

OFFERING CIRCULAR

CICC Financial Trading Limited

(incorporated with limited liability in Hong Kong)

Guaranteed by

China International Capital Corporation (Hong Kong) Limited

(中國國際金融（香港）有限公司)

(incorporated with limited liability in Hong Kong)

U.S.\$10,000,000,000

Guaranteed Structured Note Programme

Under this U.S.\$10,000,000,000 Guaranteed Structured Note Programme (the "**Programme**"), the Issuer may from time to time issue notes (the "**Notes**") denominated in any currency determined by the Issuer. The Issuer's obligations under the Notes will be unconditionally and irrevocably guaranteed by China International Capital Corporation (Hong Kong) Limited (the "**Guarantor**") under a Deed of Guarantee dated 17 November 2014 as amended and restated on 28 October 2015 and further amended and restated on 29 November 2017 and as may be amended and/or supplemented from time to time (the "**Guarantee**"). This Offering Circular supersedes the previous offering circulars and any supplement thereto relating to the Programme. Any Notes issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued prior to the date of this Offering Circular.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$10,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Issuer may, but will not be obliged to, appoint one or more entities to act as dealer(s) under the Programme (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. The Notes may be issued on a continuing basis, whether or not one or more Dealers have been appointed with respect to each issue of the Note(s). As at the date of this Offering Circular, China International Capital Corporation Hong Kong Securities Limited has been appointed by the Issuer as a Dealer under the Programme. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes with respect to which more than one Dealer have been appointed, be to all Dealers agreeing to purchase (or agreeing to act as agent for the Issuer in connection with the sale of) such Notes.

This Offering Circular constitutes a Base Prospectus for the purpose of Luxembourg law dated 16 July 2019 on Prospectus for Securities, and the Pricing Supplement constitutes the Final Terms.

Application has been made to list certain Series of Notes issued under the Programme on the Official List of the Luxembourg Stock Exchange (the "**Official List**") and trade them on the Euro MTF market (the "**Euro MTF**"). However, some Series of Notes may not be listed on the Official List nor on any other stock exchange or market. The applicable Pricing Supplement in respect of any Series of Notes will specify whether an issue of Notes will be listed on the Official List (or any other stock exchange or market).

The Notes may be in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**").

Registered Notes which are only sold to a non-U.S. person (within the meaning of Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933 (the "**Securities Act**")) in an "offshore transaction" within the meaning of Regulation S ("**Reg S Registered Notes**"), will initially be evidenced by interests in a permanent global registered certificate (each a "**Reg S Global Certificate**"), without interest coupons. Registered Notes which may be sold (a) in reliance on Rule 144A ("**Rule 144A**") under the Securities Act to, or for the account of or benefit of, U.S. persons that are "qualified institutional buyers" (each a "**QIB**") within the meaning of Rule 144A and which are also "qualified purchasers" (each a "**QP**") as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940 (the "**Investment Company Act**") purchasing for their own account or for the account or benefit of QIBs who are also QPs or (b) outside the United States to, or for the account or benefit of, a purchaser that is not a U.S. person in an "offshore transaction" in compliance with Regulation S ("**Unitary Registered Notes**") will initially be evidenced by one or more global registered certificates (each a "**Unitary Global Certificate**" and, together with any Reg S Global Certificate, "**Global Certificates**"), without interest coupons.

Each of the Global Certificates will initially be deposited with a custodian for, and registered in the name of, a common depository for Euroclear and Clearstream, Luxembourg or, in the case of Reg S Global Certificates a nominee for the CMU Service (each as defined in the Conditions) on its issue date. Beneficial interests in Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg and the CMU Service and their participants. The provisions governing the exchange of interests in Global Certificates for individual registered certificates ("**Certificates**") are described in "*Summary of Provisions Relating to the Notes while in Global Form*". Interests in Global Certificates and Certificates will be subject to certain restrictions on transfer. See "*Transfer Restrictions*".

Each purchaser of Unitary Registered Notes being offered to, or for the account or benefit of, a U.S. person is hereby notified that the offer and sale of such Unitary Registered Notes is being made in reliance upon an exemption from the registration requirements of the Securities Act and Investment Company Act. Purchasers of the Unitary Registered Notes must make certain written representations regarding subsequent transfers of the Unitary Registered Notes in the form enclosed herein. See "*Selling Restrictions*" and "*Transfer Restrictions*". Unitary Registered Notes sold in the United States or to, or for the account or benefit of, U.S. persons will, unless otherwise specified in the applicable Pricing Supplement, be sold through a broker dealer registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Securities Exchange Act**"). None of the Agents shall have any duties to monitor or enforce any transfer restrictions as required by the U.S. Securities and Exchange Commission or the U.S. Internal Revenue Service.

All payments in respect of the Notes will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature that the Issuer, the Guarantor or any Agent is required by applicable law to make. The Issuer and the Guarantor shall not be obliged to gross up any payments in respect of any Notes and shall not be liable for or otherwise obliged to pay any such taxes, duties or charges.

Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. Certain issues of Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and independent professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer, the Guarantor, the Arranger, the Fiscal Agent, the Issuing and Paying Agent, any Dealer, any Paying Agent, the Calculation Agent, the Registrar, the Transfer Agent or the Luxembourg Listing Agent in that regard. See “Risk Factors relating to Notes” on page 9.

As at the date of this Offering Circular the Guarantor has a long-term credit rating of “BBB” by Standard & Poor’s Rating Services (“S&P”) and a short-term issuer credit rating of “A-2” by S&P.

The Issuer may issue Notes in a form not contemplated by the Terms and Conditions of the Notes herein, in which event the applicable Pricing Supplement will describe the effect of the agreement reached in relation to such Notes.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Arranger

China International Capital Corporation Hong Kong Securities Limited
(中國國際金融香港證券有限公司)

Dealer

China International Capital Corporation Hong Kong Securities Limited
(中國國際金融香港證券有限公司)

The date of this Offering Circular is 2 June 2020.

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

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

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of any Arranger, any Dealer or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Subject as set out below, each of the Issuer and the Guarantor accepts responsibility for the information contained in this document. To the best of the knowledge and belief of each of the Issuer and the Guarantor (which has taken all reasonable care to ensure that such is the case), the information contained or incorporated in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The applicable Pricing Supplement will (if applicable) specify the nature of the responsibility taken by the Issuer and the Guarantor for the information relating to any underlying share, fund, index, interest rate, debt instrument, currency, commodity or other item(s) (each a “**Reference Item**”) to which the relevant Notes relate and which is contained in such Pricing Supplement. However, unless otherwise expressly stated in a Pricing Supplement, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, manager, owner, arranger or sponsor, as the case may be, of such Reference Item. The Issuer and the Guarantor will, unless otherwise expressly stated in the applicable Pricing Supplement, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) but the Issuer and the Guarantor will not accept any further or other responsibility in respect of such information.

This Offering Circular is to be read in conjunction with all documents, if any, which are deemed to be incorporated herein by reference. This Offering Circular shall be read and construed on the basis that such documents, if any, are incorporated and form part of this Offering Circular.

This Offering Circular may be used only for the purposes for which it has been published.

None of the Arranger, any Dealer, any Paying Agent, the Fiscal Agent, the Issuing and Paying Agent, the Transfer Agent, the Calculation Agent or the Registrar has independently verified the information

contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, any Dealer, any Paying Agent, the Fiscal Agent, the Issuing and Paying Agent, the Transfer Agent, the Calculation Agent or the Registrar as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer and/or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger, any Dealer, any Paying Agent, the Fiscal Agent, the Issuing and Paying Agent, the Transfer Agent, the Calculation Agent or the Registrar.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, the Guarantor, the Arranger or any Dealer that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, the Arranger or any Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, inter alia, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”). The Issuer is not registered and will not register under the Investment Company Act in reliance upon the exemption provided by Section 3(c)(7) thereof, and investors will not be entitled to the benefits of the Investment Company Act. Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold or, in the case of Bearer Notes, delivered within the United States or to U.S. persons (see “*Selling Restrictions*” below).

The Reg S Registered Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S, and the Unitary Registered Notes are being offered and sold (a) within the United States to QIB/QPs in reliance on Rule 144A or (b) outside the United States to non-U.S. persons in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and in reliance on the exemption from the registration requirements of the Investment Company Act provided by Section 3(c)(7). For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Offering Circular, see “*Transfer Restrictions*”.

The Notes and the Guarantee have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of

the offering of the Notes or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor, the Arranger or any Dealer represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Arranger or any Dealer which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), Taiwan and the People's Republic of China (see "*Selling Restrictions*" below).

The Notes of each issue may be sold by the Issuer, the Guarantor, the Arranger and/or any Dealer at such times and at such prices as the Issuer, the Guarantor, the Arranger and/or any Dealer(s) may select. There is no obligation on the Issuer, the Guarantor, the Arranger or any Dealer to sell all of the Notes of a Tranche. The Notes may be offered or sold from time to time in one or more transactions, in the over-the-counter market at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor, the Arranger and/or the Dealer. No representation, warranty, undertaking or other assurance is given as to the number of Notes of a Tranche issued or outstanding at any time.

All references in this document to "**U.S. dollars**", "**U.S.\$**" and "**\$**" refer to United States dollars, to "**HKD**" and "**HK\$**" refer to the lawful currency of Hong Kong, to "**£**" refer to the lawful currency of the United Kingdom and to "**Renminbi**", "**RMB**" and "**CNY**" refer to the lawful currency of the People's Republic of China (for these purposes excluding Taiwan, Hong Kong and Macau) ("**PRC**"). References to "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

BENCHMARK REGULATION: Interest, redemption amounts and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the applicable Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation. Not every reference rate will fall within scope of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Pricing Supplement (or, if located outside the European Union, recognition, endorsement or equivalence). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Pricing Supplement to reflect any change in the registration status of the administrator.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be incorporated in, and form part of, this Offering Circular:

- (a) the independent auditors' report and audited annual financial statements for the financial years ended 31 December 2019 and 31 December 2018 of the Issuer, including the information set out in the following pages in particular:

	2019	2018
Statement of Financial Position.....	Pages 7	Pages 7-8
Statements of Comprehensive Income	Page 6	Page 6
Statements of Changes in Equity	Page 8	Page 11
Statements of Cash Flows	Page 9	Pages 9-10
Notes to Financial Statements	Pages 10-44	Pages 12-49
Independent Auditors' Report	Pages 3-5	Pages 3-5

and

- (b) the independent auditors' report and audited consolidated annual financial statements and the notes thereto for the Guarantor for the financial years ended 31 December 2019 and 31 December 2018, including the information set out in the following pages in particular:

	2019	2018
Consolidated Statement of Financial Position.....	Pages 8-9	Pages 10-12
Consolidated Statements of Profit or Loss and Other Comprehensive Income	Page 7	Pages 7-8
Consolidated Statements of Changes in Equity.....	Page 10	Page 15
Consolidated Cash Flow Statement.....	Pages 11-12	Pages 17-18
Notes to Consolidated Financial Statements	Pages 13-90	Pages 21-86
Independent Auditor's Report.	Pages 4-6	Pages 3-6

and

- (c) (as and when the same are published) all future audited financial statements of the Issuer and the Guarantor, copies of which may be obtained free of charge at the specified office of the Luxembourg Listing Agent until the Maturity Date.

Each of the Issuer and the Guarantor confirms that information extracted from the documents above or otherwise obtained from a third party that is not a member of the Group has been accurately reproduced under this Offering Circular and that no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect. Any statement contained in such document and incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a statement contained herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

All documents incorporated herein by reference (except those specified in (c) above) will be published on the website of the Luxembourg Stock Exchange at www.bourse.lu.

RISK FACTORS RELATING TO NOTES

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE PRICING SUPPLEMENT. PROSPECTIVE PURCHASERS SHOULD MAKE SUCH INQUIRIES AND SEEK INDEPENDENT PROFESSIONAL ADVICE AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER, THE GUARANTOR, THE ARRANGER OR ANY DEALER.

AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEM(S) MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE SUBSTANTIALLY LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE NOTES ARE REDEEMED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S), THE VALUE OF THE REFERENCE ITEM(S) MAY BE SUBSTANTIALLY LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

Terms used in this section and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Notes".

Index Linked Notes

Index Linked Redemption Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Index Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Accordingly, investors in Index Linked Notes will be exposed to risks associated with one or more indices and investors should take independent professional advice accordingly. Index Linked Interest Notes and Index Linked Redemption Notes are referred to herein as "Index Linked Notes".

Equity Linked Notes

Equity Linked Redemption Notes may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of a given number of the Reference Item(s) and/or by payment of an amount determined by reference to the value of the Reference Item(s). Accordingly, an investment in Equity Linked Redemption Notes may bear similar market risks to a direct equity investment and investors should take independent professional advice accordingly. Interest payable on Equity Linked Interest Notes may be calculated by reference to the value of and/or dividends paid under one or more Reference Item(s). Equity Linked Interest Notes and Equity Linked Redemption Notes are referred to herein as "Equity Linked Notes".

Currency Linked Notes

Currency Linked Redemption Notes may be redeemable by the Issuer by payment of the par value amount and/or by physical delivery of a given amount of the Reference Item(s) and/or payment of an amount determined by reference to the value of the Reference Item(s). Accordingly, an investment in Currency Linked Redemption Notes may bear similar market risks

to a direct currency investment and investors should take independent professional advice accordingly. Interest payable on Currency Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Currency Linked Interest Notes and Currency Linked Redemption Notes are referred to herein as "Currency Linked Notes".

Interest Rate Linked Notes

Interest Rate Linked Redemption Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Interest Rate Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Accordingly, investors in Interest Rate Linked Notes will be exposed to risks associated with one or more interest rates and investors should take independent professional advice accordingly. Interest Rate Linked Interest Notes and Interest Rate Linked Redemption Notes are referred to herein as "Interest Rate Linked Notes".

