

LISTING PARTICULARS

Listing Particulars dated 10 April 2014



HSBC Bank plc

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

as Issuer in respect of

Listing of USD 10,000,000 Credit Linked Notes due 2021 linked to Standard Chartered Bank (the "Notes")

(ISIN: XS1049203810)

PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS

This Listing Particulars (which expression shall include all documents incorporated by reference herein) has been prepared for the purpose of providing disclosure information with regard to the Notes issued by HSBC Bank plc (the "**Issuer**") under its Programme for the Issuance of Notes and Warrants.

This Listing Particulars constitutes listing particulars for the purposes of listing the Notes on the Irish Stock Exchange's Official List and admission to trading of the Notes on its Global Exchange Market and does not comprise (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a prospectus for the purposes of the Directive 2003/71/EC (as amended), (the "Prospectus Directive"). The Irish Stock Exchange's Global Exchange Market is not a regulated market for the purposes of the Markets in Financial Instruments Directive (2004/39/EC). The Listing Particulars has been prepared solely with regard to the Notes.

Application has been made for this Listing Particulars to be approved by the Irish Stock Exchange for the purposes of listing.

Full information on the Issuer and the Notes is only available on the basis of the combination of the provisions set out within this Listing Particulars and the information incorporated by reference herein. This Listing Particulars may be used only for the purposes for which it has been published.

Investors should note that securities to be admitted to the Irish Stock Exchange's Official List and trading on its Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

The Issuer accepts responsibility for the information contained in this Listing Particulars. To the best of the knowledge of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than as contained in this Listing Particulars in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or HSBC Bank plc as dealer (the "**Dealer**").

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RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in the Listing Particulars, including, in particular the risk factors described below, the risk factors set forth in the section entitled "Risk Factors" (including the introductory paragraph thereto but excluding the "Risks relating to Credit-Linked Notes") contained on pages A8 to A41 (inclusive) of the Offering Memorandum (as defined below), incorporated by reference and the risk factors contained in the registration document of the Issuer dated 16 April 2013, incorporated by reference. The Issuer considers such risk factors to be the principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes and/or risk factors that are material for the purposes of assessing the market risk associated with the Notes. Words and expressions defined in the Conditions or elsewhere in the Listing Particulars have the same meanings in this section.

Terms used but not otherwise defined in this section shall have the meanings given in the Pricing Supplement.

General factors relating to Credit-Linked Notes

The occurrence of certain events or circumstances, in each case as specified in the Pricing Supplement (each, a "**Credit Event**") will affect the value of the Notes and the Issuer's obligation to pay principal may be replaced by an obligation to deliver the Deliverable Portfolio (and/or in certain circumstances as further described below, pay other amounts calculated by reference to the value of the credit of the Reference Entity, Undeliverable Obligation(s) and/or Valuation Obligation(s)). The Issuer's obligations in respect of the Notes are not dependent on the existence of actual credit exposure of the Issuer to the Reference Entity and the Issuer need not itself suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

If a Credit Event occurs on or after the Credit Event Backstop Date occurs, the Notes will be redeemable at the option of the Issuer by the giving of a Credit Event Notice, irrespective of whether the relevant Credit Event is continuing, and the Issuer's obligation to pay the principal of the Notes upon redemption shall be replaced with an obligation to physically deliver the Deliverable Portfolio Constituents (which may have a value substantially less than the par value of the Notes and may be zero and are likely to be in default on the Delivery Date) to the Noteholders ("**Physical Settlement**") (or in certain circumstances, including:

- (i) the Issuer does not receive a duly completed Asset Transfer Notice from each Noteholder on or prior to the date specified in the Physical Settlement Notice as the deadline for such receipt by the Issuer;
- (ii) the Issuer determines that it would be unlawful, impossible or otherwise impracticable to deliver to each Noteholder any or all of the Deliverable Portfolio Constituents; and
- (iii) if the Issuer (and/or its Affiliates) for any reason whatsoever will not receive or has not received, pursuant to any Representative Auction-Settled Transaction, Hedge Transaction or otherwise sufficient (or any) Valuation Obligations,

to redeem the Notes by payment on the Credit Event Redemption Date of an amount (which may be zero) in respect of each Note equal to such Note's pro rata share of the related Credit Event Redemption Amount(s) ("**Cash Settlement**"), or in certain circumstances a combination of both Physical Settlement and Cash Settlement.

In addition, investors in the Notes should note that:

- (a) the Issuer's obligations to pay interest on the Notes and to redeem the Notes at their principal amount are subject to the condition precedent that no Credit Event Notice has been given. If any Credit Event Notice is given on or before the Maturity Date or (if applicable) the Extended Maturity Date then (1) no interest shall be payable by the Issuer from (and including) the earlier to occur of (i) the Credit Event Notice Date (if any) and (ii) the Valid Credit Event Resolution Request Date (provided that a Credit Event Notice Date subsequently occurs); and (2) the redemption amount of the Notes may be less than their principal amount (and may even be zero) (as described above);
- (b) if the Issuer has overpaid one or more Interest Amounts as a result of one or more Interest Payment Dates occurring between the Credit Event Resolution Request Date and the Credit Event Notice Date, the Issuer may instigate the clawback of any overpaid Interest Amounts through the clearing systems; and
- (c) it shall be the responsibility of the Noteholders to ensure that their accounting, regulatory and all other treatments of the Notes are consistent with the conditional nature of the Noteholders' entitlement to receive the payments referred to above.

The Issuer may exercise its right to deliver a Credit Event Notice if a Credit Event occurs on or after the Credit Event Backstop Date even if the Credit Event is not continuing at the time such right is exercised. Noteholders will have no right to compel the Issuer to exercise its rights and no right to control the timing of such exercise. Furthermore, Noteholders will have no right to remedy, waive or rescind the Credit Event or take any action to mitigate the ultimate loss which may be imposed upon them by virtue of their interest in the Notes and will bear the risk of any change in the value of obligations of the Reference Entity between the date of the Credit Event and the Delivery Date, Auction Final Price Determination Date (or the Parallel Auction Final Price Determination Date, as the case may be) or the Valuation Date (or Backup Valuation Date, as the case may be) (as the case may be, depending on whether Physical Settlement or Cash Settlement applies, and if Cash Settlement applies, whether the Dealer Poll Method applies). During this period there could be a substantial decrease in the value of such obligations.

If a Credit Event occurs and the Issuer gives a Credit Event Notice, the following risks may arise:

- (a) In certain circumstances following the occurrence of a Credit Event, if Cash Settlement applies, the amount payable in respect of the Notes may be determined by reference to the Auction Final Price determined according to an auction procedure set out in the applicable Credit Derivatives Auction Settlement Terms. There is a possibility that the Calculation Agent (or one of its affiliates) would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation) submitting bids, offers and physical settlement requests with respect to the relevant deliverable obligations the subject of such auction. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), the Calculation Agent (or an affiliate of it) will be under no obligation to consider the interests of any Noteholder.
- (b) A Credit Event may not be triggered unless either (i) a request is submitted to ISDA within 60 calendar days of the occurrence of such potential Credit Event for the relevant Credit Derivatives Determinations Committee to consider whether the relevant event constitutes a Credit Event (and the Credit Derivatives Determinations Committee subsequently Resolves that such event does constitute a Credit Event) or (ii) a Credit Event Notice (and, if applicable copies of relevant Publicly Available Information) is delivered by the Issuer to the Noteholders within

60 calendar days of the occurrence of such Credit Event and is effective on or prior to the Notice Delivery Period End Date. For Succession Events, the look-back mechanics operate in a similar way to the above to provide a cut-off date for any Succession Event to apply to the Notes. The actual look-back period for a Succession Event is either (i) 90 calendar days from the date on which a request is given to a Credit Derivatives Determinations Committee regarding a Succession Event (if the Credit Derivatives Determinations Committee subsequently Resolves that a Succession Event has occurred) or (ii) 90 calendar days from the date on which the Calculation Agent determines that a Succession Event has occurred. These provisions mean that both (i) there is a time limit on the ability to act on a Credit Event or Succession Event and (ii) it is possible that the Notes could be affected by a Credit Event or Succession Event that took place prior to the Trade Date.

- (c) If a Dealer Poll Event occurs pursuant to any of sub-paragraphs (1) to (5) of the definition thereof, under the terms of the Notes, the Issuer will be free to select for the purposes of constituting the Portfolio any obligations of the Reference Entity (whether as principal, guarantor or otherwise) which satisfy the requirements for a Valuation Obligation. Such obligations are likely to be in default at the time of valuation. Furthermore, in selecting such obligations the Issuer will not be required to consider the interests of the Noteholders or mitigate their losses. The Issuer will have complete discretion to select the cheapest, most illiquid obligations of the Reference Entity so long as such obligations satisfy the requirements for a Valuation Obligation under the terms of the Notes.

Not all of the Credit Events require an actual default with respect to the Reference Entity's obligations. Thus Noteholders could bear losses based on a deterioration in the credit of the Reference Entity short of a default. Also, not all of the Credit Events are triggered by events which are easily ascertainable and disputes can and have arisen as to whether a specific event did or did not constitute a Credit Event. Under the terms of the Notes, the Issuer's or Calculation Agent's good faith, reasonable determination (or ISDA DC determination) that a Credit Event has or has not occurred will be binding on the Issuer and the holders, and may be different than the view of the holders or other financial institutions, rating agencies or commentators.

The Issuer shall be under no obligation to give notice of any Credit Event and no delay in giving, or omission to give, notice of any Credit Event(s) with regard to the Reference Entity shall prejudice the Issuer's right to give notice with respect to such Credit Event or any other Credit Event in relation to the Reference Entity provided such notice is given no later than the Maturity Date or (if applicable) the Extended Maturity Date.

The trading value of the Notes will be affected by factors that interrelate in complex ways. The Notes may lose 100 per cent. of their value. It is important for investors to understand that the effect of one factor may offset the increase in the trading value of the Notes caused by another factor, and that the effect of one factor may exacerbate the decrease in the trading value of the Notes caused by another factor. For example, a drop in the creditworthiness of the Reference Entity may more than offset any increase in the Issuer's creditworthiness.

Physical Settlement

Investors should be aware that it is a condition to each Noteholder's entitlement to Delivery of any Deliverable Portfolio Constituents that (i) all Delivery Fees have been paid to the Issuer in full prior to such Delivery and (ii) the Issuer has received a duly completed Asset Transfer Notice from each Noteholder (which requires each Noteholder to represent that it is eligible to take delivery of the Deliverable Portfolio Constituents). If such conditions precedent are not satisfied and/or in certain

other circumstances (as set out in the definition of "Cash Settlement Event") the Notes will be redeemed in whole or in part by Cash Settlement (as further described above).

No representation by Issuer or Calculation Agent

The Issuer and Calculation Agent make no representation whatsoever with respect to the Reference Entity, reference obligations or underlying obligations on which it is relying or is entitled to rely.

Dealings by Issuer, Calculation Agent and affiliates

The Issuer, the Calculation Agent and their respective affiliates may deal in the underlying reference obligations or underlying obligations and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, the Reference Entity, any affiliate of the Reference Entity, and/or any other person or entity having obligations relating to the Reference Entity and may act with respect to such business in the same manner as each of them would if these Notes had not been issued, regardless of whether any such action might have an adverse effect on the Reference Entity, the reference obligation(s), or underlying obligation(s) or the Noteholders or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event).

No disclosure of information

The Issuer, the Calculation Agent and their respective affiliates may, whether by virtue of the types of relationships described herein or otherwise, on the issue date of the Notes or at any time thereafter, be in possession of information in relation to the Reference Entity or any underlying obligation(s) that is or may be material in the context of the issue of the Notes and that may or may not be publicly available or known to the Noteholders. There is no obligation on the part of the Issuer, the Calculation Agent or their respective affiliates to disclose to the Noteholders any such relationship or information (whether or not confidential).

Potential conflict of interest

HSBC Bank plc as Calculation Agent or Issuer will be entitled to make certain determinations and judgements under the Conditions including (*inter alia*) as to whether an event constituting a Credit Event has occurred. In making such determinations and judgements, potential conflicts of interest may exist between HSBC Bank plc and the Noteholders. In its capacity as Calculation Agent or Issuer, HSBC Bank plc does not act as a fiduciary for or as an advisor to any of the Noteholders in respect of any such determination or judgement or otherwise.

Credit risk

The Notes will provide investors with a return linked to the credit of the Issuer and the Reference Entity and will not provide protection of principal or a guarantee of interest. The investors are exposed to the credit risk of the Issuer and the Reference Entity. In relation to the Issuer, investors are exposed to the risk that the Issuer is not able to meet its obligations created by the Notes.

Amendments by Calculation Agent

The Calculation Agent may from time to time amend any provision of the Conditions to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions (including without limitation with respect to settlement by reference to auctions following a Restructuring Credit Event) and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the Calculation

Agent and the Issuer determine in a commercially reasonable manner are necessary to reflect market practice for credit derivative transactions.

