribution equivalent payment which the Issuer or such Affiliate would have received in respect of such Relevant Hedges(s) after deduction of Costs (the date on which it would have been received being the "**Receipt Date**"), and divide that net aggregate amount by the number of Shares of the Underlying ETFs to which such Relevant Hedge(s) relate to give a per Share in the Underlying ETF amount (a "**Converted Amount**" if in the Specified Currency and otherwise an "**Underlying Currency Amount**"); and
- (iii) in all other cases, the net amount which, in the determination of the Calculation Agent, would have been receivable per Share in the Underlying ETF by a Notional Holder which was a holder of one of the relevant Shares in the

Underlying ETF on the Business Day prior to the Mark Date after deduction of Costs shall be the "**Underlying Currency Amount**", and the date on which, in the determination of the Calculation Agent, such Notional Holder would have received the Underlying Currency Amount shall be the "**Receipt Date**".

The cash value of any non-cash dividend or distribution shall be as determined by the Calculation Agent, save that:

- (1) where the Calculation Agent determines that the Issuer or an Affiliate held any of the Shares in the relevant Underlying ETF on the Business Day prior to the Mark Date and that the Issuer or such Affiliate disposed of any relevant non-cash dividend or distribution received in respect of such Shares in the Underlying ETF for cash on the date it received the same, the Calculation Agent shall have regard to the value at which the Issuer or such Affiliate disposed of such relevant non-cash dividend or distribution in determining the cash value of the relevant additional payment; and
- (2) where the Calculation Agent determines that the Issuer or an Affiliate held any Relevant Hedge(s) on the Business Day prior to the Mark Date and that the Issuer or such Affiliate received, in respect of such Relevant Hedge(s), cash by way of adjustment or settlement of such non-cash dividend or distribution, the Calculation Agent shall have regard to such value received by the Issuer or such Affiliate in determining the cash value of the relevant additional payment.

The Receipt Date for this purpose shall be: (i) in the case of (1) above, the date on which the Issuer or such Affiliate received the cash disposal proceeds, (ii) in the case of (2) above, the date on which the Issuer or such Affiliate received such a cash payment by way of such adjustment or settlement and, in any other case, the date on which a Notional Holder which received such relevant non-cash dividend or distribution and disposed of it immediately would have received the cash disposal proceeds, all as determined by the Calculation Agent (such cash value being a "**Converted Amount**" if in the Specified Currency and otherwise an "**Underlying Currency Amount**").

Any Underlying Currency Amount shall then be converted into the Specified Currency. If the Calculation Agent is satisfied that in relation to the Receipt Date the Issuer or an Affiliate in connection with the determination of the relevant additional payment actually entered into an exchange transaction to convert Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such conversion shall be the rate actually obtained by the Issuer or such Affiliate, as determined by the Calculation Agent. In other cases, the rate of exchange shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received an Underlying Currency Amount on the Receipt Date would have been able to convert such Underlying Currency Amount into the Specified Currency. In each case the Calculation Agent shall deduct from the converted Specified Currency amount any Conversion Costs per Share in the Underlying ETF. The resulting amount (the "**Converted Amount**") multiplied by the Number of Underlying ETFs per Warrant shall be the amount of the additional payment (the "**Additional Payment**") per Warrant.

Any Additional Payments shall be payable by the Issuer as specified in the Final Terms but in any case no earlier than the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on which the Issuer or its Affiliate would have received the Converted Amount in respect of an exchange transaction entered into in relation to the Receipt Date or, as the case may be, (ii) the day on which a Notional Holder entering into an exchange transaction in relation to the Receipt Date would have received the Converted Amount.

Any Additional Payments shall be payable, where the Warrants are held in a clearing system such as DTC, Euroclear and/or Clearstream, Luxembourg to the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg (as the case may be) as Warrant holders on the Business Day immediately preceding the Mark Date, and in any other case to the holders for the time being of the Warrants (irrespective of whether or

not they were Warranholders on the Business Day immediately preceding the Mark Date).

(c) ***Early Settlement Amount and Early Settlement Date***

"**Early Settlement Amount**" means with respect to the Early Settlement Date, the amount payable on such designated Early Settlement Date which shall be based on the Settlement Currency Equivalent of the Realisable Sale Price determined by the Calculation Agent as of the designated Early Settlement Date.

"**Early Settlement Date**" means the date designated by the Issuer upon the occurrence of an Extraordinary Fund Event, Hedging Disruption Event, Merger Event or Potential Adjustment Event and notified to the Warranholders in accordance with Condition 10 (*Notices*) (such Early Settlement Date being subject to postponement as further described before).

(d) ***Payment in respect of Extraordinary Fund Event, Hedging Disruption Event, Merger Event or Potential Adjustment Event***

Upon the occurrence of an Extraordinary ETF Event, Hedging Disruption Event, Merger Event or Potential Adjustment Event, on the Business Day immediately following such occurrence:

- (i) with respect to a Merger Event where consideration for the Shares of the Underlying ETF consists solely of shares in which the Issuer could invest (the "**New Shares**"), references to a Share of the related Underlying ETF shall be replaced by references to the number of New Shares to which a holder of a Share of the Underlying ETF would be entitled upon consummation of the Merger Event and the New Shares and their issuer will be deemed to be the Shares and issuer of the Underlying ETF and, if necessary, the Calculation Agent will make adjustments to the Underlying ETF Value and/or any other terms of the Warrants in such manner as it considers appropriate;
- (ii) with respect to a Hedging Disruption Event or Merger Event where the consideration for the Shares of the Underlying ETF consists of anything other than the consideration described in (a) above, the Issuer may declare an Early Settlement Date and, if so, the Warranholders will receive the Early Settlement Amount (as computed under "*Early Settlement Amount*" above);
- (iii) with respect to a Potential Adjustment Event, the Calculation Agent may make such adjustment, if any, to the Underlying ETF Value, the notional number of Shares in the Underlying ETF and/or any other terms of the Warrants as the Calculation Agent determines appropriate and determine the effective times thereof; and
- (iv) with respect to the occurrence of an Extraordinary ETF Event the Calculation Agent may either (a) declare one or more Valuation Dates and designate an Early Settlement Date and the Warranholders will receive the Early Settlement Amount (as computed under "*Early Settlement Amount*" above), or (b) make such adjustment, if any, to the Underlying ETF Value, the notional number of Shares in the Underlying ETF and/or any other terms of the Warrants as the Calculation Agent determines appropriate and determine the effective times thereof.

For the purposes hereof:

"**Extraordinary ETF Event**" means with respect to the Underlying ETF, in the determination of the Calculation Agent, the occurrence or existence of any of the following on or prior to the Final Valuation Date:

- (i) any breach or violation of the provisions of the Underlying ETF's operating documents, including for the avoidance of doubt any strategy or investment

- guidelines, by the Underlying ETF and/or its manager or investment adviser that is reasonably likely to affect the value of the Shares in the Underlying ETF;
- (ii) the non-execution or partial execution by the Underlying ETF for any reason of a subscription or redemption order in respect of any Shares in the Underlying ETF given by a Notional Holder in the Underlying ETF, other than a partial execution or a delay in execution which the Calculation Agent considers to be in the usual course and except as provided in the Underlying ETF's operating documents;
 - (iii) that the Underlying ETF (1) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (2) makes a general assignment or arrangement with or for the benefit of its creditors, (3) (A) 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 (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or 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 (A) 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 fifteen days of the institution or presentation thereof, (4) 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, (5) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter, or (6) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) through (5) above;
 - (iv) the administration agent, the investment adviser, manager or the custodian, as applicable, of the Underlying ETF ceases to act in its capacity as administrator or manager of or adviser or custodian of the Underlying ETF, as the case may be;
 - (v) a material modification of the investment programme, investment objectives, investment policies, investment strategy, investment process or investment guidelines of the Underlying ETF;
 - (vi) the failure by the Underlying ETF to comply with its reporting obligations (including, without limitation, the scheduled regular reporting of share prices or the estimated net asset value of the Underlying ETF, scheduled regular statements thereof, return numbers and composition of the Underlying ETF and the allocation of capital for the Underlying ETF) in accordance with the Underlying ETF's operating documents;
 - (vii) a material modification (other than any modifications referred to in (v) above) of the Underlying ETF (including but not limited to a modification of the Underlying ETF's operating documents or the articles of association or other constitutional documents of the Underlying ETF) or the occurrence of a change

or any event materially affecting the Underlying ETF (including, but not limited to, the interruption, breakdown or suspension of the calculation of the net asset value of the Underlying ETF unless such interruption, breakdown or suspension is cured within two Business Days);

- (viii) a material modification of the type of assets in which the relevant ETF invests or the trading practices of the Underlying ETF (including but not limited to a material deviation from the investment policy and investment objectives set out in the Underlying ETF's operating documents) which, in the determination of the Calculation Agent, has or is likely to have a material effect on any Hedging entered into by the Issuer or its Affiliates in respect of the Warrants;
- (ix) the suspension of redemptions of Shares in (1) the Underlying ETF or (2) the Underlying ETF repurchases or compulsorily redeems any Shares in the Underlying ETF or (3) the Underlying ETF imposes any restriction, charge or fee in respect of a redemption or issue of Shares in the Underlying ETF (other than any restriction, charge or fee in existence as at the Trade Date);
- (x) the Underlying ETF or its investment adviser or manager has its authorisation or registration cancelled by any applicable regulatory authority;
- (xi) the Underlying ETF or the investment adviser, manager or the administration agent of the Underlying ETF (1) 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 Underlying ETF, investment adviser or administration agent, (2) commits an act which constitutes fraud or criminal activity in the performance of its obligations in respect of the Underlying ETF; (3) makes any material misrepresentation under any document in respect of the relevant Underlying ETF or (4) announces its intention to cease the business of investment management;
- (xii) (A) cancellation, suspension or revocation of the registration or approval of the Shares or the Underlying ETF by any governmental, legal or regulatory entity with authority over the Shares or the Underlying ETF or (B) any change in the legal, tax, accounting or regulatory treatments of the Underlying FTF or the investment adviser or manager that is reasonably likely to have an adverse impact on the value of the Shares or on any investor therein (as determined by the Calculation Agent); or
- (xiii) all the Shares or all or substantially all the assets of the Underlying ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

(d) ***Dealing restrictions in relation to Underlying Exchange Traded Funds and Currency Events***

Whenever any sum is due in respect of the Warrants (whether upon early redemption or upon final redemption or otherwise), the Issuer shall be entitled to suspend its obligation to make such payment in respect of the Warrants if, and for as long as, in the determination of the Calculation Agent, (i) dealing by the Issuer, any Affiliate or Notional Holders generally in the relevant Shares in the Underlying ETF or Relevant Hedge(s) is or is likely to be prevented, delayed or restricted by closure of a relevant Exchange or Related Exchange, suspension of trading in such Shares in the Underlying ETF, Relevant Hedge(s) or other circumstances or (ii) a Currency Event has occurred. The Warrantholders shall not be entitled to any interest or other compensation in respect of any such suspension nor shall such a suspension constitute a default. The Issuer shall give notice to the Warrantholders as soon as practical of any such suspension and, subsequently, of the termination of any such suspension.

For the purposes hereof:

"Currency Event" means:

- (A) the occurrence of an event or a condition which, in the opinion of the Calculation Agent, on any day with respect to the Underlying Currency that has the effect of preventing, hindering, limiting or restricting (including, without limitation, by delays, increased costs or discriminatory rates of exchange) the Issuer or its Affiliates directly or indirectly from:
 - (i) converting the Underlying Currency into the Specified Currency through any customary legal channel;
 - (ii) converting the Underlying Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Reference Jurisdiction;
 - (iii) delivering the Specified Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction;
 - (iv) delivering the Underlying Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction; or
 - (v) effectively realising the value of any underlying hedge in the Specified Currency at any time; or
- (B) the government of the Reference Jurisdiction imposes, or gives public notice of its intention to impose, any capital controls (including, without limitation, the imposition of an upper limit on the amount of assets denominated in the Underlying Currency in the Reference Jurisdiction which can be held by any party) which the Calculation Agent determines in good faith are likely to materially affect the ability of the Issuer or its Affiliates to hedge the Issuer's position under the Warrants or to unwind such hedge; or
- (C) the unavailability of the Specified Currency in any legal exchange market in the Reference Jurisdiction in accordance with normal commercial practice as determined by the Calculation Agent; and

"Reference Jurisdiction" means any jurisdiction in which a relevant Exchange is located.

(e) ***Hedging***

For the purposes of Condition 18(g)(iv), as amended by the Final Terms:

"Hedging Disruption" means that the Issuer or an Affiliate would be unable, after using commercially reasonable efforts, to conduct any Hedging (as defined below) or would suffer any material delay in conducting any Hedging.

"Hedging" means to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk (including, but not limited to, any currency risk) of entering into and performing its obligations with respect to these Warrants; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the relevant transaction between accounts within a relevant

jurisdiction of the Hedge Positions (an "**Affected Jurisdiction**") or from accounts within an Affected Jurisdiction to accounts outside of such Affected Jurisdiction; or

- (iii) without prejudice to (ii) above, transfer (A) amounts denominated in the Specified Currency from accounts within a relevant Underlying Country to accounts outside such Underlying Country, to other accounts within such Underlying Country or to the accounts of a non-resident of such Underlying Country or (B) amounts denominated in a relevant Underlying Currency from accounts within the related Underlying Country to other accounts within such Underlying Country, to accounts outside such Underlying Country or to the accounts of a non-resident of such Underlying Country; or
- (iv) without prejudice to (ii) and (iii) above, convert the Specified Currency into a relevant Underlying Currency or a relevant Underlying Currency into the Specified Currency.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or an Affiliate in order to hedge, individually or on a portfolio basis, a Warrant.