Commodity Linked Notes

Commodity Linked Redemption Notes may be redeemable by the Issuer by payment of the par value amount and/or the physical delivery of a given number/amount of the Reference Item(s) and/or payment of an amount determined by reference to the value of the Reference Item(s). Accordingly, an investment in Commodity Linked Redemption Notes may bear similar market risks to a direct commodity investment and investors should take independent professional advice accordingly. Interest payable on Commodity Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Commodity Linked Interest Notes and Commodity Linked Redemption Notes are referred to herein as "Commodity Linked Notes".

Fund Linked Notes

The Issuer may issue Fund Linked Notes where the Redemption Amount or interest payable are dependent upon the price or changes in the price of fund share(s) or unit(s) or where, depending on the price or changes in the price of fund share(s) or unit(s), the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Fund Linked Notes may bear similar market risks to a direct fund investment and investors should take independent professional advice accordingly. An investment in Fund Linked Notes will entail significant risks not associated with a conventional debt security.

Fund Linked Redemption Notes may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of specified amount of one or more fund share(s) or unit(s) and/or by payment of an amount determined by reference to the value of the fund share(s) or unit(s). Interest payable on Fund Linked Interest Notes may be calculated by reference to the price or value of one or more fund share(s) or unit(s). Potential investors in Fund Linked Notes should be aware that depending on the terms of the Fund Linked Notes (i) they may receive no or a limited amount of interest (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) except in the case of principal protected Notes, they may lose all or a substantial portion of their investment if the price or value of the fund share(s) or unit(s) do not move in the anticipated direction.

In addition, the movements in the price of fund share(s) or unit(s) may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the fund share(s) or unit(s) may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the fund share(s) or unit(s), the greater the effect on yield.

If the Redemption Amount or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the fund share(s) or unit(s) on the Redemption Amount or interest payable will be magnified.

The price of fund share(s) or unit(s) may be affected by the performance of the fund service providers, and in particular the investment adviser.

The market price of Fund Linked Notes may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of fund share(s) or unit(s). The price of fund share(s) or unit(s) may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any shares or units in the fund or funds may be traded.

Debt Linked Notes

The Issuer may issue Debt Linked Notes where the Redemption Amount or interest payable are dependent upon the value of the underlying debt instrument(s), or where, depending on the price of or change in the price of the underlying debt instruments, the relevant Issuer has an obligation to deliver specified assets. Accordingly, an investment in Debt Linked Notes may bear similar market risks to a direct debt instrument investment and investors should take independent professional advice accordingly. An investment in Debt Linked Notes will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

Debt Linked Redemption Notes may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of a given number of debt instrument(s) and/or by payment of an amount determined by reference to the value of the underlying debt instrument(s). Interest payable on Debt Linked Interest Notes may be calculated by reference to the price or value of one or more debt instrument(s).

Potential investors in Debt Linked Notes should be aware that depending on the terms of the Debt Linked Notes (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) except in the case of principal protected Notes, they may lose all or a substantial portion of their investment if the price or value of the underlying debt instrument(s) do not move in the anticipated direction.

In addition, the movements in the price of the underlying debt instrument(s) may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the underlying debt instrument(s) may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the underlying debt instrument(s), the greater the effect on yield.

If the Redemption Amount or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the underlying debt instrument(s) on the Redemption Amount or interest payable will be magnified.

The market price of Debt Linked Notes may be volatile and may be affected by the time remaining to the redemption date or settlement date (as applicable), the volatility of the underlying debt instrument(s) and the financial results and prospects of the issuer or issuers of the relevant underlying debt instrument(s) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such debt instrument(s) may be traded.

Risks related to the Notes linked to shares listed on PRC stock exchanges

Trading in Participatory Notes linked to PRC Reference Underlyings through either the Qualified Foreign Institutional Investor regime ("QFII"), RMB Qualified Foreign Institutional Investor regime ("RQFII") or the China Connect Service is subject to a number of restrictions including pre-trade checking requirements, daily quotas that apply to Northbound trading through the China Connect

Service (in the case of China Connect Service) and investment quota granted by the State Administration for Foreign Exchange (“SAFE”) to the relevant QFII or RQFII (in the case of QFII or RQFII). In addition, the China Connect Service may also be disrupted or terminated and a QFII or RQFII may also lose its qualification and/or investment quota.

There are also further regulatory uncertainties that apply in each case, including the taxes to which trades are subject. Each of the above factors may affect Participatory Notes linked to with one or more shares listed on PRC stock exchanges.

Risks related to investment in the PRC Securities Market and Derivative Instruments relating thereto

The PRC capital market is still at a premature stage. Regulation of the PRC capital market is heavily influenced by government policies and is less transparent and less efficient than the regulation of developed capital markets. There still remain allegations of and convictions for malpractices such as market manipulation and insider trading. The stock price of a PRC listed company may not therefore reasonably reflect its intrinsic value. In addition, the disclosure of information by a PRC company with respect to its financial status may not always be complete and reliable. If the stock price of a PRC listed company does not reasonably reflect its intrinsic value, such pricing inaccuracy will be passed through to derivative instruments such as the Notes. In addition, the revised PRC Securities Law (promulgated on 28 December 2019 and effective as of 1 March 2020) governing the PRC securities market provides that, offshore offering and trading activities of domestic securities, if determined to be disrupting the domestic market order or being detrimental to any legal rights and interests of domestic investors, may also be subject to the provisions and liabilities under the PRC Securities Law. This gives relevant PRC authorities extra-territorial jurisdiction which was not in the previous versions of PRC Securities Law.

Additional risks relating to Renminbi-denominated Notes

Notes denominated in RMB (“RMB Notes”) may be issued under the Programme. RMB Notes contain particular risks for potential investors.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the U.S. dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover the whole nation and to make RMB trade and other current account item settlement available in all countries worldwide. Currently, participating banks in offshore Renminbi settlement centres (including but not limited to, Singapore, Hong Kong, Taiwan, Macau, Paris, Luxembourg, Doha, Sydney, Toronto, Kuala Lumpur, Bangkok, Seoul, London, Frankfurt, Santiago, Budapest, Johannesburg, Buenos Aires and Lusaka, together the “RMB Settlement Centres”) have been permitted to engage in the settlement of Renminbi trade transactions.

On 7 April 2011, the State Administration of Foreign Exchange (“SAFE”) promulgated the *Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi* (國家外匯管理局綜合司關於規範跨境人民幣資本項目業務操作有關問題的通知) (the “SAFE Circular”), which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the accounts of non-PRC residents) to make

contributions to an onshore enterprise or make payment for the transfer of equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the relevant prior written consent from the Ministry of Commerce People's Republic of China ("**MOFCOM**") to the relevant local branches of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the external guarantee provided, by an onshore entity (including a financial institution) in RMB shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

On 13 October 2011, the People's Bank of China ("**PBOC**") issued the *Measures on Administration of the RMB Settlement in relation to Foreign Direct Investment* (外商直接投資人民幣結算業務管理辦法) (the "**PBOC RMB FDI Measures**"), to commence the PBOC's detailed RMB foreign direct investments ("**RMB FDI**") administration system, which covers almost all aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as RMB denominated cross-border loans. Under the PBOC RMB FDI Measures, special approval for RMB FDI and shareholder loans from the PBOC which was previously required by the PBOC Circular (as defined in "*Remittance of Renminbi into and outside the PRC*") is no longer necessary. In some cases however, post-event filing with the PBOC is still necessary.

On 3 December 2013, MOFCOM promulgated the *Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment* (商務部關於跨境人民幣直接投資有關問題的公告) (the "**MOFCOM Circular**"), which became effective on 1 January 2014, to further facilitate RMB FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each RMB FDI and specify "Renminbi Foreign Direct Investment" and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on RMB FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits RMB FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

On 13 February 2015, the SAFE promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy of Direct Investment (關於進一步簡化和改進直接投資外匯管理政策的通知) (the "**2015 SAFE Notice**"), which became effective on and from 1 June 2015. Under the 2015 SAFE Notice, SAFE delegates the authority of approval/registration for direct investment (inbound and outbound) related matters to commercial banks. However, the 2015 SAFE Notice only applies to direct investment activities in foreign currency, and whether and how it would affect the Renminbi direct investment regime is currently unknown.

On 26 January 2017, the SAFE issued the Notice on Further Promoting Foreign Exchange Management Reform by Improving Real Compliance Audit (進一步推進外匯管理改革完善真是合規性審核的通知) (the "**2017 SAFE Notice**") which seeks to further regulate the foreign exchange management in relation to trading. Domestic institutions should handle their currency conversion trade finance businesses and process export earnings timely in accordance with the principle of "who exports, who receives payment, who imports and who makes payment". The 2017 SAFE Notice is also part of the PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. For instance, the 2017 SAFE Notice states that in order for a domestic institution to carry out cross-border lending, the aggregate of the balance of domestic currency loans and foreign currency denominated loans shall not exceed 30 per cent. of the owner's equity as set out in the previous years' audited financial statements. However, there

remain potential inconsistencies between these provisions and the existing PBOC rules, and it is currently unclear as to how regulators may address such inconsistencies in practice.

As some of the above measures and circulars are new regulations, they will be subject to interpretation and application by the relevant PRC authorities. See *“Remittance of Renminbi into and outside the PRC”*.

Although since 1 October 2016, RMB has been included in the basket of currencies that make up the Special Drawing Rights created by the International Monetary Fund, there is no assurance that the PRC government will continue to gradually liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer is not able to repatriate funds outside the PRC in Renminbi, the Issuer or the Guarantor will need to source Renminbi offshore to finance their respective obligations under Renminbi Notes, and their ability to do so will be subject to the overall availability of Renminbi outside the PRC.

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

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBOC has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the **“Settlement Agreement”**) between the PBOC and Bank of China (Hong Kong) Limited (the **“RMB Clearing Bank”**) to further expand the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert RMB; and there will no longer be any restriction on the transfer of RMB funds between different accounts in Hong Kong. In addition, the PBOC has now established Renminbi clearing and settlement systems with financial institutions in other major global financial centres (each also a **“RMB Clearing Bank”**), including but not limited to, London, Frankfurt and Singapore to further internationalise the Renminbi.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Banks only have access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement or any other settlement arrangement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Issuer’s RMB Notes. To

the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in RMB Notes is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the RMB Notes in Renminbi. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the RMB Notes below their stated coupon rates and could result in a loss when the return on the RMB Notes is translated into such currency. In addition, there may be tax consequences for the investors, as a result of any foreign currency gains resulting from any investment in RMB Notes.

Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes

All payments to investors in respect of the RMB Notes will be made solely (i) for so long as the RMB Notes are represented by a Global Note or a Global Certificate (as defined in the Conditions) held with the common depositary or common safekeeper, as the case may be, for Clearstream, Luxembourg and Euroclear Bank or with a sub-custodian for the CMU or any alternative clearing system by transfer to a Renminbi bank account maintained in Hong Kong, or (ii) for so long as the Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Issuer's liquidity could be impaired if it is unable to access the capital markets, sell its assets, its liquidity costs increase or as a result of uncertainties regarding the possible discontinuation of benchmark rates

Issuer's ability to borrow on a secured or unsecured basis and the cost of doing so can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity or the market perceptions of risk relating to the Issuer, certain of its counterparties or the banking sector as a whole, including its perceived or actual creditworthiness. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on the Issuer's liquidity. In challenging credit markets the Issuer's funding costs may increase or it may be unable to raise funds to support or expand its businesses, adversely affecting its results of operations. Following the financial crisis in 2008 and 2009, the Issuer's costs of liquidity have been significant and it expects to incur ongoing costs as a result of regulatory requirements for increased liquidity.

If the Issuer is unable to raise needed funds in the capital markets (including through offerings of equity, regulatory capital securities and other debt), it may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, the Issuer may be unable to sell some of its assets, or it may need to sell assets at depressed prices, which in either case could adversely affect its results of operations and financial condition.

Risk Relating to Floating Rate

Reference rates and indices, including Interest rate benchmarks such as London Interbank Offered Rate ("LIBOR"), which may be used to determine certain amounts payable under the

Notes or the value of the Notes (“**Benchmarks**”) have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, including the proposed discontinuance of LIBOR by the year end of 2021, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on the value of and return on the Notes that refer to a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

The outbreak of COVID-19 may negatively affect the Issuer’s business, operations and financial performance

On 3rd March 2020, COVID-19 was characterised as a pandemic by the World Health Organization. Since December 2019, COVID-19 has spread rapidly, with at least 150 countries and territories worldwide with confirmed cases of COVID-19, and a high concentration of cases in certain countries in which the Issuer conducts business.

The spread of COVID-19 and resulting tight government controls and travel bans implemented around the world have caused disruption to global supply chains and economic activity, and the market has entered a period of increased volatility. The spread of COVID-19 is expected to have a significant impact on the global economy, at least in the first half of 2020, and is likely to affect the Issuer’s financial performance, including credit loss estimates, trading revenues, net interest income and potential goodwill assessments. The extent of the adverse impact of the pandemic on the global economy and markets will depend, in part, on the length and severity of the measures taken to limit the spread of the virus and, in part, on the size and effectiveness of the compensating measures taken by governments. The Issuer is closely monitoring the potential effects and impact on its operations, businesses and financial performance, including liquidity and capital usage, though the extent is difficult to fully predict at this time due to the rapid evolution of this uncertain situation.

Ratings assigned to the Guarantor

The Guarantor has a long-term credit rating of “BBB” and a short-term issuer credit rating of “A-2” by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. Neither the Issuer nor the Guarantor can assure investors that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. Neither the Issuer nor the Guarantor has any obligation to inform holders of the Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Guarantor may adversely affect the market price of the Notes.

The Issuer, the Guarantor and the Notes may be subject to the recovery and resolution regime in Hong Kong

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the “**FIRO**”) came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other within scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities. The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within scope financial institution in Hong Kong.

In particular, subject to certain safeguards, the recovery and resolution regime in Hong Kong may give resolution authorities various powers relating to bail-in, which may include the power to write-down, or convert into equity, the claims of certain unsecured senior creditors or other loss absorption measures. Such powers may affect the pricing and claims of holders of the Notes. If the resolution authorities make rules in respect of bail-in under Hong Kong law and the Issuer and/or the Guarantor are captured by the resolution regime as an affiliated operational entity of a within scope financial institution, the Notes may be subject to write-down or loss absorption upon the occurrence of the relevant trigger event as determined by Hong Kong authorities, which may result in the Noteholders losing some or all of their investment. Holders of Notes (whether senior or subordinated) may become subject to and bound by the FIRO.