No post-issuance information

The Issuer shall not be providing the investors with any post-issuance information regarding the Reference Entity or underlying obligations. In addition, prospective investors should understand that the historical performance of the Reference Entity or underlying obligations should not be viewed as predictive of future results.

Currency Risk

Exchange rates can be volatile and unpredictable. Investors should be aware of the possibility of significant changes in rates of exchange between (i) the Settlement Currency, (ii) the currencies of denomination of the underlying obligations and (iii) the relevant local currency of the investor's domicile.

The Note is an unsecured obligation

The Note is not secured and therefore investors do not have recourse to the Deliverable Portfolio or Valuation Obligations or any other security or collateral. If the Issuer becomes unable to pay amounts owed to Noteholders, the Noteholders do not have any recourse to any assets and may not receive any payments under the Notes.

Market value

The value of the Notes is influenced by various factors including but not limited to the performance of the Reference Entity, the financial condition and funding costs of the Issuer, economic and market conditions, interest rates, currency exchange rates, inflation rates and time remaining to maturity. Such conditions may cause market volatility and this could have an adverse effect on the value, price or income on the Notes.

Calculation Agent's discretion

Calculation of the interest payments may be by reference to certain specified screen rates, or if any such rate is not displayed at the relevant time a rate determined by the Calculation Agent in its sole and absolute discretion. The Notes may be redeemable prior to their scheduled maturity in certain circumstances at an amount determined by the Calculation Agent which may be less than their nominal amount and in a worst case may even be zero.

Pursuant to the occurrence of a Credit Event, in particular a Restructuring Credit Event, decisions on critical issues affecting the amount repayable on the Note may be made by the Calculation Agent in its sole discretion by reference to a credit derivative transaction on substantially the same terms as the Reference Transaction and/or the Hedge Transaction.

All calculations and determinations made by the Calculation Agent in relation to the Notes shall (save in the case of manifest error at the time the relevant determination is made) be final and binding on the Issuer and all Noteholders.

The Calculation Agent may from time to time amend any provision of the pricing supplement relating to the Notes to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the

Calculation Agent and the Issuer determine in a commercially reasonable manner are necessary to reflect market practice for credit derivative transactions.

INCORPORATION BY REFERENCE

This Listing Particulars should be read and construed in conjunction with the documents incorporated by reference into this Listing Particulars and each supplement (if any) to this Listing Particulars. The information contained in the following documents is hereby incorporated by reference into this Listing Particulars and deemed to form a part of this Listing Particulars:

- (i) the offering memorandum dated 18 June 2013 relating to the programme for the issuance of notes and warrants by HSBC Bank plc (the "**Original Offering Memorandum**");
 - (ii) the supplement dated 22 August 2013 to the Original Offering Circular ("**Supplement No. 1**");
 - (iii) the supplement dated 22 January 2014 to the Original Offering Circular ("**Supplement No. 2**"); and
 - (iv) the supplement dated 14 March 2014 to the Original Offering Circular ("**Supplement No. 3**"),
- (and the Original Offering Memorandum as so supplemented, the "**Offering Memorandum**").

The table below sets out the relevant page references for the information incorporated into this Listing Particulars by reference. Page references are to pages in the Original Offering Memorandum.

Information incorporated by reference	Page reference
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From the Original Offering Memorandum

Risk Factors	A8 – A41
Clearing and Settlement	A44 – A46
Taxation	A47 – A61
General information	A63 – A64
Terms and Conditions of the Notes	B1 – B36
Summary of Provisions Relating to the Notes while in Global Form	B53 – B61
Subscription and Sale of Notes	B62 – B72

In addition, the following documents (the "**Incorporated Documents**") shall be deemed to be incorporated in, and to form part of, this Listing Particulars:

- 1. the registration document relating to the Issuer dated 16 April 2013 and filed with the Irish Stock Exchange (the "**Registration Document**");
- 2. the articles of association of the Issuer dated 20 October 2010; and
- 3. the Annual Report and Accounts of the Issuer and its subsidiary undertakings for the years ended 31 December 2012 and 2013 (the "**Financial Information**").

Any information incorporated by reference into the Incorporated Documents does not form part of this Listing Particulars. The Issuer will, at its registered office and at the specified offices of the Paying Agents, make available for inspection during normal business hours and free of charge, upon oral or

written request, a copy of this Listing Particulars and any document incorporated by reference in this Listing Particulars. Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent.

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of the Notes. Any statement contained in a document, all or the relevant portion of which is incorporated by reference into this Listing Particulars, shall be deemed to be modified or superseded for the purpose of this Listing Particulars to the extent that a statement contained in this Listing Particulars or in any supplement to this Listing Particulars, including any documents incorporated therein by reference, modifies or supersedes such earlier statement.

PRICING SUPPLEMENT

This Pricing Supplement should be read in conjunction with the Terms and Conditions set out in the Original Offering Memorandum incorporated by reference into this Listing Particulars.

THE TERMS AND CONDITIONS OF THE CREDIT-LINKED NOTES SHALL CONSIST OF THE "TERMS AND CONDITIONS OF THE NOTES" SET OUT IN "PART B – INFORMATION RELATING TO THE NOTES GENERALLY" OF THE OFFERING MEMORANDUM (THE "BASE CONDITIONS") AS AMENDED OR SUPPLEMENTED BY THE TERMS SET OUT IN THIS PRICING SUPPLEMENT (INCLUDING THE SCHEDULES HERETO) (THE "PRICING SUPPLEMENT") (TERMS USED IN SUCH PROVISIONS BEING DEEMED TO BE DEFINED AS SUCH FOR THE PURPOSES OF THE OFFERING MEMORANDUM).

PRICING SUPPLEMENT

Pricing Supplement dated 10 April 2014



HSBC Bank plc

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

as Issuer

Programme for the Issuance of Notes and Warrants

Issue of

USD 10,000,000 Credit Linked Notes (the "Notes") due 2021 linked to Standard Chartered Bank

PART A - CONTRACTUAL TERMS

This document constitutes the pricing supplement ("**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein and must be read in conjunction with the Offering Memorandum (as completed by this Listing Particulars) dated 18 June 2013 as supplemented from time to time (the "**Offering Memorandum**"). 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 such Offering Memorandum.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investor relations', 'Fixed income securities', 'Issuer programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

The Offering Memorandum does not comprise (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Directive 2003/71/EC as amended (the "Prospectus Directive"). The Offering Memorandum has been prepared solely with regard to Notes that are (i) not to be admitted to listing or trading on any regulated market for the purposes of Directive 2004/39/EC and not to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive).

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

1.	Issuer:	HSBC Bank plc
2.	Tranche number:	1
3.	Currency:	
	(i) Settlement Currency:	United States Dollars ("USD")
	(ii) Denomination Currency:	Settlement Currency
4.	Aggregate Principal Amount:	
	(i) Series:	USD 10,000,000
	(ii) Tranche:	USD 10,000,000
5.	(i) Issue Price:	100.00 per cent. of the Aggregate Principal Amount
	(ii) Commission payable:	None
	(iii) Selling concession:	None
6.	(i) Denomination(s): (Condition 2(b))	USD 10,000,000 per Note
	(ii) Calculation Amount:	Subject to the occurrence of a Succession Event or a partial redemption following a Restructuring Credit Event, USD 10,000,000
7.	(i) Issue Date:	10 April 2014
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date: (Condition 7(a))	Subject to the occurrence of a Potential Credit Event, the earliest to occur of (i) 20 June 2021 (the " Scheduled Maturity Date "), subject to adjustment in accordance with the Following Business Day Convention; (ii) if a Credit Event Notice Date occurs, the last Credit Event Redemption Date to occur; and (iii) the date on which the Notes fall due for redemption pursuant to the occurrence of one or more of the events specified under Conditions 7(b), 7(f) and 11.
	Potential Credit Event:	Notwithstanding anything to the contrary in the Additional Conditions, if facts exist which may result in the determination that a Credit Event has occurred or exists on or prior to the Extension Date (a " Potential Credit Event "), the Maturity Date shall be extended to (1) if a Credit Event Notice is delivered on or prior to the Notice Delivery Period End Date, the last Credit Event Redemption Date to occur, or (2) if no Credit Event Notice is delivered on or prior to the Notice Delivery Period End Date, the earlier of (a) the date on which the Issuer notifies the Noteholders that a Potential Credit Event no longer exists, and (b) the third Business Day after the Notice Delivery Period End Date (the " Extended Maturity Date ").
		" Notice Delivery Period End Date " means the fifth (5th) Business Day following (a) if a Valid Credit Event Resolution Request Date occurs, the later of (i) the 14th calendar day following the Extension Date and (ii) any of the following (I) if the relevant Credit

Event is not a Restructuring, the date on which the Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred; (II) if the relevant Credit Event is a Restructuring, the relevant Exercise Cut-Off Date; (III) the day on which the Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Credit Event has occurred; or (IV) the day that is 14th calendar day following the date on which the Credit Derivatives Determinations Committee has Resolved not to determine whether or not an event constitutes a Credit Event; or (b) otherwise the 14th calendar day following the Extension Date.

For the avoidance of doubt, if the Maturity Date is extended pursuant to the occurrence of a Potential Credit Event, no interest shall accrue in respect of the period from and including the Scheduled Maturity Date to and including the Extended Maturity Date.

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| 9. | Change of interest or redemption basis: | In the event that the Notes are redeemed on a Credit Event Redemption Date, redemption of the Notes shall be pursuant to and in accordance with the Additional Conditions. |
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PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 10. | Fixed Rate Note provisions:
(Condition 4) | Not applicable |
| 11. | Floating Rate Note Provisions:
(Condition 5) | Applicable |
| | (i) Interest Period: | The period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date, with the exception that the first such period shall commence on and include the Issue Date and the last such period shall end on but exclude the earliest to occur of (i) the Credit Event Notice Date (if any), (ii) the Valid Credit Event Resolution Request Date (provided that a Credit Event Notice Date subsequently occurs), (iii) the Scheduled Maturity Date; and (iv) the Maturity Date. |
| | (ii) Interest Payment Dates: | 20 March, June, September and December in each year, commencing on and including the First Interest Payment Date and ending on the earliest to occur of (i) the last Credit Event Redemption Date to occur, (ii) the Scheduled Maturity Date and (iii) the Maturity Date, in each case subject to adjustment in accordance with the Following Business Day Convention. |
| | (iii) First Interest Payment Date: | 20 June 2014 (subject to adjustment in accordance with the Following Business Day Convention). |
| | (iv) Interest Amount: | An amount per Calculation Amount equal to the product of:

(i) the Calculation Amount;

(ii) the Rate of Interest; and

(iii) the Day Count Fraction. |

		Each Interest Amount will be rounded to the nearest sub-unit of the Settlement Currency (half a sub-unit being rounded upwards).
(v)	Business Day Convention:	Following Business Day Convention
(vi)	Business Centre(s):	London and New York
(vii)	Screen Rate Determination:	Applicable
(1)	Reference Rate:	3-month USD-LIBOR-BBA
		A reference to the BBA includes a reference to any successor administrator of LIBOR.
(2)	Interest Determination Date(s):	Two London banking days prior to the start of each Interest Period.
(3)	Relevant Screen Page:	Reuters LIBOR01 Page (or, if not available, on whatever page of such recognised screen service that may be substituted thereof for the display of USD-LIBOR-BBA).
(4)	Relevant Financial Centre:	London
(5)	Designated Maturity:	3-month, provided that the Designated Maturity in respect of the first Interest Period shall be determined through the use of straight-line interpolation by reference to two rates based on the relevant Rate of Interest, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the Interest Period.
(viii)	ISDA Determination:	Not applicable
(ix)	Margin(s):	2.37 per cent. per annum
(x)	Day Count Fraction:	Actual/360 (as defined in Condition 1)
(xi)	Relevant time:	11:00 am London time
(xii)	Minimum Rate of Interest:	Not applicable
(xiii)	Maximum Rate of Interest:	6 per cent. per annum
	(xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not applicable
12.	Variable Coupon Amount Note provisions (Condition 5)	Not applicable
13.	Zero Coupon Note provisions: (Condition 6)	Not applicable

14.	Index-Linked Interest Note/Other Variable-Linked Interest Note provisions	Not applicable
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PROVISIONS RELATING TO REDEMPTION