(f) **Miscellaneous**

- (i) Any person (the "**relevant person**") shall be treated as "**holding**" the Shares in the Underlying ETF where the relevant person is registered as registered owner of such Shares in the Underlying ETF in the Underlying ETF's share register or where the registered owner of such Shares in the Underlying ETF in the Underlying ETF's share register is a custodian or agent and directly or indirectly the person for whose account those Shares in the Underlying ETF are held is the relevant person. The terms "**hold**" and "**holder**" shall, in the context of holding Shares in the Underlying ETF, be construed accordingly.
- (ii) Where there is a dividend or distribution in respect of any Shares in an Underlying ETF or any disposal or transfer of Shares in an Underlying ETF, the dividend distribution or proceeds of disposal or transfer shall not be treated as having been received by any person unless and until it or they have been paid or delivered to that person or to any bank, custodian or agent on behalf of that person in circumstances where that person may (i) (in the case of a payment denominated in a currency other than the Specified Currency) freely convert such payment into the Specified Currency and (ii) freely withdraw and transfer the payment (or, as the case may be, the Specified Currency conversion proceeds of such payment) or delivery.

19D. **Provisions relating to Market Access Warrants linked to a single Underlying Index or a basket of Underlying Indices**

The provisions of this Condition 19D shall only apply in relation to Warrants which are specified in the Final Terms as being Market Access Warrants linked to one or more Underlying Indices.

(a) **Cash Settlement Amount**

The Cash Settlement Amount in respect of each Warrant shall be paid on the Cash Settlement Payment Date and shall be an amount in the Specified Currency determined by the Calculation Agent to be equal to the Realisable Sale Price.

"**Realisable Sale Price**" is an amount per Warrant calculated as follows:

- (i) Unless otherwise specified in the Final Terms, the Calculation Agent shall determine the Aggregate Net Proceeds in respect of each Underlying Index.

For these purposes:

- (1) if the Calculation Agent is satisfied that the Issuer or any relevant affiliate of the Issuer (an "**Affiliate**") acting reasonably held any relevant instrument(s) or had entered into or was party to any other relevant arrangements relating to or referencing the Underlying Index, in each case for the purposes of hedging, funding or otherwise performing the Issuer's obligations in respect of the Warrants (each a "**Relevant Hedge**") on the Determination Date and that on and from the Determination Date the Issuer or such Affiliate has in good faith in relation to the settlement of these Warrants disposed of, unwound or otherwise realised or closed out part or all of such Relevant Hedge(s) through an Exchange or otherwise (in the Issuer's or such Affiliate's absolute discretion), then the Calculation Agent shall determine the average reference net price per Underlying Index ("N") at, or in relation to, which the Relevant Hedge(s) were disposed of, unwound or otherwise realised or closed out by the Issuer or such Affiliate after deducting any Costs per Underlying Index incurred in connection with such disposal, unwind, realisation or closeout, with such average reference net price N multiplied by the total Weighting of such Underlying Index to which the Warrants outstanding relate being the "**Aggregate Net Proceeds**";
 - (2) in all other cases, the "**Aggregate Net Proceeds**" shall be equal to the aggregate amount, as determined by the Calculation Agent, at which a Notional Holder of a basket of Reference Securities representing the total Weighting of such Reference Securities in the Underlying Index on the Determination Date would have on and from the Determination Date received upon the disposal, unwind or other realisation or closeout of such Reference Securities after deducting any Costs incurred in connection with such disposal, unwind, realisation or closeout. Such total Weighting shall be determined by reference to the formula for and method of calculating the Underlying Index, as may be qualified in the Final Terms, at the relevant time; and
 - (3) any such disposal, realisation, unwind or closeout effected by the Issuer or an Affiliate (and the disposal, realisation, unwind or closeout that for the purposes of sub-paragraph (2) above the Calculation Agent determines a Notional Holder would have been able to effect) may be effected in one lot or divided up into smaller lots whose disposal is effected over a number of days. The Calculation Agent shall also determine (i) in the case where the Issuer or an Affiliate disposes, realises, unwinds or closes out any such Relevant Hedge(s), the date on which the Issuer or such Affiliate received the aggregate amount due to it in respect of such disposal, realisation, unwind or closeout it and (ii) in other cases, the date on which a Notional Holder could reasonably be expected to have completed such disposal, realisation, unwind or closeout and received the aggregate amount due to it in respect thereof (which date not be earlier than the date on which the Issuer or an Affiliate received the aggregate amount in respect of any of any Relevant Hedge(s) that it disposed of, unwound or otherwise realised or closed out) (in each case, such date being the "**ANP Receipt Date**").
- (ii) The Aggregate Net Proceeds received or deemed received shall then be translated into the Specified Currency as follows:
- (1) if the Calculation Agent is satisfied that in relation to the ANP Receipt Date the Issuer or an Affiliate in respect of the settlement of these Warrants, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation, as determined by the

Calculation Agent, shall be the rate obtained by the Issuer or such Affiliate, adjusted to take into account the effect of any non-deliverable forward transaction ("**NDF transaction**") if such is entered into by the Issuer or such Affiliate in relation to the ANP Receipt Date in respect of the Aggregate Net Proceeds; or

- (2) if the Calculation Agent determines that Relevant Hedge(s) are denominated in the Specified Currency, then the rate of exchange for the purpose of such translation shall be that rate implicit in the determination of the final value under such Relevant Hedge(s); or
- (3) in other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Aggregate Net Proceeds on the ANP Receipt Date would have been able to convert the Aggregate Net Proceeds into the Specified Currency, taking into account the effect of any NDF transaction that such Notional Holder would have entered, or would have been able to enter, into in respect of the Aggregate Net Proceeds in relation to the ANP Receipt Date; and
- (4) in each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs. The sum of the resulting amount(s) (each a "**Converted ANP**") less applicable Redemption Costs scaled appropriately to give a per Warrant amount shall be the contribution to the Realisable Sale Price for such Underlying Index.

The Realisable Sale Price shall be payable by the Issuer on the later of the Maturity Date and the day (the "**Cash Settlement Payment Date**") which is the third Relevant Financial Centre Day following (i) the day (determined by the Calculation Agent) on which the Issuer or an Affiliate received the Converted ANP in respect of an exchange transaction entered into in relation to the ANP Receipt Date or, as the case may be, (ii) the day on which a Notional Holder entering into an exchange transaction in relation to the ANP Receipt Date would have received the Converted ANP and, in each case, the effective translation rate including Conversion Costs being the "**Effective FX Rate**".

- (iii) For the purposes of this Condition 19D:

"**Conversion Costs**" shall mean the costs of conversion for the purposes of converting any Aggregate Net Proceeds into a Converted ANP, the amount being determined by the Calculation Agent by reference to actual costs incurred by the Issuer or an Affiliate or, as the case may be, the costs which, in the determination of the Calculation Agent, would have been incurred by a Notional Holder.

"**Costs**" shall mean all costs, expenses, fees and levies taken into account in determining an Aggregate Net Proceeds, including, without limitation, all brokers' fees, bank and custody charges, transaction processing fees and expenses and all taxes (including potential taxes which the Calculation Agent considers may arise) and other duties in respect of the relevant Underlying Index whether such Costs are or would be withheld at source or would otherwise be required to be paid, all as determined by the Calculation Agent.

Where (i) the amount of Costs or the basis on which it is to be determined is not confirmed before the applicable Valuation Date and/or is subject to change in the future (such amount of Costs being "**Unpaid Costs**") and (ii) the Unpaid Costs were not deducted from the calculation of the Realisable Sale Price, each Warrantholder will be required to pay to the Issuer an amount equal to such Unpaid Costs upon notification from the Issuer. Any Warrantholder's obligation

to pay such Unpaid Costs shall survive the expiration of the Warrants and any transfers made by any such Warrantholder prior to such date.

"Determination Date" means the Valuation Date, in the case of the Cash Settlement Amount, or, in the case of the Early Settlement Amount, the day on which the Issuer gave notice of settlement, or if that day was not an Exchange Business Day on which there was no Market Disruption Event, the next succeeding Exchange Business Day on which there was no Market Disruption Event.

"FII" means a Foreign Institutional Investor pursuant to The Securities and Exchange Board of India (Foreign Institutional Investor) Regulations 1995.

"FINI" means a foreign institutional investor eligible under the securities laws of Taiwan to invest, *inter alia*, in equity securities listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market.

"Notional Holder" means an institution subject to the same tax laws, securities laws, rules and regulations of any tax authorities, securities regulators, exchanges or self-regulating organisations as would apply to the Issuer or its Affiliate had they held the Relevant Hedge(s). In the case that the Reference Securities of the Underlying Index or Underlying Indices are (i) securities that are traded on the PRC securities market in CNY, (ii) Indian securities, or (iii) Taiwanese securities or (iv) Saudi Arabian securities, then such Notional Holder will additionally be deemed to be, respectively, (i) a QFII, (ii) a FII, (iii) a FINI or (iv) an Authorised Person (as defined by the Saudi Arabian Capital Markets Authority).

"Number of Underlying Indices per Warrant" shall mean the total Weighting of each Underlying Index to which each Warrant relates as specified in the Final Terms.

"Redemption Commission" means the equivalent amount, in the Specified Currency, of the Redemption Commission Percentage (as specified in the Final Terms) of the Final Redemption Amount.

"Redemption Costs" shall mean the greater of zero and the Redemption Commission giving credit in respect of an amount which is the equivalent, in the Specified Currency, of the Transaction Costs.

"Reference Securities" means, in relation to any Underlying Index, the securities comprising such Underlying Index.

"Transaction Costs" shall mean the value of the relevant Costs and Conversion Costs aggregated together.

(b) ***Additional Payments***

For the avoidance of doubt, unless otherwise stated in the Final Terms, dividends on the Reference Securities of each Underlying Index will be taken into account in the Underlying Index calculation in accordance with the formula for and method of calculating such Underlying Index, and investors will not separately receive any payments relating to dividends or other distributions relating to any securities which comprise the Reference Securities of such Underlying Index.

(c) ***Dealing restrictions in relation to Underlying Indices and Currency Events***

For the purposes of payments (if any) made pursuant to Condition 18(f)(ii) or Condition 18(f)(iii) (each an **"Event Payment"**):

- (i) If the Calculation Agent is satisfied that the Issuer or an Affiliate held any relevant Underlying Index on the Business Day immediately preceding the

occurrence of the Extraordinary Event or Conversion (the "**Event Occurrence Date**"), the Calculation Agent shall determine the net cash value of any payment which the Issuer or such Affiliate actually received in respect of such holding after deduction of Costs (the date on which it would have received being the "**Event Receipt Date**") and divide that net cash value by the number of such Underlying Index so held by the Issuer or such Affiliate to give a per Underlying Index amount (the "**Event Receipt**"); or

- (ii) if the Calculation Agent is satisfied that the Issuer or an Affiliate held Relevant Hedge(s) on the Business Day prior to the Event Occurrence Date, then the Calculation Agent shall determine the net cash value of any payment which the Issuer or such Affiliate would have received in respect of such Relevant Hedges(s) after deduction of Costs (the date on which it would have been received being the "**Event Receipt Date**"), and divide that net cash value by the number of Underlying Securities to which such Relevant Hedge(s) relate to give a per Underlying Index amount (the "**Event Receipt**"); and
- (iii) in all other cases, the net cash value of the payment per Underlying Index which, in the determination of the Calculation Agent, would have been received by a Notional Holder which was a holder of such Underlying Index on the Event Occurrence Date after deduction of Costs shall be the "**Event Receipt**" and the date on which, in the determination of the Calculation Agent, such Notional Holder would have received the Event Receipt shall be the "**Event Receipt Date**").

Where the Event Receipt is in the same currency as the Specified Currency, the Event Receipt multiplied by the relevant Number of Underlying Indices per Warrant shall be the amount of the Event Payment per Warrant. Where this sub-paragraph applies, the Event Payment shall not be made sooner than the Event Receipt Date.

Where the Event Receipt is not in the same currency as the Specified Currency, it shall then be translated into the Specified Currency. If the Calculation Agent is satisfied that on the Event Receipt Date the Issuer or an Affiliate, in connection with the determination of the relevant Event Payment, actually entered into an exchange transaction to convert the relevant Underlying Currency into the Specified Currency, the rate of exchange for the purposes of such translation shall be the rate obtained by the Issuer or such Affiliate, as determined by the Calculation Agent. In other cases, the rate of exchange for such translation shall be that determined by the Calculation Agent to be the rate at which a Notional Holder which received the Event Receipt on the Event Receipt Date would have been able to convert the Event Receipt into the Specified Currency. In each case, the Calculation Agent shall deduct from the translated Specified Currency amount any Conversion Costs per Underlying Index. The resulting amount (the "**Converted Amount**") multiplied by the relevant Number of Underlying Indices per Warrant shall be the amount of the Event Payment per Warrant. Where this sub-paragraph applies, the Event Payment shall not be made sooner than the day on which the Issuer or an Affiliate actually received the Converted Amount in respect of an exchange transaction entered into in relation to the Event Receipt Date or on which a Notional Holder entering into an exchange transaction in relation to the Event Receipt Date would have received the Converted Amount as determined by the Calculation Agent.