Hedging

In the ordinary course of its business, including without limitation in connection with its market-making activities, the Issuer, the Guarantor or any of their respective subsidiaries and affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Reference Item(s) or related derivatives. In addition, in connection with the offering of the Notes, the Issuer, the Guarantor or any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor or any of their respective subsidiaries and affiliates, the Issuer, the Guarantor or any of their respective subsidiaries and affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the relevant Noteholders. Upon the redemption of Notes (other than on the Maturity Date), the Issuer, the Guarantor or their respective subsidiaries and affiliates may be required to unwind, terminate, liquidate, adjust, obtain, replace or re-establish such hedging or market-making activities, resulting in a gain to, or losses and costs incurred by, the Issuer, the Guarantor or any of their respective subsidiaries and affiliates. A Noteholder may receive an amount from the Issuer in respect of such gain, or, as the case may be, be required to make a payment to the Issuer in respect of such losses or costs. In this event, on redemption of the Notes, any amount that would otherwise be received by the Noteholder in the case of cash settlement of the Notes will be adjusted accordingly. Similarly, in the case of physical settlement of the Notes, the Noteholder may be required to make certain payments in respect of such losses and costs incurred by the Issuer as a condition of the delivery of any Asset Amount by the Issuer, or, as the case may be, the Noteholder may receive certain payments from the Issuer with the delivery of any Asset Amount by the Issuer in respect of such gain to the Issuer.

Further, in determining the value of the Notes as of the relevant dates, the Issuer and its affiliates may be bound by the determinations or adjustments made by the counterparty(ies) or the calculation agent of a Hedge Transaction. Any of such determination and adjustment could potentially affect the value of the underlying assets, which in turn affect the payments under the Notes. With respect to the determination or adjustments, it may not be commercially reasonable or feasible for the Issuer (through its affiliates or otherwise), whether pursuant to the relevant terms of the applicable legal document or from a practical perspective, to verify, contest, litigate or otherwise dispute such determinations or adjustment. In addition, upon the occurrence of certain Hedge Adjustment Events, the Calculation Agent may make adjustments to the terms of the Notes acting in a commercially reasonable manner or the Issuer may redeem the Notes at a commercially reasonable amount as determined by the Calculation Agent.

Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index “benchmarks”

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

Key international reforms of “benchmarks” include the Principles for Financial Market Benchmarks (July 2013) of International Organization of Securities Commissions (“**IOSCO**”) (the “**IOSCO Benchmark Principles**”) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmarks Regulation**”).

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. The first review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The first review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

In February 2016, IOSCO published its second review of the implementation of the IOSCO Benchmark Principles by administrators of EURIBOR, LIBOR and the Tokyo Inter-Bank Offer Rate (“**TIBOR**”). The second review noted that the administrators of LIBOR, EURIBOR and TIBOR had been proactively engaged in addressing the issues raised in the first review. Nevertheless, the second review set out recommendations for each administrator in order to strengthen the implementation of the IOSCO Benchmark Principles and proposed that relevant national authorities monitor the progress made by the three administrators in order to implement those recommendations.

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

The scope of the Benchmarks Regulation is wide and, in addition to so-called “critical benchmarks” such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including “proprietary” indices or strategies) which are referenced in certain financial instruments (including securities or OTC derivatives traded on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or via a “systematic internaliser”), certain financial contracts and investment funds. Different types and categories of “benchmark”

are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a “benchmark” is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than €50 billion, subject to further conditions.

The Benchmarks Regulation and/or any other international, national or other reforms and/or the general increased regulatory scrutiny of “benchmarks” could have a material impact on any Notes linked to a “benchmark” index, including in any of the following circumstances:

- The costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements could increase, discouraging market participants from continuing to administer or participate in certain “benchmarks” and/or leading to the disappearance of certain “benchmarks”. The disappearance of a “benchmark” (including, without limitation, the LIBOR benchmark) could result in such benchmark being deemed replaced (for the purposes of the Notes) with an alternative benchmark selected by the Issuer, adjustment to the terms and conditions pursuant to Condition 3(g) (*Benchmark discontinuation*) or Condition 3(h) (*Benchmark Rate Event*), early redemption or termination, discretionary valuation by the Issuer and/or the Calculation Agent, delisting or other consequences in relation to Notes linked to such “benchmark” or Condition 3(g) (*Benchmark discontinuation*) applies to the interest rate applicable to such Notes effectively becoming fixed at the rate last set in accordance with the Terms and Conditions of the Notes.
- The administrator of a rate or index which is a “benchmark” may not obtain authorisation/registration or not be able to rely on one of the regimes available to non-EU benchmarks. In such event, depending on the particular “benchmark” and the applicable terms of the Notes, such benchmark may be deemed replaced with an alternative benchmark selected by the Issuer, the Terms and Conditions of the Notes might be adjusted pursuant to Condition 3(h) (*Benchmark Rate Event*), or de-listed, redeemed or terminated early, or otherwise impacted.
- The methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmarks Regulation or other reforms, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level and, depending on the particular “benchmark” and the applicable terms of the Notes, could lead to adjustments to the terms of the Notes, including Calculation Agent determination of the rate or level in its discretion.

Any of the above consequences could have a material adverse effect on the value of and return on any such Notes linked to a “benchmark” index.

In addition, if the terms and conditions of any Notes are adjusted pursuant to Condition 3(g) (*Benchmark discontinuation*) so as to provide for an alternative reference rate, there can be no assurance that the specified Relevant Margin will be adjusted for any difference between the alternative reference rate and the Original Reference Rate applicable to such Notes or that any adjustment made will correspond to the difference between the alternative reference rate and the Original Reference Rate when assessed at any particular date. Investors may accordingly receive less than they would otherwise have received.

There can also be no assurance that the amounts payable to investors in relation to any Notes following the application of a Successor Rate or Alternative Rate pursuant to Condition 3(g) (*Benchmark discontinuation*), and any related adjustments to the terms and conditions of the relevant Notes, will correspond with the amounts that investors would have received if the Original Reference Rate or (as the case may be) original Benchmark Rate had continued to apply, and investors may accordingly receive less than they would otherwise have received.

Furthermore, LIBOR is the subject of ongoing regulatory reforms. Following the implementation of any of these reforms, the manner of administration of LIBOR may change, with the result that it may perform differently than in the past or be eliminated entirely, or there could be other consequences that cannot be predicted. For example, on 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). Further, on 12 July 2018 the FCA announced that LIBOR may cease to be a regulated benchmark under the Benchmark Regulations. The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. At this time, it is not possible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market for LIBOR-linked securities. The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or other reforms may require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Notes

On 29 November 2017, the Bank of England and the FCA announced that, from January 2018, the Bank of England's Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Notes that reference a SONIA rate issued pursuant to this Offering Circular. As SONIA is published and calculated by the Bank of England based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes linked to SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

The Secured Overnight Financing Rate ("**SOFR**") is published by the Federal Reserve Bank of New York (the "**Federal Reserve**") and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. The Federal Reserve notes on its publication page for SOFR that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. Because SOFR is published by the Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes linked to SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes. The Federal Reserve began to publish SOFR in April 2018. The Federal Reserve has also begun publishing historical indicative

SOFR rates going back to 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR. Also, since SOFR is a relatively new market index, Notes linked to SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Notes linked to SOFR may be lower than those of later-issued indexed debt securities as a result.

The Issuer may in the future also issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with any previous SONIA-referenced or SOFR-referenced Notes issued under the Programme. The nascent development of Compounded Daily SONIA, Compounded Daily SOFR and Weighted Average SOFR as interest reference rates for the Eurobond markets, as well as continued development of SONIA-based and SOFR-based rates for such markets and market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or otherwise affect the market price of any SONIA-referenced or SOFR-referenced Notes issued under the Programme. Interest on Notes which reference Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference a SONIA rate or SOFR rate to reliably estimate the amount of interest that will be payable on such Notes. Further, if the Notes become due and payable under Condition 17 (*Events of Default*) of the Terms and Conditions of the Notes, the Interest Rate applicable to the Notes shall be determined on the date the Notes became due and payable and shall not be reset thereafter. In addition, the manner of adoption or application of SONIA reference rates and SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA and SOFR in other markets, such as the derivatives and loan markets.

Investors should carefully consider how any mismatch between the adoption of SONIA reference rates and SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing a SONIA rate or a SOFR rate. Investors should consider these matters when making their investment decision with respect to any such Notes.

Further, if SONIA or SOFR do not prove to be widely used in securities like the Notes, the trading prices of Notes linked to SONIA or SOFR may be lower than those of notes linked to reference rates that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk.

Investors should note that the fallback provisions in the Terms and Conditions of the Notes relating to Notes referencing SONIA provide that if the Interest Rate cannot otherwise be determined in accordance with the Terms and Conditions of the Notes, the Interest Rate shall be (i) that which was determined as at the last preceding Interest Determination Date or (ii) in relation to the first Interest Period in relation to such Notes, a rate that the Calculation Agent determines would have been the Interest Rate for a notional interest period equal in length to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. The effect of these provisions is that the interest rate applicable to the Notes for any Interest Period where the Interest Rate cannot otherwise be determined in accordance with the Terms and Conditions of the Notes effectively becomes fixed at the rate last set in accordance with the Terms and Conditions of the Notes which, if the Interest Rate cannot otherwise be determined in accordance with the Terms and Conditions of the Notes for the first interest period will be a rate determined for a notional interest period occurring prior to the issuance of the Notes.

Secondary Market

There can be no assurance as to whether any Notes will trade in the secondary market or whether such market will be liquid or illiquid. The Notes may or may not be listed on any stock exchange or market. If the Notes are not traded on any stock exchange, pricing information for such Notes may be more difficult to obtain, and the liquidity and market prices of such Notes may be adversely affected.

Market Value of Notes

The market value of an issue of Notes will be affected by a number of factors independent of the creditworthiness of the Issuer, or the Guarantor, including, but not limited to:

- (i) the value and volatility of the Reference Item(s);
- (ii) in the case of Debt Linked Notes, the creditworthiness of the issuer or issuers of each Reference Item;
- (iii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iv) where the Reference Item(s) is/are funds, the market value of the asset(s) that comprise each Reference Item or the price or level of the item(s) to which each Reference Item is linked;
- (v) market interest and yield rates;
- (vi) fluctuations in exchange rates;
- (vii) liquidity of the Notes or any Reference Item(s) in the secondary market;
- (viii) the time remaining to any redemption date or the maturity date; and/or
- (ix) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded or listed.

The price at which a Noteholder will be able to sell any Notes prior to maturity may be at a discount, which could be substantial, to the market value of such Notes on the Issue Date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the Issue Date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any Note.

Potential FATCA withholding

Pursuant to certain provisions of U.S. law, commonly known as Foreign Account Tax Compliance Act ("**FATCA**"), withholding may be required on, among other things, (i) certain payments made by "foreign financial institutions" ("**foreign passthru payments**"), (ii) dividend equivalent payments (as described below in "Potential U.S. Withholding on Dividend Equivalent Payments") and (iii) payments of gross proceeds from the disposition of assets that generate dividend equivalent payments, in each case, to persons that fail to meet certain certification, reporting, or related requirements. However, proposed U.S. Treasury regulations have been issued that provide for (x) the repeal of the withholding tax applicable to payments of gross proceeds from the disposition of assets that generate dividend equivalent payments and (ii) the extension of the date on which withholding applies to foreign passthru payments to the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of the final regulations.

The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of FATCA to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments, are uncertain and may be subject to change. Additionally, Notes that are not treated as equity for U.S. federal income tax purposes and that have a fixed term generally would be “grandfathered” for purposes of FATCA withholding (i) in respect of foreign passthru payments, if issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register, and (ii) in respect of dividend equivalent payments and gross proceeds on Notes that generate dividend equivalent payments, if issued on or prior to the date that is six months after the date on which Notes of its type are first treated as giving rise to dividend equivalent payments, in each case, unless the Note is materially modified after the relevant grandfathering date (including by reason of a substitution of the Issuer). However, if additional notes (as described under “Terms and Conditions of the Notes – Further Issues”) that are not distinguishable from grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including grandfathered Notes, as subject to withholding under FATCA.

In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Prospective Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

Potential U.S. Withholding on Dividend Equivalent Payments

Under Section 871(m) of the U.S. Code and the U.S. Treasury regulations thereunder (“**Section 871(m)**”), a “dividend equivalent” payment is treated as a dividend from sources within the United States and will be subject to U.S. withholding tax at a rate of 30 per cent. when paid. A “dividend equivalent” payment generally includes a payment (or deemed payment) that is contingent upon, or determined by reference to, the payment of a U.S.-source dividend under certain financial instruments. An instrument whose economic characteristics are sufficiently similar to those of an underlying or referenced U.S. security that pays U.S.-source dividends under tests provided in applicable U.S. Treasury regulations will generally be subject to the Section 871(m) regime (such an instrument, a “**Specified ELI**”). The tests applicable for determining whether an instrument is a Specified ELI will depend on the terms of the relevant instrument and the date on which the instrument is issued, and may be subject to redetermination in connection with certain modifications of the instrument. Similarly, if additional Notes of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales of Notes out of inventory) after the original issue date, the U.S. Internal Revenue Service (“**IRS**”) could treat the issue date for determining whether the existing Notes are Specified ELIs as the date of such subsequent sale or issuance.

Pursuant to recent IRS guidance, Section 871(m) will not apply to certain financial instruments issued prior to 1 January 2023 if such financial instruments are not “delta one” transactions. With respect to financial instruments issued on or after 1 January 2023, a financial instrument will be a Specified ELI subject to Section 871(m) if such instrument has a delta of 0.8 or greater with respect to an underlying security. However, the Section 871(m) regulations provide certain broadly applicable exceptions to characterization as Specified ELIs, in particular for certain instruments linked to certain broad-based indices. The “delta” of a financial instrument is the ratio of the change in the fair market value of such instrument to the change in the fair market value of the property referenced by such instrument.