15.	Issuer's optional redemption (Call Option): (Condition 7(c))	Not applicable
16.	Noteholder's optional redemption (Put Option): (Condition 7(d))	Not applicable
17.	Final Redemption Amount: (Condition 7(a))	USD 10,000,000 per Calculation Amount See also the provisions relating to Redemption following the occurrence of a Credit Event in the Additional Conditions and below.
18.	Final Redemption Amount in cases where the final Redemption Amount is Index-linked to other variable linked:	Not applicable
19.	Instalment Notes: (Condition 7(a))	Not applicable
20.	Early Redemption Amount:	Yes
	(i) Early Redemption Amount (upon redemption for taxation reasons, illegality or following an Event of Default) (Condition 7(b), 7(f) and Condition 11):	The Early Redemption Amount shall be determined in good faith by the Calculation Agent in its absolute discretion to be each Note's pro rata share of the fair market value of the Notes immediately prior to the early redemption date less each Note's pro rata share of any Hedging Costs, subject to a minimum of zero.
	(ii) Other redemption provisions: (Condition 7(j))	If the Issuer gives a Credit Event Notice, the Issuer shall be obliged to redeem the Notes in full or in part, as the case may be, by Physical Settlement and/or Cash Settlement on each applicable Credit Event Redemption Date, pursuant to and in accordance with the Additional Conditions. The Credit Event Notice shall describe the Credit Event and specify the Reference Entity in respect of which the Credit Event has occurred. If ISDA has not publicly announced that an event that constitutes a Credit Event has occurred with respect to the Reference Entity, it will also include copies of relevant Publicly Available Information (two Public Sources) that support the occurrence of the Credit Event.
21.	Form of Notes: (Condition 2(a))	
	(i) Form of Notes:	Bearer Notes
	(ii) Bearer Notes exchangeable for Registered Notes:	No
22.	New Global Note	No
23.	If issued in bearer form:	
	(i) Initially represented by a	Temporary Global Note

	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 2(a))	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances set out in the Permanent Global Note.
	(iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material disadvantage following a change of law or regulation:	No
	(iv) Coupons to be attached to Definitive Notes:	Yes
	(v) Talons for future Coupons to be attached to Definitive Notes:	No
24.	Exchange Date for exchange of Temporary Global Note:	Not earlier than 40 days following the Issue Date.
25.	Payments: (Condition 9)	
	(i) Relevant Financial Centre Day:	A day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and New York (as defined in Condition 1 (Definitions)).
26.	Redenomination: (Condition 10)	Not applicable
27.	Other terms:	The "Additional Conditions" set out in Schedule 1 hereto (the " Additional Conditions ") apply to the Notes, together with Schedules 2 and 3 hereto. In the event of any inconsistency between provisions set out in the Additional Conditions, this Part A of this Pricing Supplement and Schedule 2 hereto, the following hierarchy shall apply, namely (i) firstly, Part A of this Pricing Supplement, then (ii) Schedule 2 hereto and then (iii) the Additional Conditions.

DISTRIBUTION

28.	(i) If syndicated, names of Relevant Dealer(s)/Lead Manager(s):	Not applicable
	(ii) If syndicated, names, addresses and underwriting commitments of other Dealers/Managers (if any):	Not applicable
29.	Selling restrictions:	TEFRA D Rules
	United States of America:	Notes may not be offered or sold within the United States of America or, to or for the account or the

benefit of, a US person (as defined in Regulation S).

Exemption(s) from requirements
under Directive 2003/71/EC (as
amended) (the "**Prospectus
Directive**"):

The denomination of the Notes is greater than or
equal to EUR 100,000 (or equivalent amount in
another currency).

30. Additional selling restrictions: Not applicable

CONFIRMED

HSBC BANK PLC

By:
Authorised Signatory

PART B - OTHER INFORMATION

1. LISTING

- | | | |
|-------|---|--|
| (i) | Listing: | Application will be made to admit the Notes to listing on the Official List of the Irish Stock Exchange on or around the Issue Date. |
| (ii) | Admission to trading: | Application will be made for the Notes to be admitted to trading on the Global Exchange Market with effect from on or around the Issue Date. |
| (iii) | Estimated total expenses of admission to trading: | EUR 2,500. |

RATINGS

- | | | |
|----|----------|--------------------------|
| 2. | Ratings: | The Notes are not rated. |
|----|----------|--------------------------|

YIELD

- | | | |
|----|----------------------|-----------------|
| 3. | Indication of yield: | Not applicable. |
|----|----------------------|-----------------|

PERFORMANCE OF THE UNDERLYING AND OTHER INFORMATION CONCERNING THE UNDERLYING

- | | |
|----|--|
| 4. | The details of past and future performance and volatility of the Reference Entity can be obtained on Bloomberg page stan In. |
|----|--|

OPERATIONAL INFORMATION

- | | | |
|-----|--|--------------------------|
| 5. | ISIN Code: | XS1049203810 |
| 6. | Common Code: | 104920381 |
| 7. | CUSIP: | Not applicable |
| 8. | Valoren Number: | Not applicable |
| 9. | SEDOL: | Not applicable |
| 10. | WKN: | Not applicable |
| 11. | Intended to be held in a manner which would allow Eurosystem eligibility: | No |
| 12. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | None |
| 13. | Delivery: | Delivery against payment |
| 14. | Settlement procedures: | Medium Term Note |
| 15. | Additional Paying Agent(s) (if any): | None |
| 16. | Common Depositary: | HSBC Bank plc |
| 17. | Calculation Agent: | HSBC Bank plc |
| 18. | City in which specified office of Registrar to be maintained:
(Condition 15) | Not applicable |

19. ERISA Considerations:

The Notes may not be purchased by "benefit plan investors". See "Certain ERISA Considerations" in the Offering Memorandum for further information.

SCHEDULE 1

ADDITIONAL CONDITIONS

The section headed "*Terms and Conditions of the Notes*" of the Offering Memorandum shall be supplemented and modified by the following Additional Conditions. In the event of any inconsistency between the "*Terms and Conditions of the Notes*" and these Additional Conditions, these Additional Conditions shall prevail and the "*Terms and Conditions of the Notes*" shall be amended accordingly.

Interest

Condition 5 (*Floating Rate Note, Index-Linked Interest Note and other variable-linked interest Note Provisions*) will apply with the following amendments:

- (i) existing Condition 5(b) (*Accrual of interest*) shall be amended by the substitution of "Interest conditionally payable" for "Accrual of Interest" in the heading and by the insertion of the words "Subject to Condition 5(k) below," at the beginning; and
- (ii) the following provision shall be included as Condition 5(k):

"5(k) Condition precedent to interest entitlement

The Issuer's obligation to make any payment of interest in accordance with Condition 4 is subject to the condition precedent that no Credit Event Notice has been given on or before the relevant Interest Payment Date and subsists only so long as a Credit Event Notice has not been given. Accordingly, the Issuer shall have no obligation to pay interest on the Notes in respect of all or any part of the Interest Period current on the date that is the earlier to occur of (I) the Credit Event Notice Date and (II) the Valid Credit Event Resolution Request Date **provided that** a Credit Event Notice Date subsequently occurs or in respect of any subsequent period; **provided, however, that**, if "Interest until Credit Event Notice Date" is specified then the Issuer shall pay the interest accrued to, but excluding, the earliest to occur of (i) the Credit Event Notice Date; (ii) the Valid Credit Event Resolution Request Date **provided that** a Credit Event Notice Date subsequently occurs; (iii) the Scheduled Maturity Date; and (iv) the Maturity Date. For the avoidance of doubt, if in accordance with Conditions 7(j)(x) or 7(j)(xi), a partial redemption is effected, interest shall continue to accrue in accordance with this Condition on the unaffected outstanding principal amount of the Notes.

If the Issuer has overpaid one or more Interest Amounts as a result of one or more Interest Payment Dates occurring between the Credit Event Resolution Request Date and the Credit Event Notice Date, the Issuer may elect in its sole and absolute discretion to instigate the clawback of any such overpaid Interest Amounts."

Redemption and Purchase

Condition 7 (*Redemption and Purchase*) shall apply with the following amendments:

- (i) The following provision shall be substituted for the existing Condition 7(a):

"7(a) Final Redemption

 - (i) Subject to Condition 7(a)(ii) below and subject as otherwise set out in the Conditions, the Notes will, unless previously redeemed or purchased and cancelled, be redeemed at their principal amount or such other redemption amount as may be set out in or determined in accordance with the Conditions on the Maturity Date specified in the relevant Conditions.
 - (ii) The Issuer's obligation to redeem the Notes in accordance with Condition 7(a)(i) above is subject to the condition precedent that no Credit Event Notice has been given on or before the Maturity Date and subsists only so long as a Credit Event Notice has not been given. Accordingly, the Issuer shall have no obligation to redeem the Notes in accordance with Condition 7(a)(i) above if, on or before the Maturity Date, a Credit

Event Notice has been given. In such circumstances, the only obligations of the Issuer with regard to redemption of the Notes shall be to redeem the Notes in accordance with the provisions set out in Part A and subject to the following provisions of this Condition 7."

- (ii) The following Conditions 7(j), (k), (l), (m), (n), (o) and (p) shall be added to Condition 7 (Condition 7(i) being omitted):

"7(j) *Redemption following the occurrence of a Credit Event*

Delivery of a Credit Event Notice

- (i) Following the occurrence of a Credit Event on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and on or prior to the Scheduled Maturity Date, the Issuer may at any time on or before the Notice Delivery Period End Date, and irrespective of whether such Credit Event is continuing and/or any other Credit Event has occurred, give notice thereof to the Noteholders (such notice the "**Credit Event Notice**" and the date on which such notice is given, the "**Credit Event Notice Date**") in accordance with Condition 14 (*Notices*) and Part B of the Conditions. The Issuer shall be under no obligation to give notice of any Credit Event and no delay in giving, or omission to give, notice of any Credit Event shall prejudice the Issuer's right to give notice with respect to such (or any other) Credit Event provided such notice is given no later than on or prior to the Notice Delivery Period End Date.
- (ii) For the avoidance of doubt, the Issuer may give a Credit Event Notice whether or not it has already taken any steps to exercise its option under Condition 7(b) (*Redemption for Taxation Reasons*), and any giving of a Credit Event Notice shall supersede and override any earlier exercise of such option.

Terms relating to Physical Settlement

- (iii) If the Issuer gives a Credit Event Notice, unless the Issuer has determined that:
 - (1) it would be unlawful, impossible or otherwise impracticable to deliver to each Noteholder any of the Deliverable Portfolio Constituents in accordance with sub-paragraph (ii)(B) of the Cash Settlement Event definition; or
 - (2) no Valuation Obligations would be comprised in the Deliverable Portfolio in accordance with sub-paragraph (iii)(B) of the Cash Settlement Event definition,

the Issuer shall deliver a Physical Settlement Notice to each Noteholder in accordance with Condition 14(a) (*Notices to Noteholders*) and subject (i) as provided in Conditions 7(j)(x) and 7(j)(xi) below and (ii) the receipt by the Issuer of a duly completed Asset Transfer Notice from each Noteholder in accordance with Condition 14(b) (*Notices from Noteholders*) on or prior to the date specified in the Physical Settlement Notice as the deadline for such receipt by the Issuer, the Issuer shall redeem the Notes (in whole or in part, as applicable) by Delivery, or by procuring the Delivery, to each Noteholder of such Noteholder's pro rata share of the Deliverable Portfolio (if any) excluding any Undeliverable Obligations, in accordance with details provided in the Asset Transfer Notice, on or before the Physical Settlement Date (such Delivery, "**Physical Settlement**" and each date of such Delivery of a Deliverable Portfolio Constituent, a "**Delivery Date**") in accordance with this Condition 7(j).

Terms relating to Asset Transfer Notice and Delivery

- (iv) An Asset Transfer Notice, once delivered to the Issuer, shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Noteholder may not transfer Notes which are the subject of an Asset Transfer Notice following delivery of such Asset Transfer Notice to the Issuer. Failure to properly complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void.

Any determination as to whether an Asset Transfer Notice has been properly completed and delivered in accordance with the Conditions shall be made by the Issuer and shall be conclusive and binding on each Noteholder.

- (v) It is a condition to each Noteholder's entitlement to Delivery of any Deliverable Portfolio Constituents that all Delivery Fees have been paid in respect thereof to the Issuer in full prior to such Delivery, to the satisfaction of the Issuer.
- (vi) After Delivery to, or for the account of, a Noteholder of any Deliverable Portfolio Constituent and for such time as the Issuer or other transferor or its agent or nominee (each, as applicable, the "**Transferor**") shall continue to be registered in any clearing system as the owner of such Deliverable Portfolio Constituent (the "**Intervening Period**"), the Transferor shall not (i) be under any obligation to deliver to such Noteholder or any other person any letter, certificate, notice, circular dividend or any other document or payment whatsoever received by the Transferor in its capacity as holder of such Deliverable Portfolio Constituent, (ii) be under any obligation to exercise any rights attaching to such Deliverable Portfolio Constituent during the Intervening Period, or (iii) be under any liability to such Noteholder or any other person in respect of any loss or damage which such Noteholder or any other person may sustain or suffer as a result, whether directly or indirectly, of the Transferor being registered in such clearing system during such Intervening Period as legal owner of such Deliverable Portfolio Constituent.