Event Payments shall be payable, where the Warrants are held in a clearing system such as DTC, Euroclear and/or Clearstream, Luxembourg to the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the case may be, as Warrantholders on the Business Day immediately preceding the Event Occurrence Date, and in any other case to the holders for the time being of the Warrants (irrespective of whether or not they were Warrantholders on the Business Day immediately preceding the Event Occurrence Date).

"Currency Event" means:

- (A) the occurrence of an event or a condition which, in the opinion of the Calculation Agent, on any day with respect to the Underlying Currency that has the effect of preventing, hindering, limiting or restricting (including, without limitation, by delays, increased costs or discriminatory rates of exchange) the Issuer or its Affiliates directly or indirectly from:
 - (i) converting the Underlying Currency into the Specified Currency through any customary legal channel;
 - (ii) converting the Underlying Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Reference Jurisdiction;
 - (iii) delivering the Specified Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction;
 - (iv) delivering the Underlying Currency (1) between accounts inside the Reference Jurisdiction or (2) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is a non-resident of the Reference Jurisdiction; or
 - (v) effectively realising the value of any underlying hedge in the Specified Currency at any time; or
- (B) the government of the Reference Jurisdiction imposes, or gives public notice of its intention to impose, any capital controls (including, without limitation, the imposition of an upper limit on the amount of assets denominated in the Underlying Currency in the Reference Jurisdiction which can be held by any party) which the Calculation Agent determines in good faith are likely to materially affect the ability of the Issuer or its Affiliates to hedge the Issuer's position under the Warrants or to unwind such hedge; or
- (C) the unavailability of the Specified Currency in any legal exchange market in the Reference Jurisdiction in accordance with normal commercial practice as determined by the Calculation Agent; and

"Reference Jurisdiction" means any jurisdiction in which a relevant Exchange is located.

(d) ***Hedging***

For the purposes of Condition 21(h)(iv), as amended by the Final Terms:

"Hedging" means to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk (including, but not limited to, any currency risk) of entering into and performing its obligations with respect to these Warrants; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the relevant transaction between accounts within a relevant jurisdiction of the Hedge Positions (an "**Affected Jurisdiction**") or from accounts within an Affected Jurisdiction to accounts outside of such Affected Jurisdiction; or
- (iii) without prejudice to (ii) above, transfer (A) amounts denominated in the Specified Currency from accounts within a relevant Underlying Country to

accounts outside such Underlying Country, to other accounts within such Underlying Country or to the accounts of a non-resident of such Underlying Country or (B) amounts denominated in a relevant Underlying Currency from accounts within the related Underlying Country to other accounts within such Underlying Country, to accounts outside such Underlying Country or to the accounts of a non-resident of such Underlying Country; or

- (iv) without prejudice to (ii) and (iii) above, convert the Specified Currency into a relevant Underlying Currency or a relevant Underlying Currency into the Specified Currency.

"Hedge Positions" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, funds, options, futures, other derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or an Affiliate in order to hedge, individually or on a portfolio basis, a Warrant.

19E. **Buy-Back Provisions for Market Access Warrants**

This Condition 19E shall apply to all Market Access Warrants unless the relevant Final Terms specify otherwise.

Provided that the Calculation Agent determines that normal market conditions exist the Issuer shall, during local market hours on each local business day from and including the Issue Date to but excluding the Valuation Date, publish on Bloomberg (page <HSMA> *et seq*) indicative Specified Currency bid and ask prices in respect of the Warrants calculated from (i) the bid and ask prices/ levels respectively of each of the relevant Underlying(s) on any applicable Exchange(s) divided by (ii) the relevant Underlying Currency/ Specified Currency exchange rate(s), each as published on Bloomberg as of such time on such local business day. For the avoidance of doubt, such Specified Currency bid and ask prices for the Warrants as published on Bloomberg are for indicative purposes only, and are subject to change in accordance with normal market movements.

In addition, provided that the Calculation Agent determines that normal market conditions exist, the Issuer shall, following a request from a Warrantholder received by the Issuer/ Dealer during normal local market hours on any local business day from and including the Issue Date to but excluding the Valuation Date, (a) provide such Warrantholder with a firm bid price at which the Issuer/ Dealer will purchase a specified number of Warrants from such Warrantholder and/or (b) accept a related sale order from such Warrantholder specifying a maximum number of Warrants to be sold, subject to any specified local price/ level and volume conditions. In respect of (a) above, any such firm bid price will only be valid and binding at the time it is given and, thereafter, will be subject to change in accordance with normal market movements. In respect of (b) above, any order shall be executed in good faith and a commercially reasonable manner in line with the specified conditions (if any) of the sale order and underlying market liquidity at such time. For the avoidance of doubt, the extent to which a Warrant order will be filled and the price at which such fill is achieved will be fully consistent with the liquidity and the prices/ level(s) traded in each relevant Underlying on any applicable Exchange(s), at such time on such business day and within any conditions specified for the order by such Warrantholder. Further, the exchange rates used for converting the local price(s)/ level(s) of each relevant Underlying into Specified Currency prices of the Warrants for any filled orders will be determined by the Calculation Agent using such exchange rate(s) that are available to the Issuer at the relevant time on the relevant business day(s) consistent with the Issuer's normal market practice for such trades.

If the Calculation Agent considers that exceptional market conditions make it impossible to provide an indicative and/or firm bid and/or ask price for the Warrants, and/or to accept or execute an order in the Warrants, then the Issuer's related obligations hereunder shall be postponed to the following local business day on which the Calculation Agent, acting in good faith and a commercially reasonable manner, determines that such exceptional market conditions have ceased to exist and that it considers possible to determine such bid and ask prices or to accept or execute an order, as the case may be.

PRO FORMA FINAL TERMS FOR MARKET ACCESS WARRANTS

Set out below is the form of Final Terms which will be completed for each Tranche of Market Access Warrants issued under the Programme.

[Warrants issued pursuant to these Final Terms are securities to be listed under Listing Rule 19.²⁵]

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

(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.)

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

Issue of [Aggregate Principal Amount of Tranche] [Market Access Warrants]/[Low Exercise Price Options] linked to [description of Underlying(s)] [issued by [name of Underlying Company]]²⁶ (the "Underlying Security/Securities"/ "Underlying Index/Indices"/"Underlying Fund/Funds"/"Underlying ETF/ETFs" due [•] (the "Warrants" or ["MAWS"/["LEPOS"])

[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**")]²⁷.

[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.]²⁸ Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Prospectus. [The Prospectus is available for viewing at [address] [and] [website]²⁹ 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**")³⁰ and

²⁵ To be included in respect of all issues which are to be admitted to listing.

²⁶ Include for MAWs linked to Underlying Security/Securities.

²⁷ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

²⁸ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

²⁹ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

³⁰ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

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]³¹. 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]³² 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 REGULATIONS 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 REGULATIONS) 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 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.]

[Insert, if relevant, any other relevant provisions relating to such investment and country specifically, including any representations, agreements or conditions.]

[HONG KONG

³¹ Only for Warrants which are publicly offered or admitted to trading on a regulated market.

³² Only for Warrants which are publicly offered or admitted to trading on a regulated market.

Each Warrantholder represents and agrees, as a condition of acquiring or holding such Warrants: (i) that the Issuer is authorised to provide information regarding the holder and the Warrants to any Hong Kong governmental or regulatory authority, or if applicable, to any Affiliate for onward transmission to any such Hong Kong governmental or regulatory authority if required under applicable Hong Kong regulations and/or as requested by any Hong Kong governmental or regulatory authority from time to time; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of any Hong Kong governmental or regulatory authority from time to time; and (iii) that such holder is not currently the subject of any investigation or enquiry by any Hong Kong governmental or regulatory authority in connection with a failure to disclose information relating to such holder or to an offshore transaction linked to underlying Hong Kong securities.]

[INDIA

The Warrants are sold or transferred subject to the laws and regulations from time to time in force in India, including without limitation, those that prohibit their acquisition by Indian investors/non-resident Indians/persons or entities who are not regulated entities. See "Transfer Restrictions".]

[JAPAN

Each Warrantholder represents and agrees, as a condition of acquiring or holding such Warrants: (i) that the Issuer is authorised to provide information regarding the holder and the Warrants to any Japanese government or regulatory authority, or if applicable, to any Affiliate for onward transmission to any such Japanese governmental or regulatory authority, if required under applicable Japanese regulations in connection with an acquisition of underlying Japanese securities; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with the regulations of any Japanese governmental or regulatory authority from time to time; and (iii) that such holder is not currently the subject of any investigation or enquiry by any Japanese governmental or regulatory authority in connection with a failure to disclose information relating to such holder or to an offshore transaction linked to underlying Japanese securities.]

[MALAYSIA

Each Warrantholder represents and agrees, as a condition of acquiring or holding such Warrants: (i) that the Issuer is authorised to provide information regarding the holder and the Warrants to the relevant Underlying Company and any Malaysian governmental or regulatory authority, or if applicable, to any Affiliate for onward transmission to the relevant Underlying Company and any such Malaysian governmental or regulatory authority if required under applicable Malaysian regulations and/or as requested by any Malaysian governmental or regulatory authority from time to time and where a Warrantholder is or becomes, as a consequence of holding the Warrants, a "substantial shareholder" (as that term is used in the Malaysian Companies Act 1965) in the Underlying Company, then such Warrantholder shall disclose the same to the Underlying Company and to the Securities Commission of Malaysia as required under applicable Malaysian regulations and shall continue to disclose any dealings it may have thereafter in its capacity as a substantial shareholder of the Underlying Company to the Underlying Company and to the Securities Commission of Malaysia, as required under applicable Malaysian regulations, until it ceases to be a substantial shareholder; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of the relevant Underlying Company and any Malaysian governmental or regulatory authority from time to time; (iii) that the Warrants are not being purchased by or for the benefit or account of any "resident" of Malaysia as that term is used in the Malaysian Exchange Control Notices ("ECM") issued pursuant to the Malaysian Exchange Control Act 1953 (a "**Resident**") unless such purchase by or for the benefit or account of a Resident is wholly conducted offshore Malaysia and in accordance with the provisions of the ECM; (iv) that that such holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Warrants to or for the benefit or account of any Resident unless such sale, transfer or disposal of any Warrants to or for the benefit or account of a

Resident is wholly conducted offshore Malaysia and in accordance with the provisions of the ECM; and (v) that such holder is not currently the subject of any investigation or enquiry by any Malaysian governmental or regulatory authority in connection with a failure to disclose information relating to such holder or to any "regulated activity" as that term is defined in the Malaysian Capital Markets and Services Act 2007.]

[PAKISTAN

Each Warrantholder represents and agrees, as a condition of acquiring or holding such Warrants: (i) that the Warrants are being purchased for the benefit or account of, or pursuant to or in connection with any back-to-back transactions with a Person resident outside Pakistan; and (ii) that such holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Warrants to or for the benefit or account of any person other than a Person resident outside Pakistan.]

[PEOPLE'S REPUBLIC OF CHINA

A QFII is required to disclose to the PRC regulators and other relevant PRC authorities or institutions the holding information of PRC securities, including exchange-traded bonds, held by it (including information on securities held by investors through the QFII) in accordance with the relevant laws and regulations in the PRC. The Issuer may therefore request any investor to provide to it and pass to the QFII such information as required by the relevant laws, regulations and regulatory requirements.

Each Warrantholder represents and agrees, as a condition of acquiring or holding such Warrants: (i) that the Issuer is authorised to provide information regarding the Warrantholder and the Warrants to the QFII investing in the Reference Assets ("**HSBC QFII**") for onward transmission to the regulators or any other authorities or institutions in the PRC in accordance with applicable PRC laws and regulations; and (ii) that such Warrantholder will provide the Issuer with such additional information that the Issuer and/or the HSBC QFII deems necessary or appropriate in order to comply with any laws and regulations in the PRC from time to time.]

[SINGAPORE

Each Warrantholder represents and agrees, as a condition of acquiring or holding such Warrants: (i) that the Issuer is authorised to provide information regarding the holder and the Warrants to any Singapore governmental or regulatory authority or the relevant Underlying Company[ies], or if applicable, to any Affiliate for onward transmission to any such Singapore governmental or regulatory authority or the relevant Underlying Company[ies], if required under applicable Singapore regulations and/or as requested by any Singapore governmental or regulatory authority or the relevant Underlying Company[ies] from time to time; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of any Singapore governmental or regulatory authority or the relevant Underlying Company[ies] from time to time; and (iii) that such holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Warrants to or for the benefit or account of any person in Singapore except in accordance with applicable Singapore law ((including any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore).)