Withholding in respect of dividend equivalents will generally be required when cash payments are made under a Specified ELI or upon the date of maturity, lapse or other disposition of the Specified ELI. If the underlying or referenced U.S. security or securities are treated as paying dividends during the term of the Specified ELI, withholding generally will still be required even if the Specified ELI does not provide for payments explicitly linked to such dividends.

As discussed above, FATCA would impose withholding tax at a rate of 30 per cent. on any payments in respect of a Note that are treated as dividend equivalent payments when paid to persons that fail to meet certain certification, reporting, or related requirements. While a payment with respect to a Note could be subject to U.S. withholding under both FATCA and as a result of being treated as a dividend equivalent payment, the maximum rate of U.S. withholding on such payment would not exceed 30 per cent.

Upon the issuance of a series of Notes, the Issuer will state in an attachment to the relevant Pricing Supplement or on the Issuer's website if it has determined that the Notes are Specified ELIs at the time such Notes are issued, in which case Noteholders should expect to be subject to withholding in respect of any dividend equivalent payments on such Notes. The Issuer's determination is binding on Noteholders, but is not binding on the IRS. In the event that any withholding would be required pursuant to Section 871(m) with respect to payments on the Notes, no person will be required to pay any additional amounts with respect to amounts so withheld. Additionally, the Issuer may withhold the full 30 per cent. tax on any payment on the Notes in respect of any dividend equivalent arising with respect to such Notes regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a Noteholder is eligible for a reduced tax rate under an applicable tax treaty with the United States). A Noteholder may be able to claim a credit against its U.S. federal income tax liability for such withholding and may be entitled to a refund of any excess withholding, provided the required information is timely furnished to the IRS. However, Noteholders may not receive the necessary information to properly claim a refund.

Prospective investors should consult their tax advisers regarding the consequences to them of the potential application of Section 871(m) to the Notes.

Issuance of Fungible Notes

The Issuer may, without the consent of the holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case involving Notes that are treated as debt for U.S. federal income tax purposes, the additional Notes may be considered to have been issued with original issue discount ("**OID**") even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. Additionally, further issues of securities could affect the application of FATCA and withholding on dividend equivalent payments with respect to the Notes. These differences, among other things, may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

Conflicts of Interest

Where the Arranger, the Issuing and Paying Agent or any Dealer acts as Calculation Agent, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable upon redemption of the Notes.

The Issuer, the Guarantor, the Arranger, the Fiscal Agent, the Issuing and Paying Agent and any Dealer and any of their respective subsidiaries and affiliates may, at the date hereof or at any

time hereafter, be in possession of information in relation to a Reference Item that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuer, the Guarantor, the Arranger, the Fiscal Agent, the Issuing and Paying Agent, any Dealer or any of their respective subsidiaries and affiliates to disclose to Noteholders any such information.

Suitability of Investment

This Offering Circular identifies in a general way, some of the information that a prospective investor should consider prior to making an investment in the Notes. However, this Offering Circular does not purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in the Notes. Therefore, a prospective investor should conduct its own thorough analysis (including its own financial, accounting, legal and tax analysis) prior to deciding whether to invest in the Notes. Any evaluation of whether an investment in the Notes is suitable depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of the Notes. This Offering Circular is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its financial investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility. If a prospective investor does not have experience in financial, legal, business and investment matters sufficient to permit it to make such a determination, the prospective investor should consult with its financial, tax, legal and/or accounting advisers, prior to deciding to make an investment in the Notes.

Prospective investors who consider purchasing any Notes should reach an investment decision only after carefully considering the suitability of such Notes in light of their particular circumstances.

Non-registration under the Securities Act and Restrictions on Transfer

The Notes and the Guarantee have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being issued and sold in reliance upon exemptions from registration provided by such laws. Consequently, the transfer of the Notes will be subject to satisfaction of legal requirements applicable to transfers that do not require registration under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Notes are subject to certain transfer restrictions as described herein under "*Transfer Restrictions*", which may further limit the liquidity of the Notes.

Neither the Issuer nor the Guarantor has been registered as an investment company under the Investment Company Act, in reliance, where applicable, on the exception provided under Section 3(c)(7) thereof for companies whose outstanding securities are beneficially owned by QPs and which do not make a public offering of their securities in the United States. No opinion or no-action position has been requested of the U.S. Securities and Exchange Commission (the "**SEC**") regarding whether the Issuer or the Guarantor is required to be registered as an investment company. If the SEC or a court of competent jurisdiction were to find that the Issuer or the Guarantor is required to register as an investment company, possible consequences include, but are not limited to, the SEC applying to enjoin the violation, and any contract to which the Issuer or the Guarantor is a party made in violation or whose performance involves a violation of the Investment Company Act being unenforceable unless enforcing such contract would produce a more equitable result. Should the Issuer or the Guarantor be subjected to any or all of the foregoing or to any other consequences, the Issuer and the Guarantor would be materially and adversely affected.

Each transferee of a Note will be deemed to make certain representations at the time of transfer relating to compliance with Section 3(c)(7) of the Investment Company Act. See “*Transfer Restrictions*”.

The foregoing and other transfer restrictions further limit the liquidity of the Notes.

GENERAL NOTICES

Forward-Looking Statements

This Offering Circular includes “forward-looking statements”. All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the Issuer’s and the Guarantor’s respective financial positions, business strategies, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer and the Guarantor, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s and the Guarantor’s present and future business strategies and the environment in which the Issuer and the Guarantor will operate in the future. Among the important factors that could cause the Issuer’s and the Guarantor’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, local, regional and international business, economic and political conditions and geopolitical events, changes in laws and regulatory requirements and changes in trade, monetary and fiscal policies and laws. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under Risk Factors. These forward-looking statements speak only as of the date on which they are made. The Issuer and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s and the Guarantor’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Enforceability of Judgments

The Guarantor is a corporation organized under the laws of Hong Kong. None of the directors and executive officers of the Guarantor are residents of the United States, and all or a substantial portion of the assets of the Guarantor and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Guarantor or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

The Issuer is a corporation organized under the laws of Hong Kong. None of the directors and executive officers of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

Certain ERISA Considerations

The following is a summary of certain considerations associated with an investment in the Notes by an employee benefit plan or other plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) or Section 4975 of the U.S. Internal Revenue Code (“**U.S. Code**”), as well as any entity or arrangement whose underlying assets are treated for purposes of ERISA or Section 4975 as “plan assets” by reason of any such plan’s investment in the entity or arrangement (collectively, “**Plans**”).

THIS SUMMARY WAS WRITTEN IN CONNECTION WITH THE MARKETING OF THE NOTE AND SHOULD NOT BE CONSTRUED AS LEGAL ADVICE OR AS COMPLETE IN ALL RELEVANT RESPECTS. THIS SUMMARY IS NOT INTENDED TO BE USED AND CANNOT BE USED BY ANY NOTEHOLDER TO AVOID PENALTIES AND/OR EXCISE TAX. ALL PURCHASERS ARE URGED TO CONSULT THEIR LEGAL ADVISORS BEFORE MAKING THEIR OWN INDEPENDENT DECISIONS AND INVESTING ASSETS OF A PLAN IN THE NOTES.

Section 406 of ERISA and Section 4975 of the U.S. Code prohibit a broad range of transactions involving “plan assets” of Plans and certain persons who are “parties in interest” under ERISA or “disqualified persons” under the U.S. Code with respect to such Plans (together, “**Parties in Interest**”), including the purchase or sale of a note or other security, and the extension of credit, unless an exemption applies. Among other potentially applicable exemptions, Section 408(b)(17) and Section 4975(d)(20) of the U.S. Code provide a limited exemption for the purchase and sale of securities and related lending transactions, provided that (i) none of the Issuer and its affiliates has or exercises any discretionary authority or control or renders any investment advice in respect of the assets of any Plan involved in such transactions and (ii) the Plan receives no less, and pays no more, than “adequate consideration” (within the meaning of such provisions of law) in connection with such transactions (the so-called “service-provider exemption”). There can be no assurance that the service-provider or other exemption will be available in respect of any particular transaction involving the Notes.

Parties in Interest that participate in a non-exempt prohibited transaction may be subject to an excise tax under the U.S. Code or other penalty or liability by reason of ERISA. In addition, the persons involved in the prohibited transaction may have to rescind the transaction and pay an amount to the Plan for any losses realized by the Plan.

Certain governmental, church or non-U.S. benefit plans are not subject to the fiduciary responsibility or prohibited transaction rules of ERISA or Section 4975 of the U.S. Code (collectively, “**Non-ERISA Plans**”), but may be subject to similar rules under other applicable laws that are substantially similar to ERISA or Section 4975 of the U.S. Code (“**Similar Law**”). Fiduciaries of such plans should consult with their counsel before purchasing any Notes or any interest therein.

Accordingly, the Notes may not be purchased or held by a Plan or a governmental, church or non-U.S. benefit plan which is subject to Similar Law, unless the acquisition, holding and disposition of the Notes would not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the U.S. Code, or a violation of any Similar Law. Any purchaser of the Notes or any interest therein, including in the secondary market, will be deemed to have represented that, among other things, either (a) it is not and is not purchasing Notes or any interest therein on behalf of any Plan or a Non-ERISA Plan that is subject to Similar Law, or (b) its acquisition, holding and disposition of the Notes or any interest therein would not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the U.S. Code, or a violation of any Similar Law, and that such representations shall be deemed to be made each day from the date on which the purchaser purchases through and including the date on which the purchaser disposes of the Notes and all interests therein. See “*Transfer Restrictions*” herein.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes on behalf of, or with the “plan assets” of, any Plan consult with their counsel regarding the potential consequences under ERISA and the U.S. Code, and the availability of exemptive relief under ERISA or Section 4975 of the U.S. Code, or any substantially similar laws.

Purchasers of the Notes have exclusive responsibility for ensuring that their purchase, holding and disposition of the Notes do not violate the prohibited transaction rules of ERISA, the U.S. Code or any Similar Laws. The sale of any Notes to a Plan or Non-ERISA Plan is in no respect a representation by the Issuer nor any of its affiliates or representatives that such an investment meets all relevant legal requirements in respect of investments by any such plan generally or any particular plan, or that such investment is appropriate for such plans generally or any particular plan.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. The applicable terms of any Notes will be agreed by the Issuer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes, as modified and supplemented by the applicable Pricing Supplement.

This Offering Circular and any supplement will only be valid for the issue of Notes from the date of this Offering Circular in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets settle payments and are open for general business in Hong Kong, in each case on the basis of the spot rate for the sale of U.S. dollars against the purchase of such Specified Currency quoted on a particular Reuters or Bloomberg page (or any other similar source) selected by the Issuer on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Currency Linked Notes, Interest Rate Linked Notes, Index Linked Notes, Equity Linked Notes, Fund Linked Notes, Debt Linked Notes, Participatory Notes and Commodity Linked Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes; and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in other parts of this Offering Circular shall have the same meanings when used in this summary.

Issuer:	CICC Financial Trading Limited (Legal Entity Identifier: 5299007S28V6QGNXK514)
Guarantor:	China International Capital Corporation (Hong Kong) Limited
Arranger:	China International Capital Corporation Hong Kong Securities Limited
Dealer:	China International Capital Corporation Hong Kong Securities Limited and any other Dealer(s) appointed under the Programme.
Description:	Guaranteed Structured Note Programme
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Selling Restrictions</i> ").
Fiscal Agent	Citicorp International Limited
Issuing and Paying Agent, Registrar and Transfer Agent:	Citibank, N.A., London Branch
CMU Lodging and Paying Agent	A CMU Lodging and Paying Agent will be appointed under the Programme on or prior to the issuance of a Series of Notes to be held in the CMU Service.
Programme Size:	Up to U.S.\$10,000,000,000 (or its equivalent in other currencies calculated as described under " <i>General Description of the Programme</i> ") outstanding at any time. The Issuer may increase the amount of the Programme.
Distribution:	Notes may be distributed by way of private placement and in each case on a syndicated or non syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency specified by the Issuer.
Maturities:	Such maturities as may be specified by the Issuer subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully paid or a partly paid basis and at an issue price which is at par, at a discount to par, or at a premium over par.

Benchmark Discontinuation

If any payments under the Notes are linked to any Benchmark, on the occurrence of a Benchmark Event the Issuer may (subject to certain conditions and following consultation with an Independent Adviser (as defined in “*Terms and Conditions of the Notes*”)) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments in accordance with Condition 3(g) (*Benchmark discontinuation*).

Form of Notes:

The Notes will be in bearer form or in registered form. See also “*Summary of Provisions Relating to the Notes while in Global Form*”.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be specified by the Issuer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be specified by the Issuer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series);
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be specified by the Issuer.

The margin (if any) relating to such floating rate will be specified by the Issuer for each Series of Floating Rate Notes.

Index Linked Notes:**Index Linked Interest Notes:**

Payments of interest in respect of Index Linked Interest Notes will be made by reference to a single index or a basket of indices and/or such formula as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).

Index Linked Redemption Notes:

Payments of principal will be calculated by reference to a single index or a basket of indices and/or such formula as may be specified by the Issuer (as indicated in the applicable Pricing Supplement). Each nominal amount of Notes equal to the Calculation Amount specified in the applicable Pricing Supplement will be redeemed by payment of the Redemption Amount specified in the

applicable Pricing Supplement, or if not so specified, as defined in the Terms and Conditions of the Notes.

Other provisions in relation to Fixed Rate Notes and Floating Rate Notes:

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both.

Interest on Fixed Rate Notes and Floating Rate Notes in respect of each Interest Period, as specified prior to issue by the Issuer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be specified by the Issuer.

Equity Linked Notes:

Equity Linked Interest Notes:

Payments of interest in respect of Equity Linked Interest Notes will be calculated by reference to a single share/exchange traded fund or basket of shares/exchange traded funds on such terms as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).