Terms relating to Cash Settlement

- (vii) Notwithstanding Condition 7(j)(iii) above, if the Issuer gives a Credit Event Notice and at any time prior to the Maturity Date a Cash Settlement Event occurs, the Issuer (subject as provided in Conditions 7(j)(x) and 7(j)(xi) below) shall be obliged to redeem the Notes (or relevant part thereof) by payment on each applicable Credit Event Redemption Date(s) of an amount in respect of each Note equal to such Note's pro rata share of the related Credit Event Redemption Amount(s) (such payment, "**Cash Settlement**").
- (viii) For the avoidance of doubt, if Cash Settlement Events occur pursuant to both of subparagraphs (ii) and (iii) of the definition thereof, a Credit Event Redemption Amount and related Credit Event Redemption Date will be determined in respect of each such Cash Settlement Event separately.

Terms relating to Interest

- (ix) The Issuer shall not be liable to pay interest on the Notes in respect of all or any part of the Interest Period current at the earlier to occur of (A) the relevant Credit Event Notice Date; (B) the relevant Valid Credit Event Resolution Request Date **provided that** a Credit Event Notice Date subsequently occurs (or, in either case, if such date is on or after the Scheduled Maturity Date, the Interest Period to (but excluding) the Scheduled Maturity Date) nor in respect of any subsequent period, and interest shall be treated as having ceased to accrue accordingly; **provided, however, that**, if "Interest until Credit Event Notice Date" is specified then the Issuer shall pay the interest accrued to, but excluding, the earlier to occur of (I) the Credit Event Notice Date; (II) the Valid Credit Event Resolution Request Date **provided that** a Credit Event Notice Date subsequently occurs; (III) the Scheduled Maturity Date; and (IV) the Maturity Date.

Terms relating to Successors

- (x) This Condition 7(j)(x) applies if the Reference Entity Calculation Amount is required to be allocated as contemplated in paragraph (e) of the definition of Successor in Condition 7(o). In such circumstances:
 - (a) the Issuer shall be entitled under this Condition 7(j) to give multiple Credit Event Notices, one with respect to each Successor, and where any Credit Event Notice is so given, the conditions precedent to the obligations of the Issuer to pay interest on, and principal of, the Notes shall be treated as unsatisfied only in relation to an amount (the "**Successor Partial**

Redemption Amount") of the outstanding principal amount of the Notes equal to the proportion of the Reference Entity Calculation Amount allocated to the relevant Successor;

- (b) where a Credit Event Notice is so given the provisions of this Condition 7(j)(x) will apply so as to require the Issuer to redeem each Note in part only in an amount equal to such Note's pro rata share of the Successor Partial Redemption Amount (which shall be the amount on which interest shall be treated as having ceased to accrue or to accrue (as applicable) as contemplated in Condition 7(j)(ix) above):
 - (A) where Physical Settlement applies, on or before the Physical Settlement Date by Delivery in respect of each Note of such Note's pro rata share of the Deliverable Portfolio (if any) excluding any Undeliverable Obligations (provided that for the purposes of this Condition 7(j)(x), when determining the Deliverable Portfolio, the references in the definition thereof to "Reference Entity Calculation Amount" shall be deemed to be references to the "Successor Partial Redemption Amount"); and
 - (B) where Cash Settlement applies, on the relevant Credit Event Redemption Date, by payment of an amount in respect of each Note equal to such Note's pro rata share of the Credit Event Redemption Amount (provided that for the purposes of this Condition 7(j)(x), when determining the Credit Event Redemption Amount and the Portfolio (if applicable), the references in the definitions thereof to "Reference Entity Calculation Amount" shall be deemed to be references to the "Successor Partial Redemption Amount").

For the avoidance of doubt, the principal amount of each such Note not so redeemed in part shall remain outstanding and interest shall continue to accrue on the principal amount outstanding of such Note as provided in Condition 5 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

- (c) Save where the full principal amount of the Notes has been so redeemed, the Issuer shall remain entitled notwithstanding any such partial redemption to give one or more further Credit Event Notices with respect to any such Successor or any other Reference Entity in respect of which no Credit Event Notice has been effectively given.

Terms relating to Restructuring Credit Events

- (xi) This Condition 7(j)(xi) applies if one or more Restructuring Credit Events occurs on or prior to the Scheduled Maturity Date (and whether or not such event is continuing). In such circumstances:
 - (a) the Issuer shall be entitled to redeem the Notes in part only by giving a Credit Event Notice with respect to the relevant Restructuring Credit Event and specifying in such notice (A) that partial redemption only of the Notes is required and (B) the portion of the Reference Entity Calculation Amount (being an amount which is (x) less than the outstanding principal amount of the Notes and (y) at least 1,000,000 units of the currency (or if Japanese Yen, 100,000,000 units) in which the Reference Entity Calculation Amount is denominated or an integral multiple thereof) in respect of which such partial redemption is required (the portion of the Reference Entity Calculation Amount being the "**Partial Redemption Portion**" applicable with respect to such Credit Event Notice); and
 - (b) where a Credit Event Notice is given as contemplated in (a) above:
 - (i) the Reference Entity Calculation Amount in respect of the relevant Reference Entity shall thereafter be deemed reduced by an amount equal to the Partial Redemption Portion of the Reference Entity

Calculation Amount immediately preceding the giving of the Credit Event Notice; and

- (ii) the provisions of this Condition 7 will apply so as to require the Issuer to redeem each Note in part only in an amount equal to such Note's pro rata share of the Partial Redemption Portion (which shall be the amount on which interest shall be treated as having ceased to accrue or to accrue (as applicable) as contemplated in Condition 7(j)(ix) above):
 - (A) where Physical Settlement applies, on or before the Physical Settlement Date by Delivery in respect of each Note of such Note's pro rata share of the Deliverable Portfolio (if any) excluding any Undeliverable Obligations (provided that for the purposes of this Condition 7(j)(xi), when determining the Deliverable Portfolio, the references in the definition thereof to "Reference Entity Calculation Amount" shall be deemed to be references to the "Partial Redemption Portion"); and
 - (B) where Cash Settlement applies, on the relevant Credit Event Redemption Date, by payment of an amount in respect of each Note equal to such Note's pro rata share of the Credit Event Redemption Amount (provided that for the purposes of this Condition 7(j)(xi), when determining the Credit Event Redemption Amount, the references in the definition thereof to "Reference Entity Calculation Amount" shall be deemed to be references to the "Partial Redemption Portion").

The Issuer shall be entitled to require such a partial redemption (or a redemption in full of each Note) with respect to each Restructuring Credit Event which may occur and whether or not a partial redemption has been required in respect of another Restructuring Credit Event. For the avoidance of doubt:

- (i) the principal amount of each such Note not so redeemed in part shall remain outstanding and interest shall continue to accrue on the principal amount outstanding of such Note as provided in Condition 5 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate);
- (ii) the Issuer shall, notwithstanding any such partial redemption having been required in connection with a Restructuring Credit Event, remain entitled to give a Credit Event Notice with respect to any other Credit Event and redeem the Notes in accordance with the provisions of this Condition 7 applicable where a Credit Event Notice has been given; and
- (iii) this Condition 7(j)(xi) (*Terms relating to Restructuring Credit Events*) may apply in respect of each Successor Partial Redemption Amount determined pursuant to Condition 7(j)(x) (*Terms relating to Successors*) and this Condition 7(j)(xi) (*Terms relating to Restructuring Credit Events*) shall be construed accordingly."

"7(k) [RESERVED]"

"7(l) *Method for Determining Obligations*

For the purposes of the definition of Obligation in Condition 7(o) the term "**Obligation**" may be defined as each obligation of each Reference Entity described by the specified Obligation Category, and having the specified Obligation Characteristics, if any, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice. The following terms shall have the following meanings:

- (1) "**Obligation Category**" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified, and:
 - (A) "**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
 - (B) "**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
 - (C) "**Reference Obligations Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
 - (D) "**Bond**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
 - (E) "**Loan**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
 - (F) "**Bond or Loan**" means any obligation that is either a Bond or a Loan.
- (2) "**Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, and:
 - (A) (aa) "**Not Subordinated**" means an obligation that is not Subordinated to (i) the most senior Reference Obligation in priority of payment or (ii) if no Reference Obligation is specified, any unsubordinated Borrowed Money obligations of the Reference Entity; **provided that**, if any of the events set forth under the definition of "Substitute Reference Obligation" has occurred with respect to all of the Reference Obligations or if, pursuant to the definition of "Successor" a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation" with respect to the Reference Obligation (each, in each case, a "**Prior Reference Obligation**") and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Valuation Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Valuation Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable shall be determined as of the date as of which the relevant Reference Obligation or

Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date;

(bb) "**Subordination**" means, with respect to an obligation (the "**Subordinated Obligation**") and another obligation of the Reference Entity to which such obligation is being compared (the "**Senior Obligation**"), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. "**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;

- (B) "**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such (or, if Specified Currency is specified and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be specified collectively as the "**Standard Specified Currencies**");
- (C) "**Not Sovereign Lender**" means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt";
- (D) "**Not Domestic Currency**" means any obligation that is payable in any currency other than the Domestic Currency;
- (E) "**Not Domestic Law**" means any obligation that is not governed by the laws of (1) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (2) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
- (F) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (G) "**Not Domestic Issuance**" means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

If the Obligation Characteristic "Listed" is specified, the Conditions shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if bonds are covered by the selected Obligation Category.

In the event that an Obligation is a Qualifying Guarantee, the following will apply:

- (1) For purposes of the application of the Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.

- (2) For purposes of the application of the Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the specified applicable Obligation Characteristics, if any, from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
- (3) For purposes of the application of the Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the specified applicable Obligation Characteristics, if any, from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (4) For purposes of the application of the Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor."

"7(m) Method for Determining Valuation Obligations

For the purpose of the definition of Valuation Obligation in Condition 7(o) the term **"Valuation Obligation"** may be defined as (i) each obligation of each Reference Entity described by the specified Valuation Obligation Category, and having each of the specified Valuation Obligation Characteristics, if any, as of the Valuation Date subject as provided below and (ii) any obligation delivered to the Issuer (and/or its Affiliates) under a Representative Auction-Settled Transaction, a Hedge Transaction or otherwise. The following terms shall have the following meanings:

- (1) **"Valuation Obligation Category"** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in Condition 7(l)(1), except that, for the purpose of determining Valuation Obligations, Condition 7(l)(1)(C) shall be amended to state that no Valuation Obligation Characteristics shall be applicable to Reference Obligations Only).
- (2) **"Valuation Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, and:
 - (A) **"Not Contingent"** means any obligation having as of the Valuation Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Valuation Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (1) to convert or exchange such obligation or (2) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Valuation Date;

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Valuation Obligation only if the rights referred to in (1) and (2) above of this Condition

7(m)(2)(A) have not been exercised (or such exercise has been effectively rescinded) on or before the Valuation Date;

- (B) **"Assignable Loan"** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- (C) **"Consent Required Loan"** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- (D) **"Direct Loan Participation"** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of a third party, that provides such party with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between the relevant third party or its designee and either (x) the Issuer or its designee (to the extent the Issuer or such designee is then a lender or a member of the relevant lending syndicate), or (y) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (E) **"Transferable"** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction **provided that** none of the following shall be considered contractual, statutory or regulatory restrictions:
 - (x) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
 - (y) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;
- (F) **"Maximum Maturity"** means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified;
- (G) **"Accelerated or Matured"** means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Valuation Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (H) **"Not Bearer"** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream, Luxembourg or any other internationally recognised clearing system.

If the Obligation Characteristic "Listed" is specified, the Conditions shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category.

If (a) either of the Valuation Obligation Characteristics "Listed" or "Not Bearer" is specified, the Conditions shall be construed as though such Valuation Obligation Characteristic had been

specified as a Valuation Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Valuation Obligation Category; (b) the Valuation Obligation Characteristic "Transferable" is specified, the Conditions shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Valuation Obligation Category); or (c) any of the Valuation Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified, the Conditions shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Valuation Obligation Category;

If any of Payment, Borrowed Money, Loan, or Bond or Loan is specified as the Valuation Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Valuation Obligation Characteristics, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics; and

In the event that a Valuation Obligation is a Qualifying Guarantee, the following will apply:

- (1) For purposes of the application of the Valuation Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (2) For purposes of the application of the Valuation Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the specified applicable Valuation Obligation Characteristics, if any, from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
- (3) For purposes of the application of the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the specified applicable Valuation Obligation Characteristics, if any, from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (4) For purposes of the application of the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (5) The terms "outstanding principal balance" and "Due and Payable Amount" (as they are used in various other Conditions), when used in connection with Qualifying Guarantees are to be interpreted to be the then "outstanding principal balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee."

"7(n) Restructuring Maturity Limitation and Modified Restructuring Maturity Limitation

If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified as applicable in the Standard Terms with respect to the relevant Reference Entity and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Valuation Obligation may be included in the Portfolio only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the Standard Terms with respect to the relevant Reference Entity and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Valuation Obligation may be included in the Portfolio only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date."