[TAIWAN

Each Warrantholder represents and agrees:

it is not purchasing the Warrants for the benefit or account of, or using funds of, (A) any residents of The People's Republic of China ("**PRC**"), corporations in the PRC, or corporations outside the PRC

that are beneficially owned by residents of, or corporations in, the PRC or (B) any residents of Taiwan or corporations in Taiwan;

- (a) it will not, directly or indirectly, sell, transfer, assign, novate or otherwise dispose of the Warrants to or for the benefit or account of, or in consideration of funds received from, (A) any residents of the PRC, corporations in the PRC, or corporations outside the PRC that are beneficially owned by residents of, or corporations in, the PRC or (B) any residents of Taiwan or corporations in Taiwan; and
- (b) details of the transaction (including the identity of the parties) may, (A) upon request or order by any competent authority, regulatory or enforcement organisation, governmental or otherwise, including the stock exchange on which the underlying shares are listed, (B) as required by applicable law, rules, regulations, codes or guidelines (whether having the force of law or otherwise), be disclosed in accordance with such request, order, law, rules, regulations, codes or guidelines (whether such disclosure is to be made to third parties or otherwise). By purchasing the Warrants, each Warrantholder agrees to such disclosure and releases the Issuer (and its subsidiaries and affiliates) from any duty of confidentiality owed to it in relation to such information.]

[VIETNAM

Each Warrantholder represents and agrees, as a condition of acquiring or holding such Warrants: (i) that the Issuer is authorised to provide information regarding the holder and the Warrants to any Affiliate for onward transmission to any Vietnamese governmental or regulatory authority if required under applicable Vietnamese regulations and/or as requested by any Vietnamese governmental or regulatory authority from time to time; (ii) that such holder will provide the Issuer with such additional information that the Issuer and/or the Affiliate deems necessary or appropriate in order to comply with regulations or requests of any Vietnamese governmental or regulatory authority from time to time; (iii) that the Warrants are not being purchased for the benefit or account of, or pursuant to or in connection with any back-to-back transactions with a "resident" in Vietnam as that term is used in the 2006 Ordinance on Foreign Exchange Control (a "**Resident**"); (iv) that such holder will not, directly or indirectly, sell, transfer or otherwise dispose of any Warrants to or for the benefit or account of a Resident and (v) that such holder is not currently the subject of any investigation or enquiry by any Vietnamese governmental or regulatory authority in connection with a failure to disclose information relating to such holder or to an offshore transaction linked to underlying Vietnamese securities.]

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. Currency or Currencies: [United States Dollar ("USD")] (the "**Specified Currency**" and the "**Settlement Currency**")
7. Aggregate Number of Warrants in the:
[(i) Series: []
[(ii) Tranche:] []
8. (i) Issue Price: [USD] [amount] per Warrant
(ii) Commission payable: [[USD] [amount] per Warrant] [None] [Information not provided]
(iii) Selling Concession: [[USD] [amount] per Warrant] [None] [Information not provided]
9. Issue Date: []
10. Strike Price: [USD] [] [0.0000001 LEPOS only]
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: [Not applicable] [and [], respectively]]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Warrants)*
14. Type of Warrants: The Warrants are [LEPOS]/[Market Access Warrants] linked to one or more Underlying [Securities/ Indices/ Funds/ ETFs]
15. Series represented by: [Global Warrant³³ / Global Registered Warrant]. 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.³⁴

³³ 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.

³⁴ For LEPOS, specify "American Style Call Warrant. Condition 3(a) is applicable."

18. Expiry Date: [Date] [Time] [City] time [specify fallback if Expiry Date is not a business day] [(or if not an Exchange Business Day, the immediately following Exchange Business Day).]
- (i) Exercise Procedure: [Condition 4 is applicable / other (specify)]
- (ii) Automatic Exercise: [Applicable³⁵/Not applicable]³⁶
- (iii) Exercise Period: (American Style Warrants only). [The period beginning from (and including) [] and ending on (and including) the Expiry Date] [Not applicable]
- (iv) Potential Exercise Date(s): (Bermudan Style Warrants only) [insert date] [Not applicable]
- (v) Knock-in Event: [Not applicable] [Applicable to (specify relevant payment or delivery)]³⁷
- 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 18(a)): []
 - Knock-in Period Ending Date (if other than as specified in the definition thereof in Condition 18(a)): []
 - Knock-in Price: []
 - Knock-in Valuation Time (if other than as specified in the definition thereof in Condition 18(a)): []

³⁵ For LEPOS, may be either "Applicable" or "Not applicable".

³⁶ 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.

³⁷ For LEPOS, specify "Not Applicable".

- 18(a):
- (vi) Knock-out Event: [Applicable to (*specify relevant payment or delivery*)]³⁸
- Knock-out Event: [Not applicable] [Greater than / greater than or equal to / less than / less than or equal to / the Knock-out [Price/Level]]
 - Knock-out Period Beginning Date (if other than as specified in the definition thereof in Condition 18(a)): []
 - Knock-out Period Ending Date (if other than as specified in the definition thereof in Condition 18(a)): []
 - Knock-out Price: []
 - Knock-out Valuation Time (if other than as specified in the definition thereof in Condition 18(a)): []
19. (i) Minimum Exercise Number: [] Warrants
- (ii) Permitted Multiple: [] Warrants
20. (i) Cash Settlement: [Applicable. The Warrants are Cash Settlement Warrants. Condition 3(d) (*Cash Settlement*)]³⁹ [and Condition 3(f) (*Optional Physical Settlement*)] [applies/apply]/[Not applicable].
- (ii) Settlement Currency: [USD] []
- (iii) Cash Settlement Amount: See applicable section of Condition 19 in Part E of the Base Prospectus. For the purpose of these Final Terms, "**Settlement Commission Percentage**" shall be [] per cent.

³⁸ For LEPOS, specify "Not applicable".

³⁹ For LEPOS, specify "Applicable. Cash Settlement and Condition 3(d) only.".

- (iv) Cash Settlement Payment Date: []
 - (v) Provisions for determining Cash Settlement Amount where calculated by reference to Index and/or Formula and/or other variable: [See Condition 19 (*Provisions relating to Market Access Warrants*).]
21. Physical Settlement: [Not applicable] [Applicable. The Warrants are Physical Settlement Warrants. Condition 3(e) (*Physical Settlement*) [and Condition 3(g) (*Optional Cash Settlement*)] [applies/apply]]⁴⁰.

- (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. Provisions for Market Access Warrants linked to one or more Underlying Indices: [Applicable] / [Not applicable]

| Underlying Indices | Index Sponsor | Index Rules | Exchange(s) | Related Exchange(s) | Weighting | Underlying Currencies |
|--------------------|---------------|-------------|-------------|---------------------|-----------|-----------------------|
| | | | | [All Exchanges] | | |

- (i) Index(ices): Each Underlying Index specified in the above table.
- (ii) Index Sponsor: [In relation to each Underlying Index, the entity specified in the above table]/[The definition in Condition 18(a) applies]
- (iii) Index Rules: In relation to each Underlying Index, the Index Rules specified in the above table.
- (iv) Exchange(s): In relation to each Underlying Index, the Exchange(s) specified in the above table.
- (v) Related: In relation to each Underlying Index, the Exchange(s) specified in

⁴⁰ For LEPOS, specify "Not applicable".

- Exchange(s): the above table.
- (vi) Adjustments to Indices: Condition 18(c) [applies/does not apply]
- (vii) Index Substitution: [Applicable/Not applicable]
23. Provisions for Market Access Warrants linked to one or more Underlying Securities or Underlying Funds or Underlying ETFs: [Applicable] / [Not applicable]

[EITHER]

| Underlying Securities (including ISIN or other security identification code) | Underlying Companies | Number of Underlying Securities per Warrant | Exchange(s) | Related Exchange(s) | Underlying Currencies |
|---|-----------------------------|--|--------------------|----------------------------|------------------------------|
| | | | | [All Exchanges] | |

- (i) Securities: Each of the Underlying Securities specified in the above table.
- (ii) Underlying Companies: With respect to the Underlying Securities, the Underlying Companies specified in the above table.
- (iii) Exchange(s): In relation to the Underlying Securities, the Exchange(s) specified in the above table.
- (iv) Related Exchange(s): In relation to the Underlying Securities, the Exchange(s) specified in the above table.
- (v) Underlying Currencies: Each of the Underlying Currencies specified in the above table.]

[OR]

| Underlying Fund(s) (including ISIN or other security identification code, where applicable) | Number of Shares in Underlying Fund per Warrant | Exchange(s) | Related Exchange(s) | Underlying Currencies |
|--|--|--------------------|----------------------------|------------------------------|
| | | | [All Exchanges] | |

- (i) Funds: Each of the Underlying Funds specified in the above table.

- (ii) Exchange(s): In relation to the Underlying Funds, the Exchange(s) specified in the above table.
- (iii) Related Exchange(s): In relation to the Underlying Funds, the Exchange(s) specified in the above table.
- (iv) Underlying Currencies: Each of the Underlying Currencies specified in the above table.]

[OR]

| Underlying ETFs (including ISIN or other security identification code) | Number of Shares in Underlying per ETF Warrant | Exchange(s) | Related Exchange(s) | Underlying Currencies |
|--|--|-------------|---------------------|-----------------------|
| | | | [All Exchanges] | |

- [(i) ETFs: Each of the Underlying ETFs specified in the above table.
- (ii) Exchange(s): In relation to the Underlying ETFs, the Exchange(s) specified in the above table.
- (iii) Related Exchange(s): In relation to the Underlying ETFs, the Exchange(s) specified in the above table.
- (iv) Underlying Currencies: Each of the Underlying Currencies specified in the above table.]

24. Potential Adjustment Event: [Condition[s] 18(f)(i) [and 18(h)]⁴¹ appl[ies][y] subject to the relevant section of Condition 19 (*Provisions relating to Market Access Warrants*) of Part E of the Base Prospectus.]

[For Market Access Warrants linked to one or more Underlying Funds or one or more Underlying ETFs include the following:

Condition[s] 18(f)(i) [and 18(h)]⁴² shall be deleted and replaced with the provisions specified in the relevant section of Condition 19 (*Provisions relating to Market Access Warrants*) of Part E of the Base Prospectus.]

25. Extraordinary Event: [Condition 18(f)(ii) applies subject to the relevant section of Condition 19 (*Provisions relating to Market Access Warrants*) of Part E of the Base Prospectus.]

[For Market Access Warrants linked to one or more Underlying

⁴¹ Insert where the Underlying Securities are Units in a Fund.

⁴² Insert where the Underlying Securities are Units in a Fund.

Securities or one or more Underlying Indices insert the following:

For these purposes:

"**Extraordinary Event**" means a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting.]

[For Market Access Warrants linked to one or more Underlying Funds or one or more Underlying ETFs include the following:

Condition 21(f)(ii) shall be deleted and replaces with the provisions specified in the relevant section of Condition 19 (*Provisions relating to Market Access Warrants*) of Part E of the Base Prospectus.]

- | | | |
|-----|---|--|
| 26. | Conversion: (for Warrants relating to Government Bonds and debt securities only) | Condition 18(f)(iii) [does not apply]/[applies] |
| 27. | Corrections of prices: | Condition 18(f)(iv) [does not apply]/[applies] |
| 28. | Additional Disruption Event: | Applicable. Condition 18(g)(iv) shall be deleted and replaced with the provisions specified in the relevant section of Condition 19 (<i>Provisions relating to Market Access Warrants</i>) of Part E of the Base Prospectus. Condition 18(g)(ii) shall be disappplied The following definitions shall also be inserted as Conditions 18(g)(vi) and 18(g)(vii), respectively: "Underlying Country" means the location of any Reference Jurisdiction. "Underlying Currency" means [each currency shown in the table at the start of paragraph [22] ⁴³ /[23] ⁴⁴ ,] being the lawful currency of an Underlying Country and/or the currency in which the price of quotation of any relevant Underlying on the related Exchange(s) is denominated] [<i>insert other definition, as relevant</i>]. <i>[For Market Access Warrants linked to one or more Underlying Funds or one or more Underlying ETFs include the following:</i> The following Additional Disruption Events apply: Change in Law, Hedging Disruption, Increased Cost of Hedging.] |
| 29. | Valuation Date(s): | [], subject to Condition 18(b) |
| 30. | Valuation Time: | The definition in Condition 17 applies |
| 31. | Averaging Dates: | [Applicable] / [Not applicable] |
| 32. | Averaging Date Market Disruption: | [Omission / Postponement / Modified Postponement / Not applicable / <i>other (specify)</i>] |
| 33. | Business Day: | [As in the Conditions / <i>other (specify)</i>] |

⁴³ Select if the Warrants are linked to one or more Underlying Indices.

⁴⁴ Select if the Warrants are linked to one or more Underlying Securities.

34. Determination Date: []
35. Other terms or special conditions relating to Market Access Warrants: See Condition 19 (*Provisions relating to Market Access Warrants*) set out in Part E of the Base Prospectus which contains provisions relating to cash settlement, additional payments, hedging, dealing restrictions and others as applicable to the type of Market Access Warrants referred to in paragraph 14 above.
36. Selling Restrictions: In addition to selling restrictions listed in "*Purchase and Sale of the Warrants*" contained in the Base Prospectus:
[Warrants may not be offered or sold in the *[name of Underlying Country]* or to persons of *[Underlying Country]* origin.]
- (N.B. Additional Underlying Country restrictions may apply – Final Terms will specify details)**
- (For SPICEs consider the provisions set out in Part 1 of the India Supplement contained in the Schedule to Part E of 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)*
37. Other Final Terms: [See Schedule to Part E - Saudi Arabia Supplement] []⁴⁵

⁴⁵ 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] ⁴⁶ HAS 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

⁴⁶ 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.