Equity Linked Redemption Notes:

Payments of principal in respect of Equity Linked Redemption Notes will be calculated by reference to a single share/exchange traded fund or a basket of shares/exchange traded funds. Each nominal amount of Notes equal to the Calculation Amount specified in the applicable Pricing Supplement will be redeemed by payment of the Redemption Amount specified in the applicable Pricing Supplement or, if not so specified, as defined in the Terms and Conditions of the Notes. Equity Linked Redemption Notes may also provide that redemption will be by physical delivery of the Asset Amount as more fully set out under "*Terms and Conditions of the Notes*".

The Equity Linked Notes will be subject to adjustment in the event of certain events occurring in respect of the share(s) or exchange traded fund(s), as the case may be, as more fully set out under "*Terms and Conditions of the Notes*".

Currency Linked Notes:

Currency Linked Interest Notes:

Payments of interest in respect of Currency Linked Interest Notes will be made in such currencies, and by reference to such rates of exchange and/or such formulae, as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).

Currency Linked Redemption Notes:

Payments of principal in respect of Currency Linked Redemption Notes will be made by reference to such rates of exchange and/or such formulae, as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).

Interest Rate Linked Notes:**Interest Rate Linked Interest Notes:**

Payments of interest in respect of Interest Rate Linked Interest Notes will be made by reference to levels of, or movements in, interest rates or other interest rate-dependent variables as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).

Interest Rate Linked Redemption Notes:

Payments of principal in respect of Interest Rate Linked Redemption Notes will be made by reference to levels of, or movements in, interest rates or other interest rate-dependent variables as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).

Commodity Linked Notes:**Commodity Linked Interest Notes:**

Payments of interest in respect of Commodity Linked Interest Notes will be calculated by reference to one commodity or a basket of commodities and/or such formulae as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).

Commodity Linked Redemption Notes:

Payments of principal in respect of Commodity Linked Redemption Notes will be calculated by reference to one commodity or a basket of commodities and/or such formulae as may be specified by the Issuer (as indicated in the applicable Pricing Supplement). Each nominal amount of Notes equal to the Calculation Amount specified in the applicable Pricing Supplement will be redeemed by payment of the Redemption Amount specified in the applicable Pricing Supplement, or if not so specified, as defined in the Terms and Conditions of the Notes.

Fund Linked Notes:

Amounts payable in respect of Fund Linked Notes will be calculated by reference to units, interests or shares in a single fund or basket of funds. Fund Linked Notes may also provide for settlement by physical delivery of a specified amount of units, interests or shares of one or more Funds, subject to payment of any applicable sums payable.

Fund Linked Notes may, at the discretion of the Issuer, be subject to early redemption or adjustment (including as to valuations and fund substitutions) if certain corporate events (such as insolvency (or an analogous event) or nationalisation of a Fund; litigation against, or regulatory events occurring with respect to a Fund, suspensions of Fund subscriptions or redemptions, certain changes in net asset value or violations of leverage restrictions of a Fund, Fund reporting disruptions, or modifications to the investment objectives or changes in the nature or administration of a Fund) occur, or if certain valuation or settlement disruption events occur with respect to a Fund.

Debt Linked Notes:	<p>Amounts payable in respect of Debt Linked Notes will be calculated by reference to a single Debt Instrument or basket of Debt Instruments. Debt Linked Notes may also provide for settlement by physical delivery of a specified amount of Debt Instruments of one or more issuers, subject to payment of any applicable sums payable.</p> <p>Certain disruption events affecting trading on exchanges on which the relevant Debt Instrument(s) or options contracts or futures contracts with respect to the Debt Instrument(s) are traded or listed may occur with respect to Debt Linked Notes.</p>
Participatory Notes:	<p>Payments of interest in respect of Participatory Notes will be calculated by reference to a single share or basket of shares on such terms as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).</p>
Zero Coupon Notes:	<p>Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.</p>
Hybrid Notes:	<p>Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Hybrid Notes will be calculated by reference to any combination of Reference Items as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).</p>
Other Notes:	<p>Terms applicable to any other type of Note which the Issuer may from time to time issue under the Programme will be set out in the applicable Pricing Supplement.</p>
Redemption:	<p>The applicable Pricing Supplement relating to each Tranche of Notes will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or as a result of a Tax Event or following an Event of Default or, in the case of Equity Linked Redemption Notes, and Fund Linked Redemption Notes, following certain events as described herein) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be specified by the Issuer.</p> <p>The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.</p>
Denomination of Notes:	<p>Notes will be issued in such denominations as may be specified by the Issuer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Notes may be issued in unitised form (“Units”) and</p>

references in this Offering Circular to Notes shall also include Units.

Taxation:	All payments in respect of the Notes will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature that the Issuer, the Guarantor or any Agent is required by applicable law to make. The Issuer and the Guarantor shall not be obliged to gross up any payments in respect of any Notes and shall not be liable for or otherwise obliged to pay any such taxes, duties or charges.
Negative Pledge:	The terms of the Notes will not contain a negative pledge provision.
Cross Default:	The terms of the Notes will not contain a cross default provision.
Status of the Notes:	The Notes will constitute direct and unsecured obligations of the Issuer and will at all times rank <i>pari passu</i> and without any preference among themselves. The obligations of the Issuer under the Notes will, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, present and future.
Guarantee:	The due and punctual payment of any amounts due by the Issuer in respect of the Notes will be guaranteed unconditionally and irrevocably by the Guarantor as provided in the Guarantee as more specifically set forth in Condition 2(b) and as reproduced in full in the section headed "Form of Guarantee".
Guarantor's Rating:	The Guarantor has a long-term credit rating of "BBB" and a short-term credit rating of "A-2" by S&P.
Rating:	Notes issued under the Programme will be unrated.
Listing:	Application has been made to list certain Series of Notes issued under the Programme on the Official List and trade them on the Euro MTF market. However, some Series of Notes may not be listed on the Official List nor on any other stock exchange or market. The applicable Pricing Supplement in respect of any Series of Notes will specify whether an issue of Notes will be listed on the Official List (or any other stock exchange or market).
Governing Law:	The Notes will be governed by, and construed in accordance with, Hong Kong law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, the People's Republic of China, Hong Kong, Taiwan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Selling Restrictions</i> ".

United States Selling Restrictions: Category 2 for purposes of Regulation S, unless otherwise specified in the applicable Pricing Supplement. Unitary Registered Notes may be sold (a) within the United States to QIB/QPs in accordance with Rule 144A or (b) outside the United States to, or for the account or benefit of, a purchaser that is not a U.S. person in an offshore transaction in compliance with Regulation S. Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**U.S. Code**”)) (the “**D Rules**”) unless (i) the applicable Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Code) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the applicable Pricing Supplement as a transaction to which TEFRA is not applicable.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[THESE NOTES ARE NOT PRINCIPAL PROTECTED. POTENTIAL PURCHASERS OF THESE NOTES SHOULD UNDERSTAND THAT AMOUNTS DUE IN RESPECT OF PRINCIPAL WILL BE DEPENDENT UPON THE PERFORMANCE OF THE UNDERLYING SECURITY(IES) (AS DEFINED HEREIN), AS MORE FULLY SET OUT HEREIN.]¹

[THESE NOTES ARE NOT PRINCIPAL PROTECTED. POTENTIAL PURCHASERS OF THESE NOTES SHOULD UNDERSTAND THAT AMOUNTS DUE IN RESPECT OF PRINCIPAL WILL BE DEPENDENT UPON THE PERFORMANCE OF THE INDEX(ICES) (AS DEFINED HEREIN), AS MORE FULLY SET OUT HEREIN.]²

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (“EEA”) OR IN THE UNITED KINGDOM (THE “UK”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED OR SUPERSEDED, THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (AS AMENDED OR SUPERSEDED, THE “PROSPECTUS DIRECTIVE”). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UK MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.]

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – SOLELY FOR THE PURPOSES OF [THE/EACH] MANUFACTURER’S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A “DISTRIBUTOR”) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER[’S/S’] TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR

¹ This wording or any other more appropriate form shall be inserted for Equity Linked Redemption Notes

² This wording or any other more appropriate form shall be inserted for Index Linked Redemption Notes

REFINING THE MANUFACTURER[S/S] TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.] / [APPROPRIATE TARGET MARKET LEGEND TO BE INCLUDED]

[THE NOTES AND THE GUARANTEE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES. THE NOTES MAY NOT BE OFFERED, SOLD OR (IN THE CASE OF BEARER NOTES) DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.]³

[BEARER NOTES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, EXCEPT IN CERTAIN TRANSACTIONS PERMITTED BY U.S. TAX REGULATIONS. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY THE U.S. INTERNAL REVENUE CODE AND REGULATIONS THEREUNDER.]⁴

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE.]⁵

[THE NOTES AND THE GUARANTEE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES. THE ISSUER MAY OFFER, SELL OR DELIVER NOTES ONLY (A) TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) REASONABLY BELIEVED BY THE ISSUER TO BE QUALIFIED INSTITUTIONAL BUYERS (EACH A “QIB”) AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) THAT ARE ALSO “QUALIFIED PURCHASERS” (“QPS”) AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940 (THE “INVESTMENT COMPANY ACT”) OR (B) OUTSIDE THE UNITED STATES TO, OR FOR THE ACCOUNT OR BENEFIT OF, A PURCHASER THAT IS NOT A U.S. PERSON IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT. EACH PURCHASER OF NOTES BEING OFFERED TO, OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON IS HEREBY NOTIFIED THAT THE OFFER AND SALE OF SUCH NOTES IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.]⁶

[Date]

CICC Financial Trading Limited

³ This wording shall be inserted for Reg S Registered Notes or Bearer Notes.

⁴ This wording shall be inserted for Bearer Notes.

⁵ This wording shall be inserted for Bearer Notes treated as debt for U.S. federal income tax purposes having a maturity of more than one year, and the accompanying Coupons, Talons and Receipts.

⁶ This wording shall be inserted for Unitary Registered Notes.

Issue of [Aggregate Nominal Amount of Tranche] [Number of Units]⁷ [Title of Notes] (the “Notes”)

**under the U.S.\$10,000,000,000
Guaranteed Structured Note Programme**

**Guaranteed by
China International Capital Corporation (Hong Kong) Limited**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [date] (the “**Offering Circular**”). This Pricing Supplement is supplemental to and must be read in conjunction with the Offering Circular.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

[All purchasers of the Notes must provide certain representations to the Dealer in the form of the Master Purchaser Certificate set out as the Appendix attached to the Conditions set out in the Offering Circular.]⁸

- | | | |
|----|-----------------------------------|---|
| 1. | Issuer: | CICC Financial Trading Limited |
| | Guarantor: | China International Capital Corporation (Hong Kong) Limited |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 3. | Specified Currency or Currencies: | [●] |
| 4. | Trading Method: | [Nominal] [Unit] ⁹ |
| 5. | [Aggregate Nominal Amount:] | [●] |
| | [Aggregate Issue Size:] | [[●] Units (equivalent to an aggregate nominal amount of [●])] ¹⁰ |
| | – Series: | [●] [[●] Units] ¹¹ |
| | – Tranche: | [●][[●] Units] ¹² |
| 6. | [(i)] Issue Price: | [[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] [[●] per |

⁷ Only required for Notes in unitised form

⁸ Only required for Unitary Registered Notes

⁹ Only required for Notes in unitised form

¹⁰ Only required for Notes in unitised form

¹¹ Only required for Notes in unitised form

¹² Only required for Notes in unitised form

		Unit] ¹³
	[[ii)] Aggregate Proceeds Amount:	[●]] ¹⁴
	(iii) Net Proceeds Amount	[●]
7.	(i) Specified Denomination(s):	[●] [[●] per Unit (equivalent to a nominal amount of [●] per Unit)] ¹⁵
	[(ii) Minimum Tradeable Size:]	[[●] Units] ¹⁶
	[(iii) Multiple Tradeable Size:]	[[●] Units] ¹⁷
	[(ii)][(iv)] Calculation Amount:	[●]
		<i>(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i>
		[[●] per Unit] ¹⁸
		<i>(This should be equal to the Specified Denomination.)</i>
8.	(i) Issue Date:	[●]
	[(ii) Interest Commencement Date:	[●]
9.	Maturity Date:	<i>[Fixed rate - specify date/ Floating rate - Interest Payment Date falling in or nearest to [specify month]]</i>
10.	Interest Basis:	[[●] per cent. per annum Fixed Rate] [[HIBOR/LIBOR/EURIBOR/CNH HIBOR] +/- [●] per cent. per annum Floating Rate] [Zero Coupon] [Index Linked Interest] [Equity Linked Interest] [Currency Linked Interest] [Fund Linked Interest] [Debt Linked Interest] [Interest Rate Linked Interest] [Commodity Linked Interest] [Non-interest bearing][specify other] [(further particulars specified below)] <i>(Specify Equity Linked Interest for Participatory Notes or Notes related to exchange traded fund(s))</i>
11.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption]

¹³ Only required for Notes in unitised form

¹⁴ Only required for Notes in unitised form

¹⁵ Only required for Notes in unitised form

¹⁶ Only required for Notes in unitised form

¹⁷ Only required for Notes in unitised form

¹⁸ Only required for Notes in unitised form

- [Equity Linked Redemption]
 [Instalment]
 [Currency Linked Redemption]
 [Fund Linked Redemption]
 [Debt Linked Redemption]
 [Interest Rate Linked Redemption]
 [Commodity Linked Redemption][*specify other*]
(Specify Equity Linked Redemption for Participatory Notes or Notes related to exchange traded fund(s))
12. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
13. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
14. **Listing and Admission to Trading**
- (i) Listing [Luxembourg Stock Exchange's Euro MTF market/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [Euro MTF] with effect from and including [●]/Not Applicable].
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Interest Payment Dates**
- (i) Specified Period(s)/Specified Interest Payment Date(s): [●]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
17. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
(If payable other than annually, consider amending Condition 3)
- (ii) Fixed Coupon Amount(s): [[●] per [●] in nominal amount/Not Applicable]
- (iii) Broken Amount(s): [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)*]/[Not Applicable]
- (iv) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or 30E/360 (ISDA) or *specify other*]
(NB: Actual/Actual (ICMA) is normally appropriate for Fixed Rate Notes except for Fixed Rate Notes