"7(o) *Credit-Linked Note Definitions*

"Accreted Amount" means, with respect to an Accreting Obligation, an amount equal to (i) the sum of (a) the original issue price of such obligation and (b) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (ii) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (i)(b) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Valuation Date. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified as being applicable. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such obligation's yield to maturity is not specified in, nor implied from, the terms of such obligation, then, for purposes of (i)(b) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (1) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (2) the relevant Valuation Date. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable;

"Accreting Obligation" means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (i) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (ii) periodic cash interest is also payable. With respect to any Accreting Obligation, "outstanding principal balance" shall mean the Accreted Amount thereof.

"Affiliate" means in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "**control**" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Asset Transfer Notice" means a notice in writing from a Noteholder substantially in the form set out in Schedule 5 (*Form of Asset Transfer Notice*) hereto and which includes:

- (i) a representation that such Noteholder is an Eligible Holder;
- (ii) (A) details of the account with Euroclear, Clearstream, Luxembourg or other relevant clearing system to which the Deliverable Portfolio should be delivered, if the Deliverable Portfolio to be delivered comprises Valuation Obligations that are then deliverable through any such clearing system or (B) if the Deliverable Portfolio comprises Valuation Obligations that are not so deliverable, appropriate delivery instructions and all necessary consents or authorisations (including of any applicable designee) with respect thereto as requested by the Issuer; and
- (iii) confirmation that it has requested Euroclear/Clearstream to block its account at the time of sending the notice.

"Auction" has the meaning set forth in the relevant Transaction Auction Settlement Terms.

"Auction Cancellation Date" means the date on which an Auction is deemed to be cancelled pursuant to the Transaction Auction Settlement Terms with respect to the relevant Reference Entity.

"Auction Covered Transaction" has the meaning set forth in the Transaction Auction Settlement Terms.

"Auction Final Price" means the price, if any, specified to be the Auction Final Price in the Transaction Auction Settlement Terms with respect to the Reference Entity (expressed as a percentage) or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-Off Date, the price, if any, specified to be the Auction Final Price in the Parallel Auction Settlement Terms with respect to the Reference Entity (expressed as a percentage).

"Auction Final Price Determination Date" means the day, if any, on which the Auction Final Price is determined pursuant to the Transaction Auction Settlement Terms with respect to the Reference Entity.

"Auction Settlement Date" means the date that is the number of Business Days specified in the Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following the Auction Final Price Determination Date.

"Bankruptcy" means a Reference Entity (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (a) results in a judgement 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 (b) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) 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; (vii) 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 thirty calendar days thereafter; or (viii) 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 (i) to (vii) above (inclusive) of this definition of Bankruptcy.

"Business Day" shall have the meaning given to it in the relevant Pricing Supplement;

"Cash Settlement" has the meaning given in Condition 7(j)(viii).

"Cash Settlement Event" means the occurrence of any of the following:

- (i) the Issuer does not receive a duly completed Asset Transfer Notice from each Noteholder on or prior to the date specified in the Physical Settlement Notice as the deadline for such receipt by the Issuer (for any reason without limitation, including because the Issuer did not deliver a Physical Settlement Notice to the Noteholders in accordance with Condition 7(j)(iii));

- (ii) (A) the Issuer receives a duly completed Asset Transfer Notice from each Noteholder on or prior to the date specified in the Physical Settlement Notice as the deadline for such receipt by the Issuer and (B) the Issuer determines in its sole and absolute discretion that it would be unlawful, impossible or otherwise impracticable (including without limitation, due to failure of the relevant clearing system, any law, regulation, or court order, market conditions, or the non-receipt of any consents with respect to the delivery of loans) to deliver to each Noteholder any or all of the Deliverable Portfolio Constituents; or
- (iii) (A) the Issuer receives a duly completed Asset Transfer Notice from each Noteholder on or prior to the date specified in the Physical Settlement Notice as the deadline for such receipt by the Issuer and (B) the Issuer and/or any of its Affiliates for any reason whatsoever will not receive or has not received, pursuant to any Representative Auction-Settled Transaction, Hedge Transaction or otherwise, enough Valuation Obligations to redeem the Notes in full by Physical Settlement in accordance with Condition 7(j)(iii) (*Physical Settlement*), as determined by the Issuer in its sole and absolute discretion.

"**CDS Settlement Currency**" means the currency specified or, if no currency is so specified, the currency of denomination of the Reference Entity Calculation Amount.

"**Conditionally Transferable Obligation**" means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds, **provided, however, that** a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Valuation Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Valuation Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this definition of Conditionally Transferable Obligation.

For purposes of determining whether a Valuation Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Valuation Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents obtained.

"**Convertible Obligation**" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"**Credit Derivatives Auction Settlement Terms**" means any Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules.

"**Credit Derivatives Determinations Committees**" means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof (the "**Rules**").

"**Credit Event**" means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, as specified, as determined by the Issuer or the Calculation Agent in its sole and absolute

discretion (save that such determination shall be confirmed by Publicly Available Information). If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon: (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, any Underlying Obligor to enter into any Underlying Obligation, (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described, (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described or (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"Credit Event Backstop Date" means the later of (i) the Trade Date; and (ii) either (a) 60 calendar days prior to the Credit Event Resolution Request Date (if any) or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) the Credit Event Notice Date and (ii) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (C) the Credit Event Notice is effective not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Credit Event Redemption Amount" means:

- (A) if a Cash Settlement Event occurs pursuant to sub-paragraph (i) of the definition thereof, an amount equal to:
 - (i) the product of:
 - (a) the relevant portion of the Reference Entity Calculation Amount; and
 - (b) the weighted average (weighted by reference to the outstanding principal amount of the relevant obligations as follows) of:
 - (x) if a Dealer Poll Event occurs pursuant to any of sub-paragraphs (1) to (5) of the definition thereof, the Final Price for the Portfolio determined pursuant to the Dealer Poll Method;
 - (y) if a Dealer Poll Event occurs pursuant to sub-paragraph (6) of the definition thereof, the Final Price of each Undeliverable Obligation (if any) determined pursuant to the Dealer Poll Method; and
 - (z) if a Dealer Poll Event does not occur, the Auction Final Price;
 - less
 - (ii) any Hedging Costs;
- (B) if a Cash Settlement Event occurs pursuant to sub-paragraph (ii) of the definition thereof, an amount in respect of the portion of the Notes which would have been redeemed by Physical Settlement but for the occurrence of such Cash Settlement Event equal to:

- (i) the product of:
 - (a) the relevant portion of the Reference Entity Calculation Amount; and
 - (b) the Final Price of each Undeliverable Obligation determined pursuant to the Dealer Poll Method,
 - less*
 - (ii) a pro rata share of any Hedging Costs (such Hedging Costs reduced by an amount equal to the amount (if any) in respect of which the Issuer has been effectively compensated by the prior redemption of Notes pursuant to either Physical Settlement or pursuant to (C) below); and
- (C) if a Cash Settlement Event occurs pursuant to sub-paragraph (iii) of the definition thereof, an amount in respect of the portion of the Notes which would have been redeemed by Physical Settlement but for the occurrence of such Cash Settlement Event equal to:
- (i) the product of:
 - (a) the relevant portion of the Reference Entity Calculation Amount; and
 - (b) either:
 - (x) if a Dealer Poll Event occurs pursuant to any of sub-paragraphs (1) to (5) of the definition thereof, the Final Price for the Portfolio determined pursuant to the Dealer Poll Method; and
 - (y) otherwise, the Auction Final Price; or
 - less*
 - (ii) a pro rata share of any Hedging Costs (such Hedging Costs reduced by an amount equal to the amount (if any) in respect of which the Issuer has been effectively compensated by the prior redemption of Notes pursuant to either Physical Settlement or pursuant to (B) above),

in each case (i) as determined by the Calculation Agent, (ii) rounded to the nearest sub-unit of the Settlement Currency (half a sub-unit being rounded upwards) and (iii) which shall not be less than zero.

"Credit Event Redemption Date" means (i) in respect of a redemption of the Notes (in whole or in part) pursuant to Physical Settlement, each Delivery Date in respect of such redemption and (ii) in respect of a redemption of the Notes (in whole or in part) pursuant to Cash Settlement, in respect of each Credit Event Redemption Amount, the latest to occur of:

- (a) if such Credit Event Redemption Amount is to be determined (in whole or in part) by reference to an Auction Final Price, the fifth Business Day following the latest of (i) the Physical Settlement Date (ii) the Auction Settlement Date or the Parallel Auction Settlement Date (as applicable) and (iii) the relevant Credit Event Notice Date; and
- (b) if such Credit Event Redemption Amount is to be determined (in whole or in part) by reference to one or more Final Prices determined in accordance with the Dealer Poll Method, the later of (i) the Physical Settlement Date and (ii) the tenth Business Day following the last Valuation Date to occur (or Backup Valuation Date, as applicable).

"Credit Event Resolution Request Date" means, with respect to a notice to ISDA, delivered in accordance with the ISDA Credit Derivatives Determinations Committee Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (1) whether an event that constitutes a Credit Event has occurred with respect to the Reference Entity or Obligation thereof; and

- (2) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA to be the date that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the ISDA Credit Derivatives Determinations Committee Rules, of Publicly Available Information with respect to the DC Resolutions referred to in sub-clauses (a) and (b) above.

"Currency Amount" means, whenever an amount is denominated in a currency other than the CDS Settlement Currency and is to be determined under these Conditions by reference to a Currency Amount, such amount converted to the relevant CDS Settlement Currency using the Currency Rate.

"Currency Rate" means, whenever so required to be determined the rate for conversion of the currency of the Valuation Obligation into the CDS Settlement Currency determined by the Calculation Agent, as of the Valuation Date, in its sole discretion.

"Dealer Poll Event" means, in relation to a Credit Event, the occurrence of one or more of the following in respect of such Credit Event:

- (1) an Auction Cancellation Date or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-off Date, a Parallel Auction Cancellation Date occurs;
- (2) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraph (b) of such definition, the Issuer has not exercised the Movement Option);
- (3) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine (A) whether or not an event constitutes a Credit Event with respect to the Reference Entity or Obligation thereof nor (B) the date of the occurrence of such event;
- (4) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that an event constitutes a Credit Event with respect to the Reference Entity or Obligation thereof and the date of the occurrence of such event and the Issuer determines in its sole and absolute discretion that a Reference Transaction or a Hedge Transaction would be settled in accordance with the Dealer Poll Method;
- (5) no Credit Event Resolution Request Date has occurred on or prior to the first Business Day prior to the Valuation Date; or
- (6) the Issuer has taken physical delivery of an Undeliverable Obligation.

"Dealer Poll Method" has the meaning given in Schedule 2.

"DC Resolution" has the meaning given to that term in the Rules.

"Default Requirement" means the amount specified as such or its equivalent in the relevant Obligation Currency, or if no amount is so specified, USD10,000,000 or its equivalent in the relevant Obligation Currency in either case as of the occurrence of the relevant Credit Event.

"Deliver" means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Valuation Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Valuation Obligations in the Deliverable Portfolio to the Noteholders, as the case may be, free and clear of any and all liens, charges,

claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence as set out in the definition of "**Credit Event**") or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that to the extent that the Valuation Obligations consist of Direct Loan Participations, "Deliver" means to create (or procure the creation) of a participation in favor of the Noteholders and to the extent that the Valuation Obligations consist of Qualifying Guarantees, "Deliver" means to Deliver both the Qualifying Guarantee and the Underlying Obligation. "**Delivery**" and "**Delivered**" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time. Notwithstanding the previous sentence, in the case of a Loan, Delivery may be effected using the provisions of any documentation (which term shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the Issuer.

"**Deliverable Obligation Provisions**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Deliverable Obligation Terms**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Deliverable Portfolio**" means a portfolio of one or more Valuation Obligations which the Issuer and/or any of its Affiliates has actually taken physical delivery pursuant to any Representative Auction-Settled Transaction, Hedge Transaction or otherwise with (i) in the case of Valuation Obligations that are Borrowed Money obligations, an outstanding principal balance (including (if Included Accrued Interest is specified) or excluding (if Exclude Accrued Interest is specified) accrued but unpaid interest as determined by the Issuer or the Calculation Agent acting in a commercially reasonable manner) or (ii) in the case of Valuation Obligations that are not Borrowed Money obligations, a Due and Payable Amount (or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount) which in aggregate shall not exceed the lesser of (a) the Reference Entity Calculation Amount (or, if a partial redemption is designated in respect of a Restructuring Credit Event, the relevant Partial Redemption Portion) as of the relevant Valuation Date) and (b) the outstanding principal balance (or the equivalent in the Settlement Currency) of Valuation Obligations actually received by the Issuer under any Representative Auction-Settled Transaction, Hedge Transaction or otherwise (and determined by the Issuer as allocable to its issuance of the Notes), in each case *less* any Hedging Costs.