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, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (A "**SIMILAR LAW PLAN**"), OR (II) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS WARRANT (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR 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.
- (6) Before any interest in a Warrant represented by a Combined Global Registered Warrant may be exchanged for Combined Definitive Registered Warrants, a person having an interest in such Combined Global Registered Warrant must provide the Registrar with a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A or Regulation S, a certification that the transfer is being made in compliance with the provisions of Rule 144A or Regulation S, as applicable.]

[INDONESIA]

"EACH PURCHASER HAS AGREED, AND EACH FURTHER PURCHASER WILL BE REQUIRED TO AGREE, THAT IT WILL NOT OFFER OR SELL THE WARRANTS NOR MAKE THE WARRANTS THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, NOR WILL IT CIRCULATE OR DISTRIBUTE THESE FINAL TERMS, THE ACCOMPANYING PROSPECTUS OR ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE WARRANTS, WHETHER DIRECTLY OR INDIRECTLY, IN THE REPUBLIC OF INDONESIA OR TO INDONESIAN CITIZENS, CORPORATIONS OR RESIDENTS, EXCEPT IN A MANNER THAT WILL NOT BE CONSIDERED AS A "PUBLIC OFFER" UNDER THE PREVAILING LAW AND REGULATIONS IN THE REPUBLIC OF INDONESIA."]

[KOREA]

"ANY TRANSFER OF WARRANTS TO A KOREAN RESIDENT AS THE TERM IS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION LAW OF KOREA AND ITS PRESIDENTIAL DECREE SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY WARRANTS HELD BY SUCH TRANSFEREE."]

[MALAYSIA]

"ANY PLEDGE, SALE OR OTHER TRANSFER OF WARRANTS TO A PERSON THAT IS A MALAYSIAN RESIDENT AS THE TERM IS DEFINED IN THE PROSPECTUS SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY WARRANTS HELD BY SUCH TRANSFEREE. THE FOREGOING SHALL NOT APPLY TO ANY PLEDGE, SALE OR OTHERWISE TRANSFER OF WARRANTS WHERE:

(A) SUCH PLEDGE, SALE OR TRANSFER TO OR FOR THE BENEFIT OF A RESIDENT IS WHOLLY CONDUCTED OFFSHORE MALAYSIA; AND

(B) THE INVESTMENT BY SUCH PERSON IN THE WARRANTS IS IN ACCORDANCE WITH THE PROVISIONS OF THE MALAYSIAN EXCHANGE CONTROL ACT 1953 AND THE NOTICES ISSUED THEREUNDER."]

[PAKISTAN]

"ANY PLEDGE, SALE OR OTHER TRANSFER OF WARRANTS TO A PERSON OTHER THAN "A PERSON RESIDENT OUTSIDE PAKISTAN" AS THE TERM IS DEFINED IN THE FOREIGN EXCHANGE REGULATION ACT, 1947 AND THE REGULATIONS THEREUNDER SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID AND (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY WARRANTS HELD BY SUCH TRANSFEREE. IN ADDITION, THE STATE BANK OF PAKISTAN MAY REQUIRE SUCH TRANSFEREE TO REPATRIATE THE DIVIDENDS RETAINED OUTSIDE PAKISTAN OR SELL THE WARRANTS AND REPATRIATE THE SALE PROCEEDS TO PAKISTAN. SUCH TRANSFEREE MAY ALSO BE LIABLE TO BE PROSECUTED UNDER THE RELEVANT PROVISIONS OF THE FOREIGN EXCHANGE REGULATION ACT, 1947."]

[PEOPLE'S REPUBLIC OF CHINA]

"ANY PLEDGE, SALE OR OTHER TRANSFER OF WARRANTS TO A PERSON THAT IS A "DOMESTIC INVESTOR", OR TO ANY PERSON USING FUNDS TO PURCHASE WARRANTS SOURCED FROM A "DOMESTIC INVESTOR", AS THE TERM IS DEFINED IN THE PROSPECTUS SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY WARRANTS HELD BY SUCH TRANSFEREE."]

[TAIWAN]

"ANY SALE OR OTHER TRANSFER OF WARRANTS TO A PERSON THAT IS, OR MADE IN CONSIDERATION OF FUNDS RECEIVED FROM, (A) A RESIDENT OF THE PEOPLE'S REPUBLIC OF CHINA ("PRC"), A CORPORATION IN THE PRC, OR A CORPORATION OUTSIDE THE PRC THAT IS BENEFICIALLY OWNED BY RESIDENTS OF, OR CORPORATIONS IN, THE PRC OR (B) A RESIDENT OF TAIWAN OR A CORPORATION IN TAIWAN SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY WARRANTS HELD BY SUCH TRANSFEREE."

[VIETNAM]

"ANY PLEDGE, SALE OR OTHER TRANSFER OF WARRANTS TO A PERSON THAT IS A VIETNAMESE RESIDENT AS THE TERM IS DEFINED IN THE PROSPECTUS AND/OR THE FINAL TERMS SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY WARRANTS HELD BY SUCH TRANSFEREE."

[For SPICEs consider inserting the transfer restrictions set out in Part 2 of the India Supplement contained in the Schedule to Part E of the Base Prospectus.]

[RESPONSIBILITY]

The Issuer accepts responsibility for the information contained in these Final Terms. Information on each [Underlying Security and the Underlying Company] [Underlying Index] [Underlying Fund] [Underlying ETF] has been extracted from *(insert name of source of information Bloomberg / Reuters)*. 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 Bloomberg / Reuters)*, no facts have been omitted which would render the reproduced information 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 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 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.)⁴⁷

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."]

[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.)

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 UNDERLYING]⁴⁸

⁴⁷ Not required for derivative securities which can only be acquired for at least EUR100,000 per security.

⁴⁸ Refer to Prospectus Rules, Annex XII, paragraph 4.2.2 for disclosure requirements.

The Warrants reflect the risks of a UK incorporated bank or relevant affiliate taking a direct investment in or exposure to [[the equity of each Underlying Company] [each Underlying Index comprising each Reference Security] [each Underlying Fund] [each Underlying ETF] [in each Underlying Country] (delete as appropriate)].

Investors are therefore exposed to such risks on a one to one basis, as more particularly described in the section "*Product Description – Market Access Securities*" of this product supplement and [[Condition 19A (specify if linked to one or more Underlying Securities)] [Condition 19B (specify if linked to one or more Underlying Funds)] [Condition 19C (specify if linked to one or more Underlying ETFs)] [Condition 19D (specify if linked to one or more Underlying Indices)] (delete as appropriate)]. See also paragraph 22 of Part A of these Final Terms for details of the Underlying[s].

The effect of such risks on the Warrants will always be calculated in the sole and absolute discretion of the Calculation Agent. Certain of the risks are outlined in the section entitled "*Risk Factors relating to Market Access Notes and Market Access Warrants*" in Part E of the Base Prospectus, though these are not exhaustive. In certain circumstances, the Warrantheolders' entire investment may be at risk and they may receive nothing on exercise of their Warrants.

Information source

Details of past performance and volatility of each Underlying [Security]/ [Index]/ [Fund]/ [ETF] are obtainable from the following display pages on the Bloomberg and/or Reuters Service:

[]

[Information about the Underlying Index can be found at [(insert website or other information source relating to Underlying Index)]⁴⁹

[Further information regarding each [Underlying Company] [Underlying Fund] [Underlying ETF] [in each Underlying Country] (delete as appropriate)] can be found at [(insert website or other information source relating to Underlying)]

(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.)

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 reasons only if reasons are different from making profit/hedging purposes, otherwise: Not applicable]

(ii) Estimated net proceeds: []⁵⁰ [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)*⁵¹

⁴⁹ Please note that if the Underlying Index is composed by the Issuer, a description of it will be required and this may necessitate a drawdown prospectus.

⁵⁰ Not required for derivative securities which can only be acquired for at least EUR100,000 per security.

⁵¹ Not required for derivative securities which can only be acquired for at least EUR100,000 per security.

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 Depository: | [HSBC Bank plc/Not applicable/specify] |
| 15. | Notices: (Condition 10) | [Condition 10 applies / specify any other means of effecting communication] |
| 16. | City in which specified office of Registrar to be maintained: | Not applicable |
| 17. | ERISA Considerations: | [The Warrants may not be purchased by "benefit plan investors". See " <i>Certain ERISA Considerations – Market Access Securities</i> " in Part E of the Base Prospectus for further information./give details] [Not applicable] |

TERMS AND CONDITIONS OF THE OFFER (*this section applies only to public offers*)

- | | | |
|-----|---|--|
| 18. | Offer Price: | [Issue Price][<i>other</i> (specify)] |
| 19. | Conditions to which the offer is subject: | [Not applicable/give details] |
| 20. | Description of the application process: | [Not applicable/give details] |
| 21. | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [Not applicable/give details] |
| 22. | Details of the minimum and/or maximum amount of application: | [Not applicable/give details] |
| 23. | Details of the method and time limits for paying up and delivering the Warrants: | [Not applicable/give details] |

- | | | |
|-----|--|--|
| 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 Warrants relates to any Index sponsored by MSCI Inc., a statement will be included in the relevant Final Terms in or substantially in the form set out below.

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SCHEDULE TO PART E – COUNTRY SUPPLEMENTS

INDIA SUPPLEMENT – PART 1⁵²

["(A) By the purchase of any Market Access Securities, on the date of purchase and on each day the Market Access Securities are being held, each holder of Market Access Securities will be deemed to represent and warrant that its purchase of the Market Access Securities is in full compliance with the following selling restrictions and it undertakes and agrees to the selling restrictions below:

1. The Market Access Securities shall not be offered, sold or transferred to (i) a "person resident in India" (as such term is defined in the Foreign Exchange Management Act, 1999, as may be amended or supplemented from time to time), or, (ii) a "non-resident Indian" (as such term is defined in the Foreign Exchange Management (Deposit) Regulations, 2000 as may be amended or supplemented from time to time), (each a "**Restricted Entity**");
2. The Market Access Securities shall not be offered, sold or transferred to any person/entity whose controller is a Restricted Entity.

For the purposes of this representation, a "**controller**" means any person or group of persons (acting pursuant to any agreement or understanding (whether formal or informal, written or otherwise)) who:

- (a) is/are entitled to exercise, or control the exercise of a majority or more of the voting power of an entity, or
- (b) holds or is otherwise entitled to a majority or more of the economic interest in an entity, or
- (c) who in fact exercises control over an entity.

For the purposes of this representation, "**control**" means the ability to appoint a majority or more of the directors of an entity, or the capacity to control decision-making, directly or indirectly, in relation to the financial, investment and/or operating policies of an entity in any manner.

Notwithstanding the foregoing definition, in the case only where an entity's investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to be such entity's controller for the purposes of this representation by reason only of it being able to control decision-making in relation to the entity's financial, investment and /or operating policies;

3. The Market Access Securities shall only be purchased by a principal for its own account and not as an agent, nominee, trustee or representative of any other person and no agreement for the issuance of a back-to-back offshore derivatives instrument ("**ODI**") (as such term is defined for the purposes of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulation 1995 and notifications, circulars, rules and guidelines of the Securities and Exchange Board of India issued from time to time) (collectively referred to as the "**FII Regulations**") can be entered into against the Warrants;
4. The Market Access Securities shall only be offered to a "person regulated by an appropriate foreign regulatory authority" (as such term and/or requirements relating thereto are defined or otherwise interpreted for the purposes of Regulation 15A of the FII Regulations) (a "**Regulated Entity**");
5. The Market Access Securities shall not be purchased with the intent of circumventing or otherwise avoiding any requirements applicable under the FII Regulations (including, without limitation, any restrictions applying to foreign institutional investors in relation to their issuances and/or other dealings in the Market Access Securities with, Restricted Entities and persons/entities who are not Regulated Entities); and

⁵² Consider for the purposes of paragraph 48 (*Selling Restrictions – Other*: of the Final Terms for Market Access Note and paragraph 36 (*Selling Restrictions – Other*: of the Final Terms for Market Access Warrants.

6. The Market Access Securities cannot be sold, transferred, assigned or novated or otherwise disposed of and no back-to-back ODIs may be entered into and no agreement with respect to any of the foregoing may be entered into by the [Noteholder]/[Warrantholder] nominees, associates or affiliates (each, a "**Transfer**") with, an entity which is a Restricted Entity or an entity which is not a Regulated Entity.
7. The ODIs shall not be offered, sold or transferred to (i) a Protected Cell Company ("**PCC**") or Segregated Portfolio Company ("**SPC**") or an equivalent structure however described, or (ii) a Multi Class Share Vehicle ("**MCV**") by constitution or an equivalent structure however described that contains more than one class of shares, except where (a) a common portfolio is maintained for all classes of shares and satisfies broad-based criteria, or (b) a segregated portfolio is maintained for separate classes of shares wherein each such class of shares are in turn broad-based. For this purpose, a "broad-based" fund or class of shares (where the holder's segregated portfolio is maintained for separate classes of shares) as the term is defined in the Explanation to Regulation 6 of the FII Regulations means a fund, established or incorporated outside India, which has at least twenty investors, with no single individual investor holding more than 49% of the shares or units of the fund; provided that if the broad-based fund has institutional investor(s) it shall not be necessary for the fund to have twenty investors. Further, if the broad-based fund has an institutional investor who holds more than 49% of the shares or units in the fund, then the institutional investor must itself be a broad-based fund.