- denominated in U.S. dollars for which 30/360 is normally appropriate)*
- (v) Determination Date(s): [●] in each year
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration) (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)))
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
18. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (ii) Screen Rate Determination:
- Reference Rate: [●]
(Either HIBOR, LIBOR, EURIBOR, CNH HIBOR or other, although additional information is required if other)
 - Interest Determination Date(s): [●]
(First day of each Interest Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR; the day falling two Business Days in London for the Specified Currency prior to the first day of each Interest Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Renminbi; the day falling two TARGET Business Days prior to the first day of each Interest Period if the Specified Currency is euro; or the day falling two Business Days in Hong Kong prior to the first day of each Interest Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR.)
 - Relevant Screen Page: [●]
(In the case of EURIBOR, if not Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (iii) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]

- Reset Date: [●]
 - (iv) Margin: [+/-] [●] per cent. per annum
 - (v) Minimum Rate of Interest: [●] per cent. per annum
 - (vi) Maximum Rate of Interest: [●] per cent. per annum
 - (vii) Day Count Fraction: [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]/[360/360]/[Bond Basis]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]
[Other]
(See General Definitions for alternatives)
 - (viii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
19. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [●] per cent. per annum
 - (ii) Reference Price: [●]
 - (iii) Any other formula/basis of determining amount payable: [●]
(Consider applicable day count fraction if not U.S. dollar denominated)
 - (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 5(g)(iii) and 5(k) apply/specify other]
20. **Index Linked Interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Formula for calculating interest rate including provisions for determining coupon where calculation by reference to Index/Indices is impossible or impracticable and other back up provisions: [Give or annex details]
 - (ii) Other terms or special conditions: [●]
21. **Equity Linked Interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete remaining sub-paragraphs of this paragraph)
- (i) Formula for calculating [Give or annex details]

	interest rate including back up provisions:	[Participatory Note Provisions Applicable] <i>(Specify Participatory Note Provisions Applicable for Participatory Notes)</i>
(ii)	Interim Payment Dates for Participatory Notes:	[The [●] Business Day following the date the relevant Applicable Cash Dividend Amount is received by an Investor entitled to receive it] [Not Applicable] <i>(For Participatory Notes only. Specify Not Applicable if the Notes are not Participatory Notes)</i>
(iii)	Applicable Cash Dividend Failure Date for Participatory Notes:	[The [●] Business Day following the Maturity Date] [Not Applicable] <i>(For Participatory Notes only. Specify Not Applicable if the Notes are not Participatory Notes)</i>
(iv)	Other terms or special conditions:	[●]
22.	Currency Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Reference Currency:	[●]
(ii)	Relevant provisions for determining interest payable:	[Give or annex details]
(iii)	Other terms or special conditions:	[●]
23.	Interest Rate Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the sub-paragraph of this paragraph below)</i>
	Terms and Conditions of the Notes relating to the Interest Rate Linked Interest Notes:	[●]
24.	Commodity Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Relevant provisions for determining amount of principal and/or interest payable:	[Give or annex details]
(ii)	Other terms or special conditions:	[●]
25.	Fund Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the sub-paragraph of this paragraph below)</i>
(i)	Fund/Basket of Funds:	[●]
(ii)	Fund Interests:	[●]
(iii)	Formula for calculating interest rate including back up provisions:	[●]
(iv)	Trade Date:	[●]

(v)	Valuation Date:	[•]
(vi)	Valuation Time:	[•]
(vii)	Other terms or special conditions:	[•]
26.	Debt Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the sub-paragraph of this paragraph below)</i>
(i)	Debt Instrument/Basket of Debt Instruments:	[•]
(ii)	Debt Instrument Price:	[•] <i>(NB. Complete only if different from definition contained in Condition 13 of the Terms and Conditions of the Notes)</i>
(iii)	Formula for calculating interest rate including back up provisions:	[•]
(iv)	Averaging:	Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [•].]
(v)	Valuation Date:	[•]
(vi)	Valuation Time:	[•]
(vii)	Weighting:	The weighting to be applied to each item comprising the Basket to ascertain the Debt Instrument Price is [•]. <i>(N.B. Only applicable in relation to Debt Linked Notes relating to a Basket)</i>
(viii)	Scheduled Trading Day:	[•]
(ix)	Relevant Screen Page:	[•]
(x)	Redemption of Debt Instrument(s):	Where one or more of the relevant Debt Instruments is redeemed (or otherwise ceases to exist) before the redemption of the Notes, [<i>insert appropriate fallback provisions</i>].
(xi)	Other terms or special conditions:	[•]

PROVISIONS RELATING TO REDEMPTION

27.	Issuer Call:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Optional Redemption Date(s):	[•]
(ii)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[•]
(iii)	If redeemable in part:	[•]
(a)	Minimum Redemption Amount:	[•]

- (b) Maximum Redemption Amount: [•]
- (iv) Notice period (if other than as set out in the Conditions): [•]
28. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•]
- (iii) Notice period (if other than as set out in the Conditions): [•]
- (iv) Adjustment for Hedging Costs: [Applicable/Not Applicable]
29. Final Redemption Amount of each Note: [Nominal amount/specify other/Not Applicable]
(Where Notes are Index Linked Redemption Notes, Equity Linked Redemption Notes, Currency Linked Redemption Notes, Interest Rate Linked Redemption Notes, Commodity Linked Redemption Notes, Fund Linked Redemption Notes or Debt Linked Redemption Notes specify "Not Applicable" and complete Items 31, 32, 33, 34, 35, 36 or 37 below as applicable)
30. Early Redemption Amount:
- (i) Early Redemption Amount of each Note and/or the method of calculating the same: [•]
- (ii) If Notes redeemed following a Tax Event (Condition 5(b)) or an Illegality (Condition 5(c)) whether redemption may occur at any time or on an Interest Payment Date: [At any time/on an Interest Payment Date]
(Where interest is calculated on a variable basis, redemption should occur on an Interest Payment Date) (Where Participatory Note Provisions are applicable, redemption should occur at any time)
- (iii) Adjustment for Hedging Costs: [Applicable/Not Applicable]
31. Index Linked Redemption Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Whether the Notes relate to a basket of Indices or a single Index and the identity of the relevant Index/Indices and details of the relevant sponsors: [Basket of Indices/Single Index]

[Give or annex details (including ISIN code(s) or other equivalent identification code(s))]
[See further particulars specified in Appendix 1] (Only applicable for Notes relate to a basket of indices and a single Index)

- (ii) [Weightings of each Index: [●]]
(For a basket of Indices only. Where there is only single Index, delete this paragraph.)
- (iii) Exchange(s): [●]
- (iv) Related Exchange(s): [●]
- (v) Redemption Amount: [Express per Calculation Amount/Not Applicable]
[If Not Applicable: [Call Index Linked Redemption Notes/Put Index Linked Redemption Notes]]
- (vi) Valuation Date: [●]
- (vii) Valuation Time: [Condition 7(c) applies/other]
- (viii) Strike Price: [●]
- (ix) Disrupted Day: [Applicable/Not Applicable]
[If Applicable consider provisions for calculation of the Reference Price if a Disrupted Day occurs included in Condition 7(c) and if not appropriate insert appropriate provisions]
- (x) Multiplier for each Index comprising the basket: [Insert details/Not Applicable]
- (xi) Other terms or special conditions: [●]
- (xii) Source of the information about the past and the future performance of the [Index/Indices] and the volatility of the [Index/Indices]: [[●]/[The source of the information about the past and the future performance of the [Index/Indices] and the volatility of the [Index/Indices] is not publicly available.]]
32. Equity Linked Redemption Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Whether the Notes relate to a basket of Shares/ETFs or a single Share/ETF (each an “**Underlying Equity**”) and, in the case of Notes related to Share(s), the identity of the relevant issuer(s) of the Share(s): [Basket of Shares/Single Share/Basket of ETFs/Single ETF]
[Give or annex details including, in the case of a basket of Shares or single Share, (i) ISIN code(s), stock code(s) or other equivalent identification code(s) and (ii) whether “China Connect” applies to any Share]
[See further particulars specified in Appendix 2]
(Only applicable for Notes relate to a basket of Shares/ETFs and a single Share/ETF)
- (ii) [Weightings of each Share/ETF]: [●]
(For a basket of Shares/ETFs only. Where there is only single Share/ETF, delete this paragraph.)
- (iii) Participatory Note Provisions: [Applicable/Not Applicable.]
- (iv) Whether redemption of the Notes will be by (a) Cash [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]

Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery:	<i>(Specify Cash Settlement for Participatory Notes) (If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)</i>
(v) Exchange(s):	[•]
(vi) Related Exchange(s):	[[•]/All Exchanges]
(vii) Number of Shares per Specified Amount:	[•]
(viii) Averaging:	Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [•]. [Omission/Postponement/Modified Postponement] applies.]
(ix) Redemption Amount:	[Express per Calculation Amount/Not Applicable] [As set out in Condition 9(e)*] (* For Participatory Notes only)
[If Not Applicable:	[Call Equity Linked Redemption Notes/Put Equity Linked Redemption Notes]]
(x) Valuation Date:	[•]
(xi) Valuation Time:	[Condition 8(e) applies/other]
(xii) Initial Reference Price for Participatory Notes:	[Specify Initial Reference Price/Not Applicable]* (* For Participatory Notes only. Specify Not Applicable if the Notes are not Participatory Notes)
(xiii) Strike Price:	[•]
(xiv) Exchange Rate:	[Applicable/Not Applicable] [The [Currency 1]/[Currency 2] exchange rate, as determined by the Calculation Agent by reference to the rates of exchange actually obtained by the Issuer and/or its Affiliates, and such factors as the Calculation Agent may decide in its sole discretion, for the purchase of [Currency 1] with [Currency 2] or vice versa upon (a) the Issuer's and/or its Affiliates' acquisition or disposal of the Share, in relation to the Maturity Date or any other date of redemption, or (b) the receipt by the Issuer and/or its Affiliates of any Applicable Cash Dividend Amount, as applicable.*] (* For Participatory Notes only) [Insert other details]
(xv) Settlement Currency:	[•]
(xvi) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 8(c)):	[Insert details/Not Applicable]
(xvii) Additional provisions for calculating the Reference	[•]

	Price when a Disrupted Day occurs on the Valuation Date or an Averaging Date, if different from Condition 8:	
	(xviii) Details of the time specified on the Valuation Date or the Averaging Date, as the case may be, for the calculation of the Reference Price (if applicable) (the “ Relevant Time ”):	[•]
	(xix) Additional Provisions for Other Jurisdictions for Participatory Notes:	[Applicable/Not Applicable] <i>(For Participatory Notes only. Specify Not Applicable if the Notes are not Participatory Notes)</i>
	(xx) Relevant Assets:	<i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]</i>
	(xxi) Asset Amount:	<i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]</i>
	(xxii) Cut-off Date:	<i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]</i>
	(xxiii) Delivery provisions for Asset Amount (including details of the party making such delivery) if different from Terms and Conditions of the Notes:	<i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]</i>
	(xxiv) Other terms or special conditions:	[•]
	(xxv) Source of the information about the past and the future performance of the Share(s)/ETF(s) and the volatility of the Share(s)/ETF(s):	[[•]/[The source of the information about the past and the future performance of the Share(s)/ETF(s) and the volatility of the Share(s)/ETF(s) is not publicly available.]]
33.	Currency Linked Redemption Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the sub-paragraph of this paragraph below)</i>
	(i) [Terms and Conditions of the Notes relating to the redemption of Notes:	[•]
	(ii) Source of the information about the past and the future performance of the Currency and the volatility of the Currency:	[[•]/[The source of the information about the past and the future performance of the Currency and the volatility of the Currency is not publicly available.]]
34.	Interest Rate Linked Redemption Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the sub-paragraph of this paragraph below)</i>

- (i) [Terms and Conditions of the Notes relating to the redemption of Notes: [•]]
- (ii) Source of the information about the past and the future performance of the Interest Rate and the volatility of the Interest Rate: [[•]/[The source of the information about the past and the future performance of the Interest Rate and the volatility of the Interest Rate is not publicly available.]]
35. Commodity Linked Redemption Notes: [Applicable/Not Applicable] (If not applicable, delete the sub-paragraph of this paragraph below)
- (i) [Terms and Conditions of the Notes relating to the redemption of Notes: [•]]
- (ii) Source of the information about the past and the future performance of the Commodity and the volatility of the Commodity: [[•]/[The source of the information about the past and the future performance of the Commodity and the volatility of the Commodity is not publicly available.]]
36. Fund Linked Redemption Notes: [Applicable/Not Applicable] (If not applicable, delete the sub-paragraph of this paragraph below)
- (i) Fund/Basket of Funds: [•]
- (ii) Fund Interests: [•]
- (iii) [Weightings of each Fund]: [•]
(For a basket of Funds only. Where there is only a single Fund, delete this paragraph.)
- (iv) Redemption Amount: [Express per Calculation Amount/Not Applicable]
- (v) Trade Date: [•]
- (vi) Valuation Date: [•]
- (vii) Valuation Time: [•]
- (viii) Other terms or special conditions: [•]
- (ix) Source of the information about the past and the future performance of the Fund(s) and the volatility of the Fund(s): [[•]/[The source of the information about the past and the future performance of the Fund(s) and the volatility of the Fund(s) is not publicly available.]]
37. Debt Linked Redemption Notes [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Debt Instruments/Basket of Debt Instruments: [•]

[Give or annex details (including ISIN code(s) or other equivalent identification code(s))]
- (ii) [Weightings of each Debt Instrument: [•]]
(For a basket of Debt Instruments only. Where

- there is only single Debt, delete this paragraph.)*
- (iii) Debt Instrument Price: [●]
(N.B. Complete only if different from definition contained in Condition 13 of the Terms and Conditions of the Notes)
- (iv) Redemption Amount: [Express per Calculation Amount/Not Applicable]
- (v) Averaging: Averaging [applies/does not apply] to the Notes.
 [The Average Dates are [●].]
- (vi) Valuation Date: [●]
- (vii) Valuation Time: [●]
- (viii) Weighting: Weighting to be applied to each item comprising the Basket to ascertain the Debt Instrument Price is [●]. *(N.B. Only applicable in relation to Debt Linked Notes relating to a Basket)*
- (ix) Scheduled Trading Day: [●]
- (x) Relevant Screen Page: [●]
- (xi) Redemption of Debt Instrument(s): Where one or more of the relevant Debt Instruments is redeemed (or otherwise ceases to exist) before the redemption of the Notes, [*insert appropriate fallback provisions*].
- (xii) Other terms or special conditions: [●]
- (xiii) Source of the information about the past and the future performance of the Debt(s) and the volatility of the Debt(s): [[●]/[The source of the information about the past and the future performance of the Debt(s) and the volatility of the Debt(s) is not publicly available.]]