"**Deliverable Portfolio Constituent**" means a Valuation Obligation included in the Deliverable Portfolio and, if the Deliverable Portfolio comprises only one such Valuation Obligation, that sole Valuation Obligation comprising the Deliverable Portfolio.

"**Delivery Date**" has the meaning given in Condition 7(j)(iii) (*Terms relating to Physical Settlement*).

"**Delivery Fees**" means any stamp tax, recordation, processing or similar fees or other expenses or fees reasonably incurred or expected to be incurred by the Issuer and/or its Affiliates, arising from the receipt by the Issuer and/or its Affiliates, or delivery by the Issuer and/or its Affiliates to each Noteholder, of the Deliverable Portfolio.

"**Domestic Currency**" means the currency specified as such and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of (i) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (ii) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

"Downstream Affiliate" means an entity whose outstanding Voting Shares were, at the date of the issuance of the Qualifying Guarantee, more than 50 percent owned, directly or indirectly, by the Reference Entity.

"Due and Payable Amount" means the amount that is due and payable under (and in accordance with the terms of) a Valuation Obligation as of the relevant Valuation Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

"Eligible Holder" means, in respect of a Valuation Obligation, a holder of the type specified as being eligible to hold such Valuation Obligation in the terms of the documentation supporting the issuance of such Valuation Obligation.

"Eligible Reference Entity" means an entity that is in the same Moody's, S&P or Additional Rating Agency industry group (the **"Industry Requirement"**) as the relevant Surviving Reference Entity, where:

"Moody's" means Moody's Investors Service, Inc.;

"S&P" means Standard and Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc; and

"Additional Rating Agency" means any rating agency selected by the Issuer in its sole discretion.

"Eligible Transferee" means:

any

- (i) bank or other financial institution;
 - (ii) an insurance or reinsurance company;
 - (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in (iii)(a) below); and
 - (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship);
- provided, however, in each case that such entity has total assets of at least USD500,000,000;
- (v) an Affiliate of an entity specified in (i) above;
 - (vi) each of a corporation, partnership, proprietorship, organisation, trust or other entity
 - (1) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least USD100,000,000 or (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD100,000,000; or
 - (2) that has total assets of at least USD500,000,000; or
 - (3) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in (i), (ii), (iii)(b) above or (iv) below; or
 - (vii) a Sovereign, Sovereign Agency or Supranational Organisation

(all references in this definition to USD including equivalent amounts in other currencies).

"Enabling Obligation" means an outstanding Valuation Obligation that is (a) a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (b) has

a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or in circumstances where the Scheduled Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

"Equity Securities" means:

- (1) in the case of a Convertible Obligation, equity securities (including options or warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (2) in the case of an Exchangeable Obligation, equity securities (including options or warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

"Exchangeable Obligation" means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holder of such obligation). With respect to any Exchangeable Obligation that is not an Accreting Obligation, "outstanding principal balance" shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

"Excluded Obligation" means any obligation of a Reference Entity specified as such (if any are so specified).

"Excluded Valuation Obligation" means any obligation of a Reference Entity specified as such (if any are so specified).

"Exercise Cut-off Date" means:

- (a) with respect to a Credit Event which is a Restructuring for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the Standard Terms with respect to the relevant Reference Entity and:
 - (i) the relevant Credit Derivatives Determinations Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules; or
 - (ii) a No Auction Announcement Date occurs pursuant to paragraph (a) of the definition of No Auction Announcement Date, the date that is 21 calendar days following such No Auction Announcement Date; or
- (b) with respect to a Credit Event which is a Restructuring for which neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the Standard Terms with respect to the relevant Reference Entity, either:
 - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;
 - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or

- (iii) the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

"**Extended Maturity Date**" has the meaning ascribed thereto in Part A.

"**Extension Date**" means the latest of (a) the Scheduled Maturity Date, (b) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable in the Standard Terms with respect to the relevant Reference Entity, (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and (c) the Repudiation /Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in sub-paragraph (b) of the definition of Repudiation/Moratorium occurs after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

"**Failure to Pay**" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

"**Final Price**" means:

- (A) in respect of the Undeliverable Obligations (or portions thereof), the weighted average of the highest firm bid price obtained by the Issuer and/or its Affiliates in respect of the actual sale of the Undeliverable Obligations (or portions thereof), *provided that* if no firm bid is received in respect of an Undeliverable Obligation (or portion thereof), the Final Price of such Undeliverable Obligation (or portion thereof) shall be deemed to be zero (0). The Issuer and/or its Affiliates shall conduct a dealer poll of at least three dealers on the Valuation Date from the Dealer List set out in Schedule 2 to the Pricing Supplement; and
- (B) in respect of the Portfolio, the weighted average of the highest firm bid price obtained for each Valuation Obligation in the Portfolio, expressed as a percentage, determined by the Calculation Agent.

With respect to each Valuation Obligation in the Portfolio, the Calculation Agent shall conduct a dealer poll of at least three dealers indicated by the Issuer to the Calculation Agent in its sole and absolute discretion from the Dealer List set out in Schedule 2 to the Pricing Supplement. On the Valuation Date, the Calculation Agent shall seek to obtain Full Quotations from the selected dealers for an outstanding principal amount of each Valuation Obligation equal to its Valuation Obligation Calculation Amount.

To the extent that the Calculation Agent is unable to obtain at least two Full Quotations or a Weighted Average Quotation for a Valuation Obligation in the Portfolio on any day during the ten (10) Business Day period following the Valuation Date, the Calculation Agent shall wait ten (10) Business Days (the last such Business Day, the "**Backup Valuation Date**") and shall then repeat the valuation process. In the event that the Calculation Agent is unable to obtain at least two Full Quotations or a Weighted Average Quotation during the four (4) Business Day period following the Backup Valuation Date, the Final Price shall be deemed to be any Full

Quotation obtained on such fourth Business Day or, if no full quotation is obtained, the weighted average of any firm quotations obtained on such fourth Business Day with respect to the aggregate portion of the amount for which such quotations were obtained, and a quotation deemed to be zero for the balance of the amount for which firm quotations were not obtained on such day.

"**Final List**" has the meaning given to such term in the Rules.

"**Full Quotation**" means each firm bid quotation obtained from a selected dealer for an amount of the Valuation Obligation equal to the Quotation Amount.

"**Fully Transferable Obligation**" means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for the purposes of this definition. For purposes of determining whether a Valuation Obligation satisfies the requirements of this definition, such determination shall be made as of the Valuation Date for the Valuation Obligation, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Issuer.

"**GBP**" means the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

"**Governmental Authority**" means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

"**Grace Period**" means with respect to an Obligation the lesser of (i) the applicable grace period with respect to payments under the terms of such Obligation in effect as of the date as of which such obligation is issued or incurred and (ii) a period of thirty calendar days.

"**Grace Period Extension Date**" means, with respect to any Potential Failure to Pay, the date that is the number of days constituting the relevant Grace Period after the date of the commencement of such Potential Failure to Pay.

"**Hedge Transaction**" means any hedge credit derivative transaction(s) entered into by the Issuer and/or any of its Affiliates for purposes of hedging any obligation(s) or position(s) of the Issuer arising out of or in connection with the issuance of the Notes.

"**Hedging Costs**" means an amount (in the Settlement Currency) equal to the aggregate costs to the Issuer and/or its Affiliates (if any) of terminating, transferring, liquidating, obtaining or re-establishing in whole or in part any swap agreement, financing arrangement or other hedging transaction entered into by or on behalf of the Issuer in relation to the issuance of the Notes, as determined by the Issuer in its sole and absolute discretion and any Delivery Fees which have not been paid to the satisfaction of the Issuer.

"**ISDA**" means the International Swaps and Derivatives Association, Inc.

"**Limitation Date**" means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the "**2.5-year Limitation Date**"), 5 years (the "**5-year Limitation Date**"), 7.5 years, 10 years, 12.5 years, 15 years, or 20 years (the "**20 year Limitation Date**"), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.

"Modified Eligible Transferee" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

"Modified Restructuring Maturity Limitation Date" means, with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date **provided that**, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. If the Scheduled Maturity Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only. Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (A) the 2.5-year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Movement Option" means with respect to a Restructuring Credit Event for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified to be applicable in the Standard Terms with respect to the relevant Reference Entity and with respect to which a No Auction Announcement Date has occurred (in accordance with paragraph (b) of such definition), the option of the Issuer (to be exercised in its sole and absolute discretion) to apply to the Notes, for the purposes of determining the Credit Event Redemption Amount, the Parallel Auction Settlement Terms, if any. In order to exercise the Movement Option in the manner set out above, the Issuer must deliver an effective Notice to Exercise Movement Option to the Noteholders in accordance with Condition 14 (*Notices*) of the Notes on or prior to the Movement Option Cut-off Date. If no effective Notice to Exercise Movement Option is delivered by the Issuer to the Noteholders on or prior to the Movement Option Cut-off Date, the Notes will be settled in accordance with the Dealer Poll Method.

"Movement Option Cut-off Date" means the date that is one Business Day prior to the Auction Date.

"Multiple Holder Obligation" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event, is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event **provided that** any Obligation that is a Bond shall be deemed to satisfy the requirements in (ii) of this definition of Multiple Holder Obligation.

"No Auction Announcement Date" means, with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published; (b) following the occurrence of a Restructuring in respect of which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified to be applicable in the Standard Terms with respect to the relevant Reference Entity, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary.

"Notice Delivery Period End Date" has the meaning ascribed thereto in Part A.

"Notice to Exercise Movement Option" means, where (a) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable in the Standard Terms with respect to the relevant Reference Entity and (b) the

Dealer Poll Method would otherwise be applicable pursuant to the Auction Settlement provisions, an irrevocable notice from the Issuer to the Noteholders in accordance with Condition 14 (*Notices*) of the Notes that (i) specifies the Parallel Auction Settlement Terms applicable in accordance with the definition of Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date.

"Obligation" means (i) any obligation of a Reference Entity (either directly or as a provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified, as provider of any Qualifying Guarantee) determined pursuant to the method described in Condition 7(l) (but excluding any Excluded Obligation), (ii) each Reference Obligation, unless specified as an Excluded Obligation, and (iii) any other obligation of a Reference Entity specified as such.

"Obligation Acceleration" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"Obligation Currency" means the currency or currencies in which an Obligation is denominated.

"Obligation Default" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"Parallel Auction" means "Auction" as defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Cancellation Date" means "Auction Cancellation Date" as defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Final Price Determination Date" means the Auction Final Price Determination Date as defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Settlement Date" means "Auction Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Settlement Terms" means, following the occurrence of a Restructuring where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the Standard Terms with respect to the relevant Reference Entity, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the Deliverable Obligation Terms are the same as the Deliverable Obligation Provisions applicable to the Reference Transaction.

"Payment Requirement" means the amount specified as such or its equivalent in the relevant Obligation Currency, or if Payment Requirement is not so specified, USD1,000,000 or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"Permissible Deliverable Obligations" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included in the Final List pursuant to the Deliverable Obligation Terms applicable to the relevant Auction.

"Physical Settlement" has the meaning given in Condition 7(j)(iii).

"Physical Settlement Date" means the last Business Day of the longest Physical Settlement Period for any Deliverable Portfolio Constituent following the later to occur of (i) valid receipt by the Issuer of the duly completed Asset Transfer Notice and (ii) the date on which the Issuer and/or its Affiliates receive, pursuant to any Representative Auction-Settled Transaction, Hedge Transaction or otherwise, the entirety of Deliverable Portfolio Constituents, as determined by the Issuer in its sole and absolute discretion.

"Physical Settlement Notice" means a notice in writing substantially in the form set out in Schedule 4 (*Form of Physical Settlement Notice*) from the Issuer to the Noteholders delivered in accordance with Condition 14 (*Notices*) that, *inter alia*, (a) requests each Noteholder duly to complete and deliver to the Issuer an Asset Transfer Notice by the deadline specified in the Physical Settlement Notice and (b) confirms that the Issuer will redeem the relevant portion of the Notes by way of Physical Settlement (subject to the occurrence of a Cash Settlement Event).

"Physical Settlement Period" means, in respect of a Valuation Obligation, the longest number of Business Days for settlement in accordance with the then current market practice for such Valuation Obligation as determined by the Calculation Agent.

"Portfolio" means a portfolio of one or more Valuation Obligations with (i) in the case of Valuation Obligations that are Borrowed Money obligations, an outstanding principal balance (or its equivalent in the Settlement Currency) (including (if Included Accrued Interest is specified) or excluding (if Exclude Accrued Interest is specified) accrued but unpaid interest as determined by the Issuer or the Calculation Agent acting in a commercially reasonable manner) or (ii) in the case of Valuation Obligations that are not Borrowed Money obligations, a Due and Payable Amount (or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount) (the **"Valuation Obligation Calculation Amount"**, which in aggregate shall not exceed the Reference Entity Calculation Amount (or, if a partial redemption is designated in respect of a Restructuring Credit Event, the relevant Partial Redemption Portion) as of the relevant Valuation Date) less the outstanding principal balance (or the equivalent in the Settlement Currency) of any Undeliverable Obligations, which is identified by the Issuer to the Calculation Agent not later than the third Business Day immediately preceding the relevant Valuation Date, **provided that** such Portfolio may be amended by the Issuer at the Issuer's discretion up to one Business Day prior to the Valuation Date.