For the purpose of this sub-paragraphs (A)3. and (A)6. above and sub-paragraph (B)1. below, a "back-to-back ODI" shall not include the issue of any ODI issued by a party who has disclosed the terms and parties to such back-to-back ODI in the form and manner prescribed by the Securities and Exchange Board of India pursuant to the FII Regulations (in particular, under Regulation 20A of the FII Regulations).

- (B) Further, by the purchase of any Market Access Securities, each purchaser of the Market Access Securities is deemed to have agreed and undertaken as follows (and for the avoidance of doubt, such agreements and undertakings shall survive the maturity or expiration date of such Warrants):
 1. It will, in the case where it or its nominees, associates or affiliates sell, transfer, assign, novate or otherwise dispose of the Market Access Securities to, or enter into any back-to-back ODIs or enter into an agreement with respect to any of the foregoing with any party:
 - (i) provide notice of these "*Indian Selling Restrictions*" to any person to whom a Transfer was made (the "**Transferee**"); and
 - (ii) issue a written notice to the Issuer in such form as the Issuer may determine within two (2) Hong Kong business days after the Transfer.
 2. The Issuer and its associates/affiliates are authorised to provide information in their possession regarding it, any Transferee, each of the nominees or associates/affiliates of it and/or the Transferee, the Market Access Securities and any breach of these representations, warranties, agreements and undertaking to any Indian governmental or regulatory authorities (each an "**Authority**") as the Issuer or its associates/affiliates reasonably deems necessary or appropriate in order to comply with regulations or requests of such Authority from time to time, including but not limited to disclosures in periodic reportings made by the Issuer or its associates/affiliates to any Authority;
 3. It will and shall procure its nominees or associates/affiliates to, provide the Issuer or its associates/affiliates (as the case may be) promptly with such additional information that the Issuer or its associates/affiliates (as the case may be) reasonably deems necessary or appropriate in order to comply with regulations or requests of any Authority from time to time;
 4. It acknowledges that non-compliance with, or breach, violation or Contravention of, the obligations under these representations, warranties, agreements and undertakings that (including, without limitation, any restrictions with respect to a Transfer) ("**ODI Holder Obligations**") may result in non-compliance with, or breach, violation or Contravention of, applicable laws, regulations, governmental orders or directions, regulatory sanctions against the Issuer and/or its associates/affiliates and cause irreparable harm to the Issuer and/or its associates/affiliates.

Accordingly, it further acknowledges that, in the event of any non-compliance with, or breach, violation or Contravention of the ODI Holder Obligations by it, the Issuer and/or its associates/affiliates may notify the Authority of the breach, violation or Contravention and exercise any rights and take any measures available to the Issuer and/or its associates/affiliates under the terms of the Market Access Securities including these "*Indian Selling Restrictions*", or any other measures to prevent, avoid, mitigate, remedy or cure such non-compliance, breach, violation or Contravention, including but not limited to termination or compulsory redemption of the Warrants by the Issuer or its associates/affiliates; and

5. It will promptly notify the Issuer or its associates/affiliates should any of the representations, warranties, agreements and undertakings given by it changes or no longer holds true."]

INDIA SUPPLEMENT – PART 2⁵³

[Each prospective purchaser of Market Access Securities, by accepting delivery of these Final Terms and the accompanying Base Prospectus, will be deemed to have represented and agreed with respect to such Market Access Securities as follows:

- (I) THE MARKET ACCESS SECURITIES ARE NOT BEING PURCHASED BY A "**RESTRICTED ENTITY**", MEANING THAT IT IS NOT A "PERSON RESIDENT IN INDIA" (AS SUCH TERM IS DEFINED IN THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999, AS MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME), OR, (II), A "**NON-RESIDENT INDIAN**" (AS SUCH TERM IS DEFINED IN THE FOREIGN EXCHANGE MANAGEMENT (DEPOSIT) REGULATIONS, 2000, AS MAY BE AMENDED FROM TIME TO TIME);
- (II) THE MARKET ACCESS SECURITIES ARE NOT BEING PURCHASED BY A PERSON/ENTITY WHOSE CONTROLLER(S) IS/ARE A RESTRICTED ENTITY, WHERE (A) "**CONTROLLER**" MEANS ANY PERSON OR GROUP OF PERSONS (ACTING PURSUANT TO ANY AGREEMENT OR UNDERSTANDING (WHETHER FORMAL OR INFORMAL, WRITTEN OR OTHERWISE)) WHO IS/ARE ENTITLED TO EXERCISE OR CONTROL THE EXERCISE OF A MAJORITY OR MORE OF THE VOTING POWER OF AN ENTITY OR WHO HOLDS OR IS OTHERWISE ENTITLED TO A MAJORITY OR MORE OF THE ECONOMIC INTEREST IN SUCH ENTITY OR WHO IN FACT EXERCISES CONTROL OVER SUCH ENTITY; AND (B) "**CONTROL**" MEANS THE ABILITY TO APPOINT A MAJORITY OR MORE OF THE DIRECTORS OF AN ENTITY, OR THE CAPACITY TO CONTROL DECISION-MAKING, DIRECTLY OR INDIRECTLY, IN RELATION TO THE FINANCIAL, INVESTMENT AND/OR OPERATING POLICIES OF AN ENTITY IN ANY MANNER, **PROVIDED THAT**, IN THE CASE ONLY WHERE AN ENTITY'S INVESTMENTS ARE BEING MANAGED ON A DISCRETIONARY BASIS BY AN INVESTMENT MANAGER, SUCH INVESTMENT MANAGER SHALL NOT BE DEEMED TO BE SUCH ENTITY'S CONTROLLER FOR THE PURPOSES OF THE ABOVE BY REASON ONLY OF IT BEING ABLE TO CONTROL DECISION-MAKING IN RELATION TO THE ENTITY'S FINANCIAL, INVESTMENT AND /OR OPERATING POLICIES;
- (III) THE MARKET ACCESS SECURITIES ARE NOT BEING PURCHASED WITH THE INTENT OF CIRCUMVENTING OR OTHERWISE AVOIDING ANY REQUIREMENTS APPLICABLE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN INSTITUTIONAL INVESTORS) REGULATIONS, 1995, AS MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, AND NOTIFICATIONS, CIRCULARS, RULES AND GUIDELINES OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (COLLECTIVELY REFERRED TO AS THE "**FII REGULATIONS**") (INCLUDING, WITHOUT LIMITATION, ANY RESTRICTIONS APPLYING TO FOREIGN INSTITUTIONAL INVESTORS IN RELATION TO THEIR ISSUANCES AND/OR OTHER DEALINGS OF OFFSHORE DERIVATIVE INSTRUMENTS (AS SUCH TERM IS DEFINED FOR THE PURPOSES OF REGULATION 15A OF THE FII REGULATIONS) WITH, RESTRICTED ENTITIES OR UNREGULATED ENTITIES (AS HEREINAFTER DEFINED);
- (IV) THE HOLDER IS A "PERSON REGULATED BY AN APPROPRIATE FOREIGN REGULATORY AUTHORITY" (AS SUCH TERM AND/OR REQUIREMENTS RELATING THERETO ARE DEFINED OR OTHERWISE INTERPRETED FOR THE PURPOSES OF THE FII REGULATIONS (A "**REGULATED ENTITY**")
- (V) THAT THE MARKET ACCESS SECURITIES ARE BEING PURCHASED BY THE HOLDER AS A PRINCIPAL FOR ITS OWN ACCOUNT AND NOT AS AN AGENT, NOMINEE, TRUSTEE OR REPRESENTATIVE OF ANY OTHER PERSON AND THE

⁵³ Insert in the "*Transfer Restrictions*" section of the Final Terms of SPICE Notes or Warrants and Market Access Securities linked to Indian Underlyings.

HOLDER HAS NOT ENTERED INTO ANY AGREEMENT FOR THE ISSUANCE OF A BACK-TO-BACK ODI⁵⁴ AGAINST THE MARKET ACCESS SECURITIES;

- (VI) THAT THE MARKET ACCESS SECURITIES SHALL NOT BE, DIRECTLY OR INDIRECTLY, SOLD, TRANSFERRED, ASSIGNED, NOVATED OR OTHERWISE DISPOSED OF, TO NOR ANY BACK-TO-BACK ODIS⁵⁵ OR AGREEMENT WITH RESPECT TO ANY OF THE FOREGOING ENTERED INTO WITH AN ENTITY WHICH IS A RESTRICTED ENTITY;
- (VII) THAT THE MARKET ACCESS SECURITIES SHALL NOT BE OFFERED, SOLD OR TRANSFERRED TO: (i) A PROTECTED CELL COMPANY ("PCC") OR SEGREGATED PORTFOLIO COMPANY ("SPC") OR AN EQUIVALENT STRUCTURE HOWEVER DESCRIBED, OR (II) A MULTI CLASS SHARE VEHICLE ("MCV") BY CONSTITUTION OR AN EQUIVALENT STRUCTURE HOWEVER DESCRIBED THAT CONTAINS MORE THAN ONE CLASS OF SHARES, EXCEPT WHERE (A) A COMMON PORTFOLIO IS MAINTAINED FOR ALL CLASSES OF SHARES AND SATISFIES BROAD-BASED CRITERIA, OR (B) A SEGREGATED PORTFOLIO IS MAINTAINED FOR SEPARATE CLASSES OF SHARES WHEREIN EACH SUCH CLASS OF SHARES ARE IN TURN BROAD-BASED. FOR THIS PURPOSE, A "BROAD-BASED" FUND OR CLASS OF SHARES (WHERE THE HOLDER'S SEGREGATED PORTFOLIO IS MAINTAINED FOR SEPARATE CLASSES OF SHARES) AS THE TERM IS DEFINED IN THE EXPLANATION TO REGULATION 6 OF THE FII REGULATIONS MEANS A FUND, ESTABLISHED OR INCORPORATED OUTSIDE INDIA, WHICH HAS AT LEAST TWENTY INVESTORS, WITH NO SINGLE INDIVIDUAL INVESTOR HOLDING MORE THAN 49% OF THE SHARES OR UNITS OF THE FUND; PROVIDED THAT IF THE BROAD-BASED FUND HAS INSTITUTIONAL INVESTOR(S) IT SHALL NOT BE NECESSARY FOR THE FUND TO HAVE TWENTY INVESTORS. FURTHER, IF THE BROAD-BASED FUND HAS AN INSTITUTIONAL INVESTOR WHO HOLDS MORE THAN 49% OF THE SHARES OR UNITS IN THE FUND, THEN THE INSTITUTIONAL INVESTOR MUST ITSELF BE A BROAD-BASED FUND.
- (VIII) THAT THE MARKET ACCESS SECURITIES SHALL NOT BE, DIRECTLY OR INDIRECTLY, SOLD, TRANSFERRED, ASSIGNED, NOVATED OR OTHERWISE DISPOSED OF TO NOR ANY BACK-TO-BACK ODIS⁵⁶ OR AGREEMENT WITH RESPECT TO ANY OF THE FOREGOING ENTERED INTO WITH AN ENTITY WHICH IS NOT A REGULATED ENTITY (AN "UNREGULATED ENTITY");
- (IX) THE HOLDER WILL, IN THE CASE WHERE IT OR ITS NOMINEES, ASSOCIATES OR AFFILIATES SELL, TRANSFER, ASSIGN, NOVATE OR OTHERWISE DISPOSE OF THE MARKET ACCESS SECURITIES TO, OR ENTER INTO ANY BACK-TO-BACK ODIS OR ENTER INTO AN AGREEMENT WITH RESPECT TO ANY OF THE FOREGOING WITH ANY PARTY: (I) PROVIDE NOTICE OF THESE "INDIAN SELLING RESTRICTIONS" TO ANY PERSON TO WHOM A TRANSFER WAS MADE (THE "TRANSFEREE"); AND (II) ISSUE A WRITTEN NOTICE TO THE ISSUER IN SUCH FORM AS THE ISSUER MAY DETERMINE WITHIN TWO (2) HONG KONG BUSINESS DAYS AFTER THE TRANSFER.
- (X) THE ISSUER AND ITS ASSOCIATES/AFFILIATES ARE AUTHORISED TO PROVIDE INFORMATION IN THEIR POSSESSION REGARDING THE HOLDER, THE PROPOSED TRANSFEREE, THE NOMINEES OR ASSOCIATES/AFFILIATES OF THE HOLDER

⁵⁴ For the purposes of this paragraph V, a "back-to-back ODI" shall not include the issue of any ODI to be issued by a holder or its affiliate/associate who makes monthly or periodic disclosure of ODI transactions to the Securities and Exchange Board of India and will disclose the terms and parties to such back-to-back ODI in the form and manner prescribed by the Securities and Exchange Board of India pursuant to the FII Regulations (in particular under Regulation 20A of the FII Regulations).

⁵⁵ For the purposes of this paragraph VI, a "back-to-back ODI" shall not include the issue of any ODI to be issued by a holder or its affiliate/associate who makes monthly or periodic disclosure of ODI transactions to the Securities and Exchange Board of India and will disclose the terms and parties to such back-to-back ODI in the form and manner prescribed by the Securities and Exchange Board of India pursuant to the FII Regulations (in particular under Regulation 20A of the FII Regulations).