PAYMENTS

38. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details*]
(Note that this item relates to the place of payment and not Interest Period end dates to which Item 15 relates.)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

39. Additional Disruption Events [Change in Law]
 [FX Disruption] *(Include this if the Notes are Participatory Notes)*
 [Hedging Disruption]
 [Increased Cost of Hedging]
 [Increased Cost of Stock Borrow]
 [Insolvency Filing]
 [Loss of Stock Borrow]
 [Force Majeure]
 [Illegality]
 [Qualified Investor Disruption] *(Include this if the*

		Notes are Participatory Notes and “China Connect” is not specified to be applicable to the relevant Share)
		[Qualified Investor Status Disruption] (Include this if the Notes are Participatory Notes and “China Connect” is not specified to be applicable to the relevant Share)
		[China Connect Service Termination] (Include this if “China Connect” is specified to be applicable to any Share)
		[China Connect Share Disqualification] Include this if “China Connect” is specified to be applicable to any Share)
	Hedge Adjustment Event	[Applicable] [Not Applicable]
40.	Form of Notes:	Bearer Notes:
		[Temporary Global Note exchangeable for definitive Bearer Notes in the limited circumstances specified in the permanent Global Note]
		[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for definitive Bearer Notes in the limited circumstances specified in the permanent Global Note]
		[Permanent Global Note exchangeable for definitive Bearer Notes in the limited circumstances specified in the permanent Global Note]
		Registered Notes:
		[Permanent Global Certificate ([●] nominal amount)]
		[Permanent Unitary Global Certificate ([●] nominal amount)]
		[Registered notes represented by the permanent Global Certificate transferable in part in the limited circumstances specified in the permanent Global Certificate]
		[Registered notes represented by the permanent Unitary Global Certificate transferable in part in the limited circumstances specified in the permanent Unitary Global Certificate]
41.	Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):	[Applicable/Not Applicable. <i>If Applicable, give details</i>]
42.	Details relating to Instalment Notes:	
	Instalment Amount(s):	[Not Applicable/ <i>give details</i>]

- Instalment Date(s): [Not Applicable/give details]
43. Calculation Agent: [●]
44. Business Centre(s): [●]
45. Notice to the Issuer: [Insert notice details for delivery of notices to the Issuer if specific notice details are required and Condition 23(c) applies]
46. Additional U.S. federal income tax considerations: [The Notes are [not] Specified ELIs for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986. [Additional information regarding the application of Section 871(m) to the Notes will be available from [give name(s) and address(es) of Issuer contact].] (N.B. The Notes will not be Specified ELIs if they (i) are issued prior to January 1, 2023 and provide a return that differs by more than a de minimis amount from the return on an investment in any referenced U.S. equity (including any U.S. equity that is a component of a referenced index) or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes are issued on or after January 1, 2023 and reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis would be required. If the Notes are Specified ELIs, include the “Additional information” sentence and provide the appropriate contact information at the Issuer.)]
47. Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

48. (i) If syndicated, names of Dealers: [Not Applicable/give names]
- Stabilising Manager (if any): [Not Applicable/give name]
49. Whether TEFRA D Rules applicable, TEFRA C Rules applicable or TEFRA rules not applicable: [D Rules/C Rules/TEFRA Not Applicable]
50. Additional selling restrictions: [Not Applicable/give details]
- [The Notes may not be offered, delivered or sold directly or indirectly in Taiwan or to any resident of Taiwan or to others for re-offering or resale directly or indirectly in Taiwan or to any resident of Taiwan except as otherwise permitted under applicable Taiwanese laws and regulations.] [Include this wording if the Notes are Participatory Notes and the Shares to which they relate are from Taiwan]

OPERATIONAL INFORMATION

51. Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and the CMU Service and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
52. CMU Lodging and Paying Agent: [Not Applicable/[•]] [Include name of the CMU Lodging and Paying Agent if the clearing system is the CMU Service]
53. Delivery: Delivery [against/free of] payment
54. Additional Paying Agent(s) (if any): [•]
55. Relevant Benchmark[s]: [[[specify benchmark] is provided by [administrator legal name]]. As at the date hereof, [[administrator legal name][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/[Not Applicable]
56. Legal Entity Identifier: 5299007S28V6QGNXK514

ISIN: [•]
Common Code: [•]
CMU Instrument Number: [•]

RESPONSIBILITY

[Subject as provided below, the] [The] Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

THIRD PARTY INFORMATION

[Relevant third party information] has been extracted from [•]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.

POST-ISSUANCE TRANSACTION INFORMATION

The Issuer does not intend to provide the transaction information in relation to (i) the Notes and (ii) the performance of the [Type of the underlying assets] linked to the Notes after the Issue Date.

Signed on behalf of the Issuer:

By:

Duly authorised

Signed on behalf of the Guarantor:

By:

Duly authorised

[The information (the “**Reference Information**”) on the Reference Items is more particularly described in the Annex hereto. The Reference Information consists only of extracts from, or summaries of, information which is publicly available. The Issuer and the Guarantor accept responsibility that the Reference Information has been correctly extracted or summarised. No further or other responsibility (express or implied) in respect of the Reference Information is accepted by the Issuer.]

[Appendix 1 – Index Linked Notes Details] ¹⁹

1	[Index Linked Notes]	
	(a) Information on the Index	
	(i) Description and name of the Index publisher	[•]
	(ii) Place of publication of the Index	[•]
	(iii) Frequency and method of calculation; index adjustment procedures	[as per the Index rules] [•]
	<i>(Repeat the above information for each Index in the case of Notes relate to a basket of indices)</i>	

¹⁹ Only applicable for Notes relate to a basket of indices and a single Index.

[Appendix 2 – Equity Linked Notes Details] ²⁰

1	[Equity Linked Notes]	
	(a) Information on the issuer of the Share/ETF	<i>[Name, registered office or main administrative office, if different from the registered office, country of establishment and website]</i>
	(b) Information on the underlying Share/ETF	
	(i) Indication of the main listing place	[•]
	(ii) [If the terms and conditions for the issue of the Notes provide for a physical delivery of the underlying Share/ETF, the following additional information set out below:	
	<ul style="list-style-type: none"> • procedures, place, time limits, and conditions for the delivery of the underlying Share/ETF; 	[•]
	<ul style="list-style-type: none"> • form of the underlying Share/ETF; 	[•]
	<ul style="list-style-type: none"> • method of transfer and restrictions, if any, on the transfer of underlying Share/ETF; 	[•]
	<ul style="list-style-type: none"> • name of the registrar and paying agent in the main listing country of the underlying Share/EFT; 	[•]
	<ul style="list-style-type: none"> • tax scheme applicable to the income of the underlying Share/ETF in the country of origin; and 	[•]
	<ul style="list-style-type: none"> • place in Luxembourg where the annual and, where applicable, interim reports in French, German, or English can be obtained (indicate if and how often interim reports are published). 	[•]
	If the issuer of the underlying Share does	

²⁰ Only applicable for Notes relate to a basket of Shares/ETFs and a single Share/ETF.

	not publish its reports in one of these languages, the language in which the reports are available in the risk factor section]	
	<i>Repeat (a) and (b) above for each Share/ETF in the case of Notes relate to a basket of Shares/ETFs)</i>	
	(iii) [Method of computation of the basket value	[•] (Notes relate to a basket of Shares/ETFs only)]
	(iii) [Procedure for changing basket constituents and method of informing holders	[•] (Notes relate to a basket of Shares/ETFs only)]

[Appendix 3 – Debt Linked Notes Details]²¹

1	[Debt Linked Notes]	
	(a) Information on the issuer of the debt instrument	<i>[Name, registered office or main administrative office, if different from the registered office, country of establishment and website]</i>
	(b) Information on the underlying debt instrument	
	(i) ISIN	[●]
	(ii) Common Code	[●]
	(iii) Indication of the main listing place	[●]
	(iv) [If the terms and conditions for the issue of the Notes provide for a physical delivery of the underlying debt instrument, the following additional information set out below:	
	<ul style="list-style-type: none"> procedures, place, time limits, and conditions for the delivery of the underlying debt instrument; 	[●]
	<ul style="list-style-type: none"> form of the underlying debt instrument; 	[●]
	<ul style="list-style-type: none"> method of transfer and restrictions, if any, on the transfer of underlying debt instrument; 	[●]
	<ul style="list-style-type: none"> name of the registrar and paying agent in the main listing country of the underlying debt instrument; 	[●]
	<ul style="list-style-type: none"> tax scheme applicable to the income of the underlying debt instrument in the country of origin; and 	[●]
	<ul style="list-style-type: none"> place in Luxembourg where the annual and, where applicable, interim reports in French, German, or English can be obtained (indicate if and how often 	[●]

²¹ Only applicable for Notes relate to debt instruments.

	interim reports are published) (If the issuer of the underlying debt instrument does not publish its reports in one of these languages, the language in which the reports are available in the risk factor section).]	
	If the issuer of the underlying debt instrument does not publish its reports in one of these languages, the language in which the reports are available in the risk factor section]	

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions (the “Conditions”) of the Notes which will be incorporated by reference into each Global Note (as defined below) or Global Certificate (as defined below), each Note in definitive form but, in the case of Notes in definitive form, only if specified by the Issuer at the time of issue but, if not so specified, such Note in definitive form will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche or Series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Note. Reference should be made to “Form of Pricing Supplement” for a description of the contents of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by CICC Financial Trading Limited (the “**Issuer**”) pursuant to the Fiscal Agency Agreement (as defined below).

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Bearer Notes represented by a Global Note, units of the Calculation Amount in the Specified Currency;
- (ii) any Global Note;
- (iii) in relation to Registered Notes represented by a Global Certificate, units of the Calculation Amount in the Specified Currency;
- (iv) any Global Certificate;
- (v) definitive Bearer Notes issued in exchange for a Global Note; and
- (vi) any definitive Registered Notes (whether or not issued upon transfer of Notes represented by a Global Certificate in part).

Notes may be issued in unitised form (each, a “**Unit**”), and references herein to the “**Notes**” shall also include Units.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of the Fiscal Agency Agreement dated 17 November 2014 as amended and restated on 28 October 2015 and as may be amended and/or supplemented from time to time (the “**Fiscal Agency Agreement**”) between the Issuer, Citicorp International Limited as fiscal agent (the “**Fiscal Agent**”, which expression shall include any successor fiscal agent), Citibank N.A., London Branch as issuing and paying agent (the “**Issuing and Paying Agent**”, which expression shall include any successor issuing and paying agent), as registrar (the “**Registrar**”, which expression shall include any successor registrar) and as transfer agent (the “**Transfer Agent**”, which expression shall include any additional or successor transfer agents) and China International Capital Corporation Hong Kong Securities Limited as calculation agent (the “**Calculation Agent**”, which expression shall include any additional or successor calculation agents). A CMU lodging and paying agent for Notes to be held in the CMU Service (the “**CMU Lodging and Paying Agent**”, which expression shall include any successor CMU Lodging and Paying Agent) shall be appointed under and become a party to the Fiscal Agency Agreement prior to or upon the issuance of any such Notes. The Notes, the Receipts and the Coupons also have the benefit of a Deed of Guarantee dated 17 November 2014 as amended and restated on 28 October 2015 and further amended and restated on 29 November 2017 as may be amended and/or supplemented from time to time (the “**Guarantee**”) by China International Capital

Corporation (Hong Kong) Limited (the “**Guarantor**”). For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU Service, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly.

Interest bearing definitive Bearer Notes have interest coupons (“**Coupons**”) and, if indicated in the applicable Pricing Supplement, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (“**Receipts**”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes and Global Certificates do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the “**applicable Pricing Supplement**” are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The payment of all amounts in respect of this Note have been unconditionally and irrevocably guaranteed by the Guarantor pursuant to the Guarantee. The original of the Guarantee is held by the Issuing and Paying Agent on behalf of the Noteholders, the Receiptholders and the Couponholders at its specified office.

Any reference to “**Noteholders**” or “**holders**” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note or Global Certificate, be construed as provided below. Any reference herein to “**Receiptholders**” shall mean the holders of the Receipts and any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing, if applicable) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing, if applicable) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant dated 17 November 2014 as amended and restated on 28 October 2015 and as may be amended and/or supplemented from time to time (the “**Deed of Covenant**”) by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear, Clearstream, Luxembourg and the CMU Service (each as defined below).

Copies of the Fiscal Agency Agreement, the Guarantee and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents and the Luxembourg Listing Agent. Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of the Issuing and Paying Agent, the Registrar, in the case of Registered Notes, and the other Paying Agents, in the case of Bearer Notes, save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions

of the Fiscal Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement.

Words and expressions defined in the Fiscal Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions, unless the context otherwise requires or unless otherwise stated, and provided that, in the event of inconsistency between the Fiscal Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail. In particular, any reference in these Terms and Conditions to “**payment**” of any sums due in respect of the Notes shall be deemed to include, as applicable, delivery of any Deliverable Obligations or Asset Amount if so provided herein, and reference to “**pay**”, “**paid**” and “**payable**” shall be construed accordingly.