"Potential Failure to Pay" means, in the sole and absolute determination of the Issuer, the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations in accordance with the terms of such Obligations at the time of such failure.

"Potential Repudiation/Moratorium" means the occurrence of an event described in paragraph (a) of the definition of Repudiation/Moratorium.

"Publicly Available Information" means information that reasonably confirms any of the facts relevant to the determination that the Credit Event has occurred and which (i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; **provided that**, if the Issuer or the Calculation Agent or any of its respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Issuer or the Calculation Agent or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (ii) is information received from or published by (a) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (b) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (iv) of the definition of Bankruptcy above against or by a Reference Entity or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

In relation to any information of the type described in (ii), (iii) or (iv) above, the Issuer and the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Publicly Available Information need not state (a) in relation to the definition of Downstream Affiliate above, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (b) that such occurrence (1) has met the Payment Requirement or Default Requirement, (2) is the result of exceeding any applicable Grace Period or (3) has met the subjective criteria specified in certain Credit Events.

"Public Source" means each source of Publicly Available Information specified as such (or, if a source is not so specified, each of Bloomberg Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

"Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

"Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **"Underlying Obligation"**) for which another party is the obligor (the **"Underlying Obligor"**). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment).

"Qualifying Participation Seller" means any participation seller that meets the requirements specified. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"Reference Entity Calculation Amount" has the meaning given to it in Schedule 2 to the Pricing Supplement.

"Reference Price" means the percentage specified or, if a percentage is not specified, one hundred percent.

"Reference Transaction" means a hypothetical credit derivative transaction (a) for which the Deliverable Obligation Terms and the Reference Obligation are (i) the same as the terms applicable for determining Valuation Obligations (the **"Valuation Obligation Terms"**) and the Reference Obligation specified in respect of the Notes or (ii) if and to the extent Valuation Obligation Terms and/or the Reference Obligation are not specified, the Deliverable Obligation Terms and Reference Obligation determined by the Calculation Agent in a commercially reasonable manner to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity, (b) with a Scheduled Termination Date matching the Scheduled Maturity Date of the Notes and (c) otherwise having such other characteristics as the Calculation Agent may in its sole discretion determine appropriate by reference to, without limitation, the Issuer's hedging arrangements and/or any credit derivative elections made in relation to the Notes.

"Relevant City Business Day" has the meaning given to that term in the Rules.

"Replacement Reference Entity" means, with respect to a Surviving Reference Entity, an Eligible Reference Entity selected by the Issuer in its sole and absolute discretion and notified as soon as reasonably practicable to the Noteholders in accordance with Condition 14.

"Representative Auction-Settled Transaction" means a representative auction-settled transaction entered into by the Issuer and/or any of its Affiliates as buyer and deemed to be created pursuant to the Credit Derivatives Auction Settlement Terms published by ISDA in respect of the Reference Entity.

"Repudiation/Moratorium" means (a) an authorised officer of a Reference Entity or a Governmental Authority (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation Moratorium Evaluation Date.

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date, of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium **provided that**, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

"Repudiation/Moratorium Extension Condition". The Repudiation/Moratorium Extension Condition is satisfied if (i) ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium for the purposes of the Reference Transaction has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) or (ii) otherwise, by the delivery of the Issuer to the Noteholders of a Repudiation/Moratorium Extension Notice and a Notice of Publicly Available Information in accordance with Condition 14 (*Notices*), in each case that are effective on or prior to the Business Day following the date that is fourteen calendar days after the Scheduled Maturity Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium for purposes of the Reference Transaction with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium for purposes of the Reference Transaction has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan, Tokyo time))).

"Repudiation/Moratorium Extension Notice" means an irrevocable notice from the Issuer to the Noteholders delivered in accordance with Condition 14 (*Notices*) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Maturity Date (determined

by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign)). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

"**Resolve**" has the meaning given to that term in the Rules, and "Resolved" and "Resolves" shall be interpreted accordingly.

"**Restructured Bond or Loan**" means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred.

"Restructuring"

- (a) "**Restructuring**" means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (i) the Credit Event Backstop Date and (ii) the date as of which such Obligation is issued or incurred:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of a date or dates for either (a) the payment or accrual of interest or (b) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency ("**Permitted Currency**" meaning (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership); or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of the McGraw Hill Companies, Inc or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof).
- (b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
 - (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above due to an administrative adjustment,

accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

- (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (c) Unless Multiple Holder Obligation is specified as not applicable then, notwithstanding anything to the contrary in this definition of Restructuring, the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.
- (d) For purposes of (a), (b) and (c) above, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) above shall continue to refer to the Reference Entity.

"Restructuring Date" means, with the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"Restructuring Maturity Limitation Date" means with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, **provided that**, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. In the event that the Scheduled Maturity Date is later than (a)(i) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (ii) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists or (b) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Scheduled Maturity Date" has the meaning ascribed thereto in Part A.

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

"Sovereign Agency" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

"Sovereign Restructured Valuation Obligation" means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the specified Valuation Obligation Category and, subject to Condition 7(m)(2), having each of the specified Valuation Obligation Characteristics, if any, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Valuation Obligation Category or Valuation Obligation Characteristics after such Restructuring.

"specified" means, unless otherwise provided, as specified in Schedule 2 to the Pricing Supplement relating to the Notes and/or in the applicable Standard Terms.

"Substitute Reference Obligation" means one or more obligations of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date) and (ii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation with respect to a Reference Entity, any of the events set forth under (a) above has occurred with respect to one or more but not all of the Reference Obligations for such Reference Entity, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (d) If more than one specific Reference Obligation is identified as a Reference Obligation with respect to a Reference Entity, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations for such Reference Entity, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If (i) more than one specific Reference Obligation is identified as a Reference Obligation with respect to a Reference Entity, any of the events set forth under (a) above has occurred with respect to all the Reference Obligations of such Reference Entity and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations of such Reference Entity, or (ii) only one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under sub-section (a) of this definition of Substitute Reference Obligation has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the latest of the Maturity Date and the Grace Period Extension Date (if any).

- (f) For purposes of identification of a Reference Obligation, any change in a Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

"**Successor**" shall have the meaning determined in accordance with the following provisions:

- (a) In relation to a Reference Entity that is not a Sovereign, "**Successor**" means, subject to (j) below), the entity or entities, if any, determined as set forth below:
- (i) if one entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
 - (ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;
 - (iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor and (e) below will apply;
 - (iv) if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will be a Successor and (e) below will apply;
 - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and
 - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable **provided that** the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in (a) above, and subparagraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession

Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information.

- (b) **"Succession Event"** means (i) with respect to an entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, "Succession Event" shall not include any event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (B) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).
- (c) For purposes of interpreting this definition of Successor **"succeed"** means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to (a) above shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.
- (d) Where (i) a Reference Obligation has been specified with respect to a Reference Entity, (ii) one or more Successors to the Reference Entity have been identified and (iii) any one or more such Successors have not assumed the Reference Obligation, a Substitute Reference Obligation will be determined in accordance with the definition of Substitute Reference Obligation above.
- (e) Where, pursuant to (a)(iii) or (iv) above, more than one Successor has been identified then, subject to (j) below:
 - (i) each Successor will be treated as a Reference Entity;
 - (ii) the Reference Entity Calculation Amount in respect of each Successor will be the Reference Entity Calculation Amount divided by the number of Successors;
 - (iii) the provisions of Condition 7(j)(iii) shall apply; and
 - (iv) the Conditions will otherwise continue to apply except to the extent that modification is required, as determined by the Calculation Agent in its sole and absolute discretion. The Calculation Agent will determine the Reference Obligation, Seniority and Transaction Type in its sole discretion in respect of each Successor.

- (f) **"Relevant Obligations"** means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.
- (g) **"Best Available Information"** means:
- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information or, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of Successor, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
 - (ii) in the case of a Reference Entity which does not file with its primary securities regulator or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of Successor.
- (h) Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.
- (i) With respect to a Sovereign Reference Entity, **"Successor"** means each entity which becomes a direct or indirect successor to such Reference Entity by way of Succession Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity. The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the date of the occurrence of the Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under this section, provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in this section, and subparagraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred.
- (j) Subject to paragraph (k) below, where any Reference Entity (a **"Surviving Reference Entity"**) (other than the Reference Entity which is the subject of the Succession Event) is a Successor to any Reference Entity (the **"Legacy Reference Entity"**), then such Surviving Reference Entity shall be deemed to be specified as a Reference Entity once only and the Reference Entity Calculation Amount in respect of such Reference Entity shall be the sum of the Reference Entity Calculation Amount applicable to that

Reference Entity immediately prior to the Succession Event and the relevant portion of the Reference Entity Calculation Amount of the Legacy Reference Entity as provided in paragraph (e) above;

- (k) If Substitution is specified as applicable, where any Reference Entity (a "**Surviving Reference Entity**") (other than the Reference Entity which is the subject of the Succession Event) would otherwise be a Successor to any other Reference Entity (the "**Legacy Reference Entity**") pursuant to the foregoing provisions then, at the election of the Issuer at any time:
 - (i) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and
 - (ii) the Replacement Reference Entity selected by the Issuer shall be deemed to be a Successor to the Legacy Reference Entity pursuant to that Succession Event from and including the legally effective date of the Succession Event. The Standard Terms applicable to such Replacement Reference Entity shall be the then current standard terms applicable to such Replacement Reference Entity as at the day it is selected by the Issuer.

"Succession Event Backstop Date" means (i) the date that is 90 calendar days prior to the Succession Event Resolution Request Date (if any) (determined by reference to Greenwich Mean Time) or (ii) otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Calculation Agent determines that a Succession Event has occurred and (B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of "Succession Event Resolution Request Date" are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Calculation Agent determines that a Succession Event has occurred not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Succession Event Resolution Request Date" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (A) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (B) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

"Supranational Organisation" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

"TARGET" means the Trans-European Automated Real-time Gross settlement Express Transfer System.

"Transaction Auction Settlement Terms" means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction.

"Undeliverable Obligation" means either:

- (i) if a Cash Settlement Event occurs pursuant to sub-paragraph (i) of the definition thereof, each Valuation Obligation (if any) comprised in the Deliverable Portfolio; or
- (ii) if a Cash Settlement Event occurs pursuant to sub-paragraph (ii) of the definition thereof, any Valuation Obligation which the Issuer determines that it is unlawful, impossible or otherwise impracticable (including without limitation, as a result of failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of loans) to deliver to one or more Noteholders.

"USD" means the lawful currency of the United States of America.

"Valid Credit Event Resolution Request Date" means a Credit Event Resolution Request Date which occurs on or prior to the 14th calendar day after the Extension Date (including prior to the Trade Date), **provided that** the Trade Date occurs on or prior to the Auction Final Price Determination Date or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-off Date, the Parallel Auction Final Price Determination Date (as applicable), the Auction Cancellation Date or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-off Date, the Parallel Auction Cancellation Date (as applicable), or the date that is 21 calendar days following the No Auction Announcement Date.

"Valuation Date" means the date specified as such in accordance with the Dealer Poll Method.

"Valuation Obligation" means, subject to Condition 7(n):

- (i) any obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified, as provider of any Qualifying Guarantee determined pursuant to the method described in Condition 7(m) (but excluding any Excluded Valuation Obligation) that (A) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (B) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (i) to (iv) in the definition of Credit Event above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor and (C) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being valued apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (ii) subject to the second paragraph of the definition of Not Contingent in Condition 7(m)(2)(A), each Reference Obligation, unless specified as an Excluded Valuation Obligation;
- (iii) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Valuation Obligation (but excluding any Excluded Valuation Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (i) to (iv) of the definition of Credit Event above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being valued apart from the giving of any notice of non-payment or similar procedural requirement, it being

understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

- (iv) any other obligation of a Reference Entity specified as a Valuation Obligation.

"Voting Shares" means those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"Weighted Average Quotation" means the weighted average of firm quotations obtained from selected dealers, each for an amount of the Valuation Obligation of as large a size as available but less than the Valuation Obligation Calculation Amount."

"7(p) *Determinations by the Calculation Agent and Calculation Agent Free to Deal in Notes etc*

- (i) Whenever any matter falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Calculation Agent or such other person, as the case may be, acting in good faith and in a reasonably commercial manner. The Calculation Agent shall not be liable for any loss, liability, cost, claim, action, demand or expense (including without limitation, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) arising out of or in relation to or in connection with its appointment or the exercise of its functions, except such as may result from its own wilful default, negligence or bad faith or that of its officers or agents.
- (ii) Nothing contained herein shall prevent the Calculation Agent from dealing in the Notes or from entering into any related transactions, including without limitation any swap or hedging transactions, with the Issuer (or any of its respective Affiliates) or any holder of the Notes (or any of its Affiliates)."