⁵⁶ For the purposes of this paragraph VII, a "back-to-back ODI" shall not include the issue of any ODI to be issued by a holder or its affiliate/associate who makes monthly or periodic disclosure of ODI transactions to the Securities and Exchange Board of India and will disclose the terms and parties to such back-to-back ODI in the form and manner prescribed by the Securities and Exchange Board of India pursuant to the FII Regulations (in particular under Regulation 20A of the FII Regulations).

AND/OR THE PROPOSED TRANSFEREE, THE MARKET ACCESS SECURITIES AND ANY BREACH OF THESE LEGENDS TO ANY INDIAN GOVERNMENTAL OR REGULATORY AUTHORITY (EACH AN "AUTHORITY") AS THE ISSUER OR ITS ASSOCIATES/AFFILIATES REASONABLY DEEMS NECESSARY OR APPROPRIATE IN ORDER TO COMPLY WITH REGULATIONS OR REQUESTS OF SUCH AUTHORITY FROM TIME TO TIME, INCLUDING BUT NOT LIMITED TO DISCLOSURES IN PERIODIC REPORTINGS MADE BY THE ISSUER OR ASSOCIATES/AFFILIATES OF THE ISSUER TO ANY AUTHORITY;

- (XI) THE HOLDER WILL, AND SHALL PROCURE THAT THE NOMINEES OR ASSOCIATES/AFFILIATES OF THE HOLDER TO, AT THE SOLE OPTION OF THE ISSUER OR ITS ASSOCIATES/AFFILIATES, EITHER (A) PROVIDE THE ISSUER OR ITS ASSOCIATES/AFFILIATES PROMPTLY WITH SUCH ADDITIONAL INFORMATION THAT THE ISSUER OR ITS ASSOCIATES/AFFILIATES REASONABLY DEEMS NECESSARY OR APPROPRIATE IN ORDER TO COMPLY WITH REGULATIONS OR REQUESTS OF ANY AUTHORITY FROM TIME TO TIME (SUCH INFORMATION, THE "**ADDITIONAL INFORMATION**"), OR (B) SUBJECT TO SUCH AUTHORITY ACCEPTING SUCH DIRECT PROVISION, PROMPTLY PROVIDE SUCH ADDITIONAL INFORMATION DIRECTLY TO SUCH AUTHORITY AND PROMPTLY CONFIRM IN WRITING TO THE ISSUER THAT IT HAS DONE SO; AND

- (XII) NON-COMPLIANCE WITH, OR BREACH, VIOLATION OR CONTRAVETION OF, THE OBLIGATIONS UNDER HEREIN (INCLUDING, WITHOUT LIMITATION, ANY RESTRICTIONS WITH RESPECT TO A TRANSFER ("**ODI HOLDER OBLIGATIONS**") MAY RESULT IN NON-COMPLIANCE WITH, OR BREACH, VIOLATION OR CONTRAVETION OF, APPLICABLE LAWS, REGULATIONS, GOVERNMENTAL ORDERS OR DIRECTIONS, REGULATORY SANCTIONS AGAINST THE ISSUER AND/OR ITS ASSOCIATES/AFFILIATES AND CAUSE IRREPARABLE HARM TO THE ISSUER AND/OR ITS ASSOCIATES/AFFILIATES. ACCORDINGLY, THE HOLDER FURTHER ACKNOWLEDGES THAT, IN THE EVENT OF ANY NON-COMPLIANCE WITH, OR BREACH, VIOLATION OR CONTRAVETION OF THE ODI HOLDER OBLIGATIONS BY THE HOLDER, THE ISSUER AND/OR ITS ASSOCIATES/AFFILIATES MAY NOTIFY THE AUTHORITY OF THE BREACH, VIOLATION OR CONTRAVETION AND EXERCISE ANY RIGHTS AND TAKE ANY MEASURES AVAILABLE TO IT UNDER THE TERMS OF THE MARKET ACCESS SECURITIES, OR ANY OTHER MEASURES TO PREVENT, AVOID, MITIGATE, REMEDY OR CURE SUCH NON-COMPLIANCE, BREACH, VIOLATION OR CONTRAVETION, INCLUDING BUT NOT LIMITED TO EARLY REDEMPTION OF THE MARKET ACCESS SECURITIES BY THE ISSUER OR ITS ASSOCIATES/AFFILIATES AND COMPELLING THE TRANSFEREE TO REDEEM ANY MARKET ACCESS SECURITIES HELD BY SUCH TRANSFEREE.]

SAUDI ARABIA SUPPLEMENT

Information Relating to Underlying Funds - Saudi Market Access Securities linked to Funds ("Fund-Linked Saudi Market Access Securities")

The identity and characteristics of the relevant Underlying Fund and an indication of the source where information about the past performance of such Underlying Fund and its volatility can be obtained will be specified in the relevant Final Terms in relation to any issue of Fund-Linked Saudi Market Access Securities.

The Underlying Fund relating to an issuance of Fund-Linked Saudi Market Access Securities may include any one of the following funds:

1. SABB Amanah Saudi Equity Fund
2. SABB Amanah Saudi Industrial Companies Fund
3. SABBINVEST Saudi Equity Fund
4. SABBINVEST Saudi Equity Trading Fund
5. SABBINVEST Financial Institutions Fund
6. HSBC Saudi Equity Index Fund
7. HSBC Saudi Petrochemical Equity Opportunities Fund

Set out below is certain outline information as to the nature of each of the above-listed Underlying Funds.

Investors should note that the above list is not intended to be an exhaustive list of potential Underlying Funds to which Fund-Linked Saudi Market Access Securities may be linked and that Fund-Linked Saudi Market Access Securities linked to other Underlying Funds not listed herein may be issued under the Programme from time to time.

Each of the above-listed Underlying Funds is, and each Underlying Fund will be, managed by HSBC Saudi Arabia Limited (the "**Fund Manager**"). The Underlying Funds and the Fund Manager are governed by the laws of the KSA, and in particular, the KSA Capital Market Law ("**CML**"), and the regulations enacted thereunder, and are regulated by the KSA Capital Market Authority ("**CMA**").

Investment funds in Saudi Arabia, including the Underlying Fund relating to an issuance of Fund-Linked Saudi Market Access Securities, are unincorporated funds. They are established and formally organised pursuant to a contract that is signed between the Fund Manager and the fund unit-holders, which contract must be in the form of terms and conditions as specified in the Investment Fund Regulations enacted under the CML ("**IFR**"). The terms and conditions include covenants on the part of the Fund Manager to perform or to contract for the performance of (i) the investment management of the portfolio of the Underlying Fund; (ii) the custody of portfolio assets of the Underlying Fund; (iii) dealing in securities or other assets of the Underlying Fund; and (iv) the administration of the Underlying Fund. The terms and conditions also set out the fees, commissions or other remuneration with which the Fund Manager proposes to compensate itself from investment fund assets or subscriptions for the performance of the foregoing activities or services.

The regulatory practices of the CMA may not necessarily be identical to the regulatory practices in other jurisdictions. In particular, given the lack of a formal system of official reporting and/or official interpretation, and the absence of a system of binding precedent in the KSA, prospective investors or investors should note that the Fund Manager may discharge its obligations, and CMA may exercise its authority in respect of the relevant Underlying Fund in a manner that may impact the value of such Underlying Fund and/or the relevant Fund-Linked Saudi Market Access Securities.

1. SABB Amanah Saudi Equity Fund

Fund objectives

SABB Amanah Saudi Equity Fund (the "**Fund**") aims to achieve long-term capital growth by investing in the Saudi equity stock market. All equity investments in the Fund will be in companies which conform to Islamic investment principles as guided and endorsed by the HSBC Amanah Shariah Committee.

Fund details

| | |
|---------------------------------|--|
| Fund type | Open ended |
| Base currency of the Fund | Saudi Riyal |
| Minimum initial subscription | SAR 7,500 |
| Minimum additional subscription | SAR 3,750 |
| Regular monthly subscription | SAR 1,000 |
| Valuation | Saturday & Tuesday |
| Cut off time | 12 noon Riyadh time Sunday and Wednesday |
| Redemption payout | 2 business days after valuation day |
| Unit price at inception | SAR 10 |
| Launch date | 13 March 2004 |

Fund Manager

SABB Amanah Saudi Equity Fund will be managed by HSBC Saudi Arabia Limited.

For further information about the past performance of the Fund and its volatility go to:

http://www.hsbcSaudi.com/Prod_Services/Asset_Mgt/Mutual_Funds/Long_term/long_term_en.shtml

2. SABB Amanah Saudi Industrial Companies Fund

Fund objectives

The SABB Amanah Saudi Industrial Companies Fund aims to provide long-term capital growth through investment in the industrial sector. All equity investments in the Fund will be in companies which conform to Islamic investment principles as guided and endorsed by the HSBC Amanah Shariah Committee.

Fund details

| | |
|---------------------------------|--|
| Fund type | Open ended |
| Base currency of the Fund | Saudi Riyal |
| Minimum initial subscription | SAR 7,500 |
| Minimum additional subscription | SAR 3,750 |
| Regular monthly subscription | SAR 1,000 |
| Valuation | Saturday & Tuesday |
| Cut off time | 12 noon Riyadh time Sunday and Wednesday |
| Redemption payout | 2 business days after valuation day |
| Unit price at inception | SAR 10 |
| Launch date | 1 April 2005 |
| Fund Manager | SABB's Asset Management |

Fund Manager

SABB Amanah Saudi Industrial Companies Fund will be managed by HSBC Saudi Arabia Limited.

For further information about the past performance of the Fund and its volatility go to:

http://www.hsbcSaudi.com/Prod_Services/Asset_Mgt/Mutual_Funds/Long_term/long_term_en.shtml

3. **SABBINVEST Saudi Equity Fund**

Fund objectives

The Saudi Equity Fund aims to achieve long-term equity linked growth by investing in the Saudi stock market. The Fund invests in the shares of Saudi publicly quoted companies and money market instruments.

Fund details

| | |
|---------------------------------|--|
| Fund type | Open ended |
| Base currency of the Fund | Saudi Riyal |
| Minimum initial subscription | SAR 7,500 |
| Minimum additional subscription | SAR 3,750 |
| Regular monthly subscription | SAR 1,000 |
| Valuation | Saturday & Tuesday |
| Cut off time | 12 noon Riyadh time Sunday & Wednesday |
| Redemption payout | 2 business days after valuation day |
| Unit price at inception | SAR 10 |
| Launch date | 12 December 1992 |

Fund Manager

SABBINVEST Saudi Equity Fund will be managed by HSBC Saudi Arabia Limited.

For further information about the past performance of the Fund and its volatility go to:

http://www.hsbcSaudi.com/Prod_Services/Asset_Mgt/Mutual_Funds/Long_term/long_term_en.shtml

4. **SABBINVEST Saudi Equity Trading Fund**

Fund objectives

The Saudi Equity Trading Fund aims to achieve long-term equity linked growth by investing in the Saudi Arabian stock market. The Fund invests in the shares of Saudi publicly quoted companies (excluding banks) and short-term trade finance transactions.

Fund details

| | |
|---------------------------------|--|
| Fund type | Open ended |
| Base currency of the Fund | Saudi Riyal |
| Minimum initial subscription | SAR 7,500 |
| Minimum additional subscription | SAR 3,750 |
| Regular monthly subscription | SAR 1,000 |
| Valuation | Saturday & Tuesday |
| Cut off time | 12 noon Riyadh time Sunday & Wednesday |
| Redemption payout | 2 business days after valuation day |
| Unit price at inception | SAR 10 |
| Launch date | 01 November 1997 |

Fund Manager

SABBINVEST Saudi Equity Trading Fund will be managed by HSBC Saudi Arabia Limited.

For further information about the past performance of the Fund and its volatility go to:

http://www.hsbcSaudi.com/Prod_Services/Asset_Mgt/Mutual_Funds/Long_term/long_term_en.shtml

5. SABBINVEST Financial Institutions Fund

Fund objectives

To provide medium to long-term equity linked growth by investing in the shares of banking sector in the KSA.

Fund details

| | |
|---------------------------------|--|
| Fund type | Open ended |
| Base currency of the Fund | Saudi Riyal |
| Minimum initial subscription | SAR 7,500 |
| Minimum additional subscription | SAR 3,750 |
| Regular monthly subscription | SAR 1,000 |
| Valuation | Saturday & Tuesday |
| Cut off time | 12 noon Riyadh time Sunday & Wednesday |
| Redemption payout | 2 business days after valuation day |
| Unit price at inception | SAR 10 |
| Launch date | 01 August 2004 |

Fund Manager

SABBINVEST Financial Institutions Fund will be managed by HSBC Saudi Arabia Limited.

For further information about the past performance of the Fund and its volatility go to:

http://www.hsbcSaudi.com/Prod_Services/Asset_Mgt/Mutual_Funds/Long_term/long_term_en.shtml

6. HSBC Saudi Equity Index Fund

Fund objectives

The HSBC Saudi Equity Index Fund is an open-ended investment fund with the aim of achieving, over the medium to long term, capital growth by investing in a portfolio of equities of selected companies listed on the Saudi Equity Market and corresponding to the constituents of the HSBC Saudi Equity Index.