No persons shall have any right to enforce any term or condition of the Notes, the Receipts, the Coupons and the Talons under the Contracts (Rights of Third Parties) Ordinance (Cap 623) except to the extent (if any) that the Notes, the Receipts, the Coupons and the Talons expressly provide for such Ordinance to apply.

In these Terms and Conditions:

General Definitions

“**Administrator/Benchmark Event**” means, for a Series and a Benchmark Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Benchmark Rate or the administrator or sponsor of the Benchmark Rate has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the Issuer or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the Benchmark Rate to perform its or their respective obligations or to calculate any amounts payable under the Notes.

If, for a Series and a Benchmark Rate, (i) an event or circumstance which would otherwise constitute or give rise to an Administrator/Benchmark Event also constitutes a Benchmark Rate Cessation or (ii) a Benchmark Rate Cessation and an Administrator/Benchmark Event would otherwise be continuing at the same time, it will in either case constitute a Benchmark Rate Cessation and will not constitute or give rise to an Administrator/Benchmark Event provided that, if the date that would otherwise have been the Administrator/Benchmark Event Date would have occurred before the Benchmark Rate is no longer available, Condition 3(j) (*Interim Measures*) shall apply as if an Administrator/Benchmark Event had occurred.

“**Administrator/Benchmark Event Date**” means, for a Series and an Administrator/Benchmark Event, the date on which the authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is:

- (i) required under any applicable law or regulation; or
- (ii) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that the Benchmark Rate is not permitted to be used under the Notes following rejection, refusal, suspension or withdrawal,

or, in each case, if such date occurs before the Trade Date, the Trade Date.

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest

extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of an Alternative Rate, is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate; or
- (iii) if no such recommendation or option has been made (or made available), or the Issuer determines there is no such spread, formula or methodology in customary market usage, the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

"Affiliate" means, in relation to any entity (the **"First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **"control"** means ownership of a majority of the voting power of an entity.

"Agent" means the Fiscal Agent, Issuing and Paying Agent, the Registrar, any Paying Agent, the Calculation Agent, the CMU Lodging and Paying Agent or the Transfer Agent.

"Alternative Post-nominated Benchmark Rate" means, in respect of a Series and a Benchmark Rate, any index, benchmark or other price source which is formally designated, nominated or recommended by:

- (i) any Relevant Nominating Body; or
- (ii) the administrator or sponsor of the Benchmark Rate, provided that such index, benchmark or other price source is substantially the same as the Benchmark Rate,

in each case, to replace the Benchmark Rate. If a replacement is designated, nominated or recommended under both paragraphs (i) and (ii) above, then the replacement under paragraph (i) shall be the Alternative Post-nominated Benchmark Rate.

"Alternative Pre-nominated Benchmark Rate" means, in respect of a Series and a Benchmark Rate, the first of the indices, benchmarks or other price sources specified as such in the relevant Pricing Supplement and not subject to a Benchmark Rate Event.

"Alternative Rate" means an index, benchmark or other price source which the Calculation Agent determines in accordance with Condition 3(g) (*Benchmark discontinuation*) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate.

"Benchmark Amendments" has the meaning given to it in Condition 3(g)(iv) (*Benchmark Amendments*).

“Benchmark Event” means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to exist or be published; or
- (ii) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six months prior to the date specified in (ii)(a); or
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, by a specified date, be permanently or indefinitely discontinued and (b) the date falling six months prior to the date specified in (iv)(a); or
- (v) a Benchmark Rate Representative Event; or
- (vi) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (vii) it has or will become unlawful for any Paying Agent, *the* Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable.

“Benchmark Rate” means, in respect of a Series and a Rate of Interest for which ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the index, benchmark or price source (as applicable) originally specified for the purpose of determining “Floating Rate Option”. To the extent that a Replacement Benchmark Rate is determined to be used in respect of a Series, such Replacement Benchmark Rate shall be an “Benchmark Rate” for that Series during the period on which it is used.

“Benchmark Rate Cessation” means, for a Series and a Benchmark Rate (other than SONIA or SOFR) or a Floating Rate Option, or any other interest rate, yield, cost of funds or similar rate, the occurrence or existence of one or more of the following events:

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

- (iii) any event which otherwise constitutes an “index cessation event” (regardless of how it is actually defined or described in the definition of the Benchmark Rate) in relation to which a Priority Fallback is specified.

provided that, in each case, a Benchmark Rate Cessation shall only occur if the first day on which the Benchmark Rate is no longer available is on or before the last day prior to the Maturity Date when the Benchmark Rate needs to be determined.

“**Benchmark Rate Event**” means, in respect of a Series and a Benchmark Rate, the determination by the Calculation Agent that one or more of the following events has occurred:

- (i) a Benchmark Rate Cessation;
- (ii) an Administrator/Benchmark Event;
- (iii) a Benchmark Rate is, with respect to over-the-counter derivatives transactions which reference such Benchmark Rate, the subject of any market-wide development (which may be in the form of a protocol by ISDA) pursuant to which such Benchmark Rate is, on a specified date (the “**Risk-Free Rate Event Date**”), replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board’s paper titled “Reforming Major Interest Rate Benchmarks” dated 22 July 2014 (a “**Risk-Free Rate Event**”); or
- (iv) Benchmark Rate Representative Event.

“**Benchmark Rate Event Notice**” means, in respect of a Series and a Benchmark Rate, a notice from the Calculation Agent to Noteholders in accordance with Condition 23 (*Notices*) that the Calculation Agent has determined that a Benchmark Rate Event has occurred specifying the associated Administrator/Benchmark Event Date, Risk-Free Rate Event Date, Benchmark Rate Representative Event Date or date on which the Benchmark Rate is or is scheduled to be no longer available following a Benchmark Rate Cessation, as relevant, for the Benchmark Rate Event.

“**Benchmark Rate Representative Event**” means the making of an official announcement by the supervisor of the administrator of the Benchmark Rate, with effect from a date after 31 December 2021, that the Original Reference Rate or a Benchmark Rate is no longer representative of its relevant underlying market.

“**Benchmark Rate Representative Event Date**” means the later of (a) the first date on which Original Reference Rate or a Benchmark Rate is or will become no longer representative of its relevant underlying market pursuant the official announcement comprising the Benchmark Rate Representative Event, (b) the date on which the official announcement comprising the Benchmark Rate Representative Event is made and (c) 31 December 2021.

“**Business Day**” means:

- (a) in the case of Notes denominated in a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;
- (b) in the case of Notes denominated in euro, a day on which the TARGET System is open for the settlement of payments in euro (“**TARGET Business Day**”);
- (c) in the case of Notes denominated in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; or
- (d) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle

payments in such currency in such Business Centres or, if no currency is indicated, generally in each of such Business Centres.

“Certificate” means a registered certificate representing one or more Registered Notes of the same Series and, save as provided herein, comprising the entire holding by a Noteholder of this Registered Notes of that Series and, save in the case of Global Certificates, being substantially in the form set out in the Fiscal Agency Agreement.

“Clearstream, Luxembourg” means Clearstream Banking, S.A..

“CMU Instrument Position Report” shall have the meaning specified in the CMU Rules.

“CMU Manual” means the reference manual relating to the operation of the CMU Service issued by the HKMA to CMU Members, as amended from time to time.

“CMU Member” means any member of the CMU Service.

“CMU Notes” means any Notes lodged with the CMU Service.

“CMU Rules” means all requirements of the CMU Service for the time being applicable to a CMU Member and includes (a) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU Service and the CMU Manual; (b) all the operating procedures as set out in the CMU Manual for the time being in force in so far as such procedures are applicable to a CMU Member; and (c) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Manual.

“CMU Service” means the Central Moneymarkets Unit Service operated by the HKMA.

“Cut-off Date” means, for a Series and a Benchmark Rate:

- (i) in respect of a Benchmark Rate Cessation, the later of:
 - (A) 15 Business Days following the day on which the public statement is made or the information is published (in each case, as referred to in the definition of “Benchmark Rate Cessation”); and
 - (B) the first day on which the Benchmark Rate is no longer available;
- (ii) in respect of an Administrator/Benchmark Event, the later of:
 - (A) 15 Business Days following the day on which the Calculation Agent determines that an Administrator/Benchmark Event has occurred; and
 - (B) the Administrator/Benchmark Event Date;
- (iii) in respect of a Risk-Free Rate Event, the later of:
 - (A) 15 Business Days following the day on which the Calculation Agent determines that a Risk-Free Rate Event has occurred; and
 - (B) the Risk-Free Rate Event Date; and
- (iv) in respect of a Benchmark Rate Representative Event, the later of:
 - (A) 15 Business Days following the day on which the Calculation Agent determines that a Benchmark Rate Representative Event has occurred; and
 - (B) the Benchmark Rate Representative Event Date,

provided that, in each case, if more than one Relevant Nominating Body formally designates, nominates or recommends an index, benchmark or other price source and one or more of those

Relevant Nominating Bodies does so on or after the day that is three Business Days before the date determined pursuant to paragraphs (i) to (iv) above (as applicable), then the Cut-off Date will instead be the second Business Day following the date that, but for this proviso, would have been the Cut-off Date.

“Day Count Fraction” means:

- (a) in respect of the calculation of an amount of interest in respect of a Fixed Rate Note:
- (i) if “Actual/Actual (ICMA)” is specified in the applicable Pricing Supplement:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **“Accrual Period”**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; or
 - (ii) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; or
- (b) in respect of the calculation of an amount of interest for any Interest Period in respect of a Floating Rate Note:
- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
 - (ii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
 - (iii) if “Actual/365 (Sterling)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (iv) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30; or

- (vii) if “30E/360 (ISDA)” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

“**Determination Period**” means the period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

“**EURIBOR**” means the Euro-zone interbank offered rate.

“**Euroclear**” means Euroclear Bank SA/NV as operator of the Euroclear System.

“**FATCA Withholding**” means any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement).

“**Global Certificate**” means a Certificate representing Registered Notes of one or more Tranches of the same Series that are registered in the name of a nominee for Euroclear, Clearstream, Luxembourg, the CMU Service and/or any other clearing system.

“**Global Note**” means a temporary Global Note or, as the context may require, a permanent Global Note.

“**HIBOR**” means the Hong Kong interbank offered rate.

“**HKMA**” means the Hong Kong Monetary Authority.

“**Independent Adviser**” means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Calculation Agent at its own expense under Condition 3(g)(i) (*Independent Adviser*).

“**Industry Standard Rate**” means, in respect of a Benchmark Rate, the rate that is, in the determination of the Calculation Agent, recognised or acknowledged as being the industry standard (or otherwise customarily widely adopted) replacement rate for over-the-counter derivative transactions which reference such Benchmark Rate, which recognition or acknowledgment may be in the form of a press release, a member announcement, a member

advice, letter, protocol, publication of standard terms or otherwise by ISDA or any other industry body.

“Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

“Intervening Period” means such period of time as any person other than the relevant Noteholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

“Issuer Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place of location of the Issuer.

“LIBOR” means the London interbank offered rate.

“Long Maturity Note” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon, provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

“Maturity Date” means the Maturity Date specified in the applicable Pricing Supplement.

“MOFCOM” means Ministry of Commerce of the PRC (中華人民共和國商務部).

“Original Reference Rate” means, for a Series, the index, benchmark or price source (as applicable) originally specified for the purpose of determining any amount payable under the Notes of that Series other than the amount relating to a Rate of Interest for which ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined. To the extent that a Successor Rate is determined to be used in respect of a Series, such Successor Rate shall be an “Original Reference Rate” for that Series during the period on which it is used.

“Payment Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Additional Financial Centres” in the applicable Pricing Supplement and:

- (a) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (b) (in the case of a payment in euro) which is a TARGET Business Day; or
- (c) (in the case of Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

“permanent Global Note” means a Global Note representing Bearer Notes of one or more Tranches of the same Series, either on issue or upon exchange of a temporary Global Note, or part of it and which shall be substantially in the form set out in the Fiscal Agency Agreement.

“PBOC” means People’s Bank of China (中國人民銀行).

“Priority Fallback” has the meaning given to it in Condition 3(i) (*Specific Provisions for Certain Benchmark Rates*).

“Relevant Date” means the date on which the relevant payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Issuing and Paying

Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 23.

“Relevant Market Data” means, in relation to any determination, any relevant information including, without limitation, one or more of the following types of information:

- (i) information consisting of relevant market data in the relevant market supplied by one or more third parties including, without limitation, alternative benchmarks, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market; or
- (ii) information of the type described in sub-paragraph (i) above from the Calculation Agent’s internal sources if that information is of the same type used by the Calculation Agent for adjustments to, or valuations of, similar transactions.

Relevant Market Data will include information pursuant to sub-paragraph (i) above unless that information is not readily available or, if used to make a determination, would produce a result that is not commercially reasonable. Third parties supplying market data pursuant to sub-paragraph (i) above may include, without limitation, central counterparties, exchanges, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other recognised sources of market information.

“Relevant Nominating Body” means, in respect of an Original Reference Rate or a Benchmark Rate:

- (i) the central bank for the currency to which the Original Reference Rate or the Benchmark Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate or Benchmark Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Original Reference Rate or the Benchmark Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the Original Reference Rate or the Benchmark Rate or the administrator of the Original Reference Rate or the Benchmark Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“Replacement Benchmark Rate” means, in respect of a Series and a Benchmark Rate:

- (i) the Alternative Pre-nominated Benchmark Rate (if any); or
- (ii) if sub-paragraph (i) above does not apply or if the Calculation Agent determines that (a) it is or would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements for the Issuer or the Calculation Agent to perform the calculations prescribed in Conditions 3(h) (or it would be unlawful or would contravene those licensing requirements were a calculation to be made at such time), (a) an Alternative Post-nominated Benchmark Rate which the Calculation Agent determines is an Industry Standard Rate; or (b) if the Calculation Agent determines that there is no Alternative Post-nominated Benchmark Rate or that no Alternative Post-