Payments

Condition 9(d) (*Payments – General Provisions*) shall be amended by including the following sentence as the last sentence therein:

"Notwithstanding anything contained in these Conditions, if any relevant Condition requires any amounts in relation to a Note to be rounded as part of any calculations or determinations, then in the case of Notes which are for the time being represented by a Global Note, such calculation or determination shall be carried out in relation to the aggregate principal amount of the Notes so represented. Any rounding shall be carried out to the result thereof and the rounding shall not be carried out in relation to any calculations or determinations made on a *pro rata* or per Note basis."

Meetings of Noteholders, Modification and Substitution

Condition 16 (*Meetings of Noteholders, Modification and Substitution*) shall be amended by:

- (1) inserting "; or" after the reference to "Notes" in the last line of sub-paragraph (c) and inserting thereafter the following as a new sub-paragraph (d):
 - "(d) to any modification of the Notes after the Issue Date required in connection with the listing of the Notes on any stock exchange"; and
- (2) inserting the following additional paragraph before the paragraph beginning with "The Issue Agent and the Issuer may also agree":

"The Calculation Agent may from time to time amend any provision of these Conditions to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the Calculation Agent and the Issuer determine in a commercially reasonable manner are necessary to reflect market practice for credit derivative transactions."

SCHEDULE 2

CREDIT-LINKED NOTE SPECIFICATIONS

1. General Terms

Business Day:	London and New York
Business Day Convention:	Following Business Day Convention, which shall apply to any date other than (a) the Credit Event Backstop Date or (b) the Succession Event Backstop Date, which falls on a day that is not a Business Day.
Reference Entity:	The entity specified in Schedule 3 and any Successor either (a) identified by the Calculation Agent pursuant to the definition of "Successor" on or following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules. The Reference Entity has been designated as a particular "Transaction Type" in Schedule 3. References to " Standard Terms " mean, in respect of a Reference Entity, the standard terms set out in the Credit Derivatives Physical Settlement Matrix dated 29 May 2012, as published by ISDA on its website at www.isda.org , in relation to its Transaction Type.
Trade Date:	20 March 2014
Reference Obligation:	Subject to the occurrence of a Succession Event, the obligation(s) (if any) identified as such in respect of such Reference Entity in Schedule 3.
Substitution:	Not applicable
All Guarantees:	Applicable or Not applicable as specified in the applicable Standard Terms.
Reference Price:	100 per cent

2. Credit Event Provisions:

Reference Entity Calculation Amount:	Subject to the occurrence of a Succession Event or a partial redemption following a Restructuring Credit Event, USD10,000,000.
Credit Events:	In respect of a Reference Entity, the Credit Events specified in the applicable Standard Terms.
Obligation Category and Characteristics:	In respect of each Reference Entity, the Obligation Category and Obligation Characteristics specified in the applicable Standard Terms.
Excluded Obligations:	None

3. **Settlement Terms (Dealer Poll Method)**

Terms relating to Cash Settlement (if the Dealer Poll Method applies):

Valuation Date:	Single Valuation Date. A Business Day as selected by the Issuer in its sole and absolute discretion.
CDS Settlement Currency	None specified
Valuation Obligations:	Exclude Accrued Interest
Valuation Obligation Category and Characteristics:	In respect of each Reference Entity, the Deliverable Obligation Category and Deliverable Obligation Characteristics specified in the Standard Terms.
Dealer List:	<p> ABN Amro Bank NV Barclays Bank PLC BNP Paribas Citibank, N.A., London Branch Commerzbank AG Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc The Hongkong and Shanghai Banking Corporation Limited HSBC Bank Middle East Limited HSBC Bank USA, National Association J.P. Morgan Securities LLC Merrill Lynch International Morgan Stanley & Co. International plc Société Générale The Royal Bank of Scotland plc UBS Limited </p> <p>and any market-maker in the relevant type of Valuation Obligation or other major credit derivatives market participant.</p>
Interest until Credit Event Notice Date:	Applicable
Deduct Hedging Costs	Applicable

SCHEDULE 3

<u>Reference Entity</u>	<u>Reference Obligation (ISIN)</u>	<u>Seniority</u>	<u>Transaction Type</u>
Standard Chartered Bank	XS0842073149	Not Subordinated	European Corporate

SCHEDULE 4

FORM OF PHYSICAL SETTLEMENT NOTICE

USD 10,000,000 Credit Linked Notes (the "Notes") due 2021 linked to Standard Chartered Bank

This Physical Settlement Notice is delivered to each Noteholder in accordance with Condition 14(a) (*Notices to Noteholders*) and pursuant to Condition 7(j)(iii) (*Terms relating to Physical Settlement*).

[To:	Euroclear Bank SA/N.V. as operator of the Euroclear System Boulevard du Roi Albert II, no 1 B-1210 Brussels Belgium	or:	Clearstream, Luxembourg 67 Boulevard Grande-Duchesse Charlotte Luxembourg-Ville L-1010 Luxembourg
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To: Noteholder

From: HSBC Bank plc (the "**Issuer**")
8 Canada Square
London
E14 5HQ

Expressions defined in the Conditions of the Notes (the "**Conditions**") shall bear the same meanings herein. We, the Issuer, refer to the Credit Event Notice of *[insert date of Credit Event Notice]* delivered in accordance with Condition 7(j) (*Delivery of a Credit Event Notice*).

We hereby:

- (i) request that you, the Noteholder of the Notes, duly complete and deliver to us an Asset Transfer Notice in the form set out in Schedule 5 to the Pricing Supplement by *[insert deadline by which the Issuer must receive the duly completed Asset Transfer Notice]*; and
- (ii) confirm that we will redeem the Notes (or such relevant portion thereof, if applicable) by way of Physical Settlement (subject to the occurrence of a Cash Settlement Event in accordance with the Conditions).

It is expected that the Deliverable Portfolio will comprise the following Deliverable Portfolio Constituents:

[insert details].

This Physical Settlement Notice and any non-contractual obligations arising out of or in connection herewith shall be governed by and construed in accordance with English law. The courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes or any non-contractual obligation which may arise out of or in connection with this Physical Settlement Notice or the Notes and, for these purposes, each of the Noteholder and the Issuer irrevocably submits to the jurisdiction of the courts of England.

Date.....

SCHEDULE 5

FORM OF ASSET TRANSFER NOTICE

USD 10,000,000 Credit Linked Notes (the "Notes") due 2021 linked to Standard Chartered Bank

When completed, this Asset Transfer Notice should be delivered (i) if the Notes are represented by a Global Note or are in definitive form and held through Euroclear or Clearstream, Luxembourg, in electronic form via EUCLID to Euroclear or via CEDCOM to Clearstream, Luxembourg, (as applicable) with a hardcopy via fax to the Transfer Agent and the Issuer ("Global Note Notice") or (ii) if the Notes are represented by a definitive Note (but not held through Euroclear or Clearstream, Luxembourg) in writing or by fax along with the relevant Notes to the Issuer ("Definitive Note Notice").

[To: Euroclear Bank SA/N.V.
as operator of the Euroclear System
Boulevard du Roi Albert II, no 1
B-1210 Brussels
Belgium
or: Clearstream, Luxembourg
67 Boulevard Grande-Duchesse
Charlotte
Luxembourg-Ville
L-1010 Luxembourg
To: HSBC Bank plc (the "**Issuer**")
8 Canada Square
London
E14 5HQ
Tel: [•]
Fax: [•]
Attention: [•]
Fax: [•]
Tel: [•]

Expressions defined in the Conditions of the Notes (the "**Conditions**") shall bear the same meanings herein. Failure to properly complete and deliver this Asset Transfer Notice (in the determination of the Issuer) may result in this Asset Transfer Notice being treated as null and void.

Reference is made to the Physical Settlement Notice of [insert date of Physical Settlement Notice] and the Deliverable Portfolio to be delivered pursuant to the Physical Settlement of [the Notes in part][the Notes]*.

1. Name(s) and Address(es) of [Accountholder¹/Noteholder²]

[insert details]

2. Representation, warranty and undertaking; confirmation

I/We*, the [Accountholder¹/Noteholder²] specified in 1 below, being the holder of the Note, hereby:

- (i) represent, warrant and undertake to the Issuer and each of its Affiliates that I/We* am/are* an Eligible Holder in accordance with the Conditions; and,
- (ii) confirm that I/We* have requested [Euroclear/Clearstream, Luxembourg][other relevant clearing system]* to block my/our* account.

¹ Delete if completing Definitive Note Notice

² Delete if completing Global Note Notice

3. Instructions to [Euroclear][Clearstream, Luxembourg]*

[The Deliverable Portfolio to be delivered comprises Valuation Obligations that are deliverable through [Euroclear/Clearstream, Luxembourg]* and I/We* hereby irrevocably authorise and instruct [Euroclear][Clearstream, Luxembourg][other relevant clearing system]* to deliver the Deliverable Portfolio to the following account:

At: [•]
Swift: [•]
ABA: [•]
Beneficiary: [•]
Swift: [•]
Account Number: [•]

[The Deliverable Portfolio to be delivered comprises Valuation Obligations that are not deliverable through [Euroclear/Clearstream, Luxembourg]* and I/We* hereby irrevocably authorise and instruct the Issuer to deliver such Valuation Obligations in accordance with the following instructions, subject to my/our* production to the Issuer's satisfaction in its sole and absolute discretion of all necessary consents or authorisations (including but not limited to those requested or required by any applicable designee) with respect thereto as requested by the Issuer:

[insert alternative delivery instructions]];

4. Name and address of person from whom details may be obtained for the delivery of the Deliverable Portfolio

[insert details]

5. [Notes Account at relevant Clearing System]¹

My/our* Notes accounts with *[insert name of relevant Clearing System, if applicable]* is:

[Euroclear/Clearstream, Luxembourg]*

No:
Name:]

6. Delivery Fees

I/We* hereby irrevocably undertake to pay all Delivery Fees in respect of the Deliverable Portfolio [and irrevocably authorise Euroclear/Clearstream, Luxembourg* to debit specified account at Euroclear/Clearstream, Luxembourg* in respect thereof and to pay such Delivery Fees].

7. Governing law and jurisdiction

This Asset Transfer Notice and any non-contractual obligations arising out of or in connection herewith shall be governed by and construed in accordance with English law. The courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes or any non-contractual obligation which may arise out of or in connection with this Asset Transfer Notice or the Notes and, for these purposes, each of the Noteholder and the Issuer irrevocably submits to the jurisdiction of the courts of England.

Date.....

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes shall consist of the "Terms and Conditions" of the Notes set out in the Original Offering Memorandum dated 18 June 2013 as amended or supplemented by the terms set out in the Pricing Supplement (the "**Pricing Supplement**"). Any reference to "this document" in the Pricing Supplement section of this Listing Particulars shall be deemed to refer to the Pricing Supplement.

The Notes were fully paid-up and delivered on the Issue Date. The address of Euroclear Bank S.A./N.V. is 1 Boulevard du Roi Albert II, 1120 Brussels, Belgium. The address of Clearstream Banking, société anonyme is 42 Avenue JF Kennedy, L-1855 Luxembourg.

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

GENERAL INFORMATION

1. The issue of Notes and Warrants under the Programme have been duly authorised by and pursuant to resolutions of a committee of the board of directors of the Issuer dated 11 June 2013.
2. Save as disclosed in this Listing Particulars, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements (being the 2013 annual report and accounts published on 24 February 2014).
3. There has been no significant change in the financial or trading position of the Issuer and its subsidiaries nor any material adverse change in the prospects of the Issuer since 31 December 2013.
4. Save as disclosed in this Listing Particulars, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Memorandum which is capable of affecting the assessment of the Notes since the publication of the Offering Memorandum.
5. Save as disclosed in Note 42 "Legal proceedings and regulatory matters" on page 207 to 210 of the 2013 Annual Report and Accounts (incorporated by reference in the Offering Memorandum as part of the Financial Information), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened against the Issuer or any of its subsidiary undertakings of which the Issuer is aware) during the 12 month period before the date of this Listing Particulars which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and its subsidiary undertakings taken as a whole.
6. For so long as the Notes are outstanding, the physical form of the following documents may be inspected during normal business hours at the registered office of the Issuer:
 - (a) the articles of association of the Issuer;
 - (b) the 2013 annual report and accounts of the Issuer; and
 - (c) the 2012 annual report and accounts of the Issuer.

REGISTERED AND HEAD OFFICE OF THE ISSUER

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

DEALER

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

AGENT

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

CALCULATION AGENT

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Legal Advisers to the Dealer

in respect of English law

CMS Cameron McKenna LLP

Mitre House
160 Aldersgate Street
London, EC1A 4DD
United Kingdom