Fund details

| | |
|---------------------------------|--|
| Fund type | Open ended |
| Base currency of the Fund | Saudi Riyal |
| Minimum initial subscription | SAR 100,000 |
| Minimum additional subscription | SAR 50,000 |
| Regular monthly subscription | Not applicable |
| Valuation | Daily |
| Cut off time | 1:30 pm Riyadh time on each business day |
| Redemption payout | 2 business days following valuation day |
| Unit price at inception | SAR 10 |
| Launch date | 11 December 2007 |

Fund Manager

HSBC Saudi Equity Index Fund will be managed by HSBC Saudi Arabia Limited.

For further information about the past performance of the Fund and its volatility go to:

http://www.hsbcSaudi.com/Prod_Services/Asset_Mgt/Mutual_Funds/Long_term/long_term_en.shtml

7. **HSBC Saudi Petrochemical Equity Opportunities Fund**

Fund objectives

The Fund is an open-ended investment fund with the aim of achieving, over the medium to long term, capital growth by investing in a portfolio of Saudi petrochemical equities of companies listed on the Saudi Equity Market. The Fund's assets will be concentrated and actively managed in petrochemical companies aiming to achieve capital growth without a reference to a specific benchmark or weightings of petrochemical companies in the Saudi Equity Market.

Fund details

| | |
|---------------------------------|--|
| Fund type | Open ended |
| Base currency of the Fund | Saudi Riyal |
| Minimum initial subscription | SAR 100,000 |
| Minimum additional subscription | SAR 50,000 |
| Regular monthly subscription | Not applicable |
| Valuation | Daily |
| Cut off time | 1:30 pm Riyadh time on each business day |
| Redemption payout | 2 business days following valuation day |
| Unit price at inception | SAR 10 |
| Launch date | 11 December 2007 |

Fund Manager

HSBC Saudi Petrochemical Equity Opportunities Fund will be managed by HSBC Saudi Arabia Limited.

For further information about the past performance of the Fund and its volatility go to:

http://www.hsbcSaudi.com/Prod_Services/Asset_Mgt/Mutual_Funds/Long_term/long_term_en.shtml

INDEX OF DEFINED TERMS

| | | | |
|-----------------------------------|--|--|---|
| 144A Offeree..... | E-62, E-124 | Excess Deduction..... | E-15, E-32, E-78, E-96 |
| Additional Information..... | E-140 | Exchange..... | E-22, E-85 |
| Additional Payment..... | E-18, E-35, E-81, E-99 | Exchange Business Day..... | E-22, E-85 |
| Affected Jurisdiction..... | E-21, E-29, E-40, E-46, E-84, E-91, E-104, E-109 | Extraordinary ETF Event..... | E-37, E-100 |
| Affiliate | E-12, E-30, E-41, E-75, E-93, E-105 | Extraordinary Event..... | E-122 |
| Aggregate Net Proceeds | E-41, E-105 | Extraordinary Fund Event..... | E-25, E-87 |
| Aggregate Sale Amount..... | E-12, E-13, E-30, E-31, E-75, E-76, E-93, E-94 | E-Z Notes..... | E-1, E-8 |
| Aggregate Sale Price | E-30, E-94 | FII | E-16, E-34, E-43, E-79, E-97, E-107 |
| ANP Receipt Date | E-42, E-105 | FII Regulations | E-135, E-138 |
| ASA Receipt Date | E-13, E-31, E-76, E-94 | Final Valuation Date..... | E-22, E-85 |
| Authority..... | E-4, E-136, E-140 | FINI..... | E-16, E-34, E-43, E-79, E-97, E-107 |
| Bank | E-1 | Fitch | E-66 |
| Base Prospectus..... | E-1 | Fixed CGT Rate | E-15, E-33, E-78, E-97 |
| Benefit Plan Investor | E-63, E-125 | FSA | E-1, E-67, E-129 |
| Business Day..... | E-22, E-85 | Fund | E-142 |
| Cash Settlement Payment Date..... | E-14, E-31, E-42, E-77, E-95, E-106 | Fund Application Date..... | E-22, E-85 |
| Certificates | E-48, E-52 | Fund Manager..... | E-141 |
| CMA..... | E-141 | Fund-Linked Saudi Market Access Securities E-141 | |
| CML | E-141 | GAZELS | E-1, E-8 |
| CNY | E-15, E-33, E-78, E-97 | Gross Sale Amount..... | E-12, E-13, E-30, E-31, E-75, E-76, E-93, E-94 |
| Code | E-9, E-63, E-125 | Hedge Positions..... | E-21, E-29, E-40, E-46, E-84, E-92, E-104, E-110 |
| Conditions | E-47, E-48, E-111 | Hedging..... | E-20, E-29, E-40, E-46, E-83, E-91, E-103, E-109 |
| control..... | E-135 | Hedging Disruption..... | E-20, E-28, E-39, E-83, E-91, E-103 |
| Control..... | E-138 | Hedging Disruption Events..... | E-26, E-89 |
| controller | E-135 | hold | E-21, E-29, E-40, E-84, E-93, E-104 |
| Controller | E-138 | holder | E-21, E-29, E-40, E-84, E-93, E-104 |
| Conversion Costs..... | E-14, E-32, E-42, E-77, E-95, E-106 | holding | E-21, E-29, E-84, E-93, E-104 |
| Converted Amount..... | E-17, E-18, E-19, E-35, E-44, E-80, E-81, E-82, E-98, E-99, E-108 | Hypothetical Investor..... | E-23, E-85 |
| Converted ANP | E-42, E-106 | IFR | E-141 |
| Converted ASA | E-14, E-31, E-77, E-95 | Issuer..... | E-1 |
| Costs..... | E-14, E-32, E-43, E-77, E-95, E-106 | LAMAS | E-1, E-8 |
| Currency Business Day | E-22, E-85 | Law | E-26, E-89 |
| Currency Event..... | E-20, E-21, E-28, E-39, E-45, E-83, E-84, E-103, E-109 | LEPOs..... | E-1, E-8 |
| Deduction Shortfall | E-15, E-33, E-78, E-96 | LEPOS | E-111 |
| Determination Date..... | E-16, E-33, E-43, E-79, E-97, E-107 | London Stock Exchange | E-1 |
| Early Redemption Amount..... | E-24, E-36 | <i>Malaysian Resident</i> | E-5 |
| Early Redemption Date | E-24, E-36 | MANs | E-1, E-8, E-47 |
| Early Settlement Amount | E-86, E-100 | Mark Date | E-17, E-80, E-98 |
| Early Settlement Date..... | E-86, E-100 | Mark Date"), | E-34 |
| ECM | E-5 | Market Access Securities..... | E-1, E-8 |
| Effective FX Rate..... | E-14, E-32, E-42, E-77, E-95, E-106 | MAWs..... | E-1, E-8 |
| Employee Benefit Plan..... | E-63, E-125 | MAWS | E-111 |
| ERISA | E-9, E-125 | Merger Event | E-27, E-89 |
| ERISA Plans..... | E-9 | Moody's..... | E-66 |
| Event Occurrence Date..... | E-18, E-44, E-81, E-108 | MSCI..... | E-72, E-133 |
| Event Payment..... | E-18, E-44, E-81, E-107 | NDF transaction..... | E-13, E-31, E-42, E-76, E-95, E-106 |
| Event Receipt..... | E-18, E-19, E-44, E-81, E-82, E-108 | New Shares | E-24, E-36, E-87, E-100 |
| Event Receipt Date..... | E-18, E-19, E-44, E-81, E-82, E-108 | Non-Resident Indian | E-138 |
| | | Notes | E-47 |
| | | Notional Holder..... | E-16, E-34, E-43, E-79, E-98, E-107 |
| | | Number of Underlying ETFs per Note..... | E-34 |

| | |
|---|--------------------------------------|
| Number of Underlying ETFs per Warrant.. | E-98 |
| Number of Underlying Indices per Note | E-43 |
| Number of Underlying Indices per Warrant... E-107 | |
| Number of Underlying Securities per Note . | E-16 |
| Number of Underlying Securities per WarrantE-79 | |
| ODI..... | E-135 |
| <i>ODI Holder Obligations</i> | E-5, E-136, E-140 |
| PALMS..... | E-1, E-8 |
| Part E..... | E-1 |
| Parties in Interest..... | E-9 |
| Plan..... | E-63, E-125 |
| Plans | E-9 |
| Potential Adjustment Event..... | E-27, E-90 |
| PRC | E-15, E-33, E-78, E-97 |
| PRC Capital Gains Tax . | E-15, E-33, E-78, E-97 |
| Programme | E-1 |
| Prospectus..... | E-48, E-111, E-112 |
| Prospectus Directive..... | E-48, E-111 |
| PTCE..... | E-9 |
| QFII | E-15, E-33, E-78, E-97 |
| Realisable Sale PriceE-12, E-30, E-41, E-75, E-93, E-104 | |
| Receipt DateE-17, E-34, E-35, E-80, E-98, E-99 | |
| Redemption CommissionE-16, E-23, E-34, E-43, E-107 | |
| Redemption Costs..... | E-17, E-34, E-43, E-107 |
| Reference JurisdictionE-20, E-28, E-39, E-45, E-83, E-91, E-103, E-109 | |
| Reference Securities | E-1, E-8, E-43, E-107 |
| Reference Security | E-1, E-8 |
| Regulated Entity | E-135, E-138 |
| Regulation S | E-112 |
| Regulation S | E-48, E-63, E-125 |
| Relevant HedgeE-13, E-30, E-41, E-76, E-94, E-105 | |
| Relevant Period | E-17, E-34, E-80, E-98 |
| relevant personE-21, E-29, E-40, E-84, E-93, E-104 | |
| Relevant Reference PriceE-16, E-33, E-79, E-97 | |
| Restricted Entity | E-135, E-138 |
| Restricted Notes | E-62 |
| Restricted Warrants | E-124 |
| RSA 421-B | E-48, E-112 |
| Rule 144A | E-48, E-63, E-112, E-125 |
| Rule 144A Legend..... | E-62 |
| S&P | E-66 |
| Saudi PALMS | E-1, E-8 |
| Scheduled Closing Time..... | E-23, E-86 |
| Scheduled Trading Day | E-23, E-86 |
| Scheduled Valuation Date | E-85 |
| Securities Act | E-1, E-48, E-62, E-112, E-124 |
| Security Redemption | E-21, E-84 |
| Settlement Commission..... | E-79, E-86, E-98 |
| Settlement Commission Percentage | E-118 |
| Settlement Costs | E-79, E-98 |
| Settlement Currency | E-1, E-8, E-52, E-116 |
| Share | E-23, E-34, E-86, E-98 |
| Similar Law..... | E-9 |
| Similar Law Plan | E-63, E-125 |
| Similar Law Plans | E-9 |
| Specified Currency | E-1, E-8, E-52, E-116 |
| Specified Currency Equivalent | E-23, E-86 |
| SPICES..... | E-1, E-8 |
| <i>substantial shareholder</i> | E-5 |
| Tax Certainty Date..... | E-16, E-33, E-79, E-97 |
| Tax Clarification Effective DateE-16, E-33, E-79, E-97 | |
| Tax Deducted..... | E-15, E-32, E-78, E-96 |
| Tax Equalisation PaymentE-15, E-33, E-78, E-96 | |
| Tax Equalisation Payment DateE-15, E-33, E-78, E-96 | |
| Tax Equalisation Payment Notification Date.. | E-15, E-33, E-78, E-96 |
| tax uncertainties | E-15, E-32, E-78, E-96 |
| tax uncertainty..... | E-15, E-32, E-78, E-96 |
| Transaction CostsE-17, E-34, E-43, E-80, E-98, E-107 | |
| Transfer..... | E-136 |
| <i>Transferee</i> | E-4, E-136 |
| Underlying | E-1, E-8 |
| Underlying Companies | E-1, E-8 |
| Underlying Company..... | E-1, E-8 |
| Underlying Company Default | E-21, E-84 |
| Underlying Countries..... | E-1, E-8 |
| Underlying Country | E-1, E-8, E-122 |
| Underlying Currencies | E-1, E-8 |
| Underlying CurrencyE-1, E-8, E-23, E-86, E-122 | |
| Underlying Currency AmountE-17, E-18, E-34, E-35, E-80, E-81, E-98, E-99 | |
| Underlying ETF | E-1, E-8 |
| Underlying ETF/ETFs | E-47, E-111 |
| Underlying ETFs..... | E-1, E-8 |
| Underlying Fund..... | E-1, E-8, E-23, E-86 |
| Underlying Fund Disruption Event... .. | E-27, E-90 |
| Underlying Fund Value..... | E-23, E-86 |
| Underlying Fund Value ^{final} | E-24, E-86 |
| Underlying Fund/ Funds | E-47 |
| Underlying Fund/Funds | E-111 |
| Underlying Funds | E-1, E-8 |
| Underlying Index | E-1, E-8 |
| Underlying Index/Indices..... | E-47, E-111 |
| Underlying Indices..... | E-1, E-8 |
| Underlying Securities..... | E-1, E-8 |
| Underlying Security | E-1, E-8 |
| Underlying Security/Securities | E-47, E-111 |
| Underlyings..... | E-1, E-8 |
| Unpaid CostsE-14, E-32, E-43, E-77, E-96, E-106 | |
| Unregulated Entity | E-139 |
| USD | E-52, E-116 |
| Use of Proceeds | E-67 |
| Valuation Date | E-24, E-86 |
| Warrants..... | E-111 |
| X E-30 | |

Y E-30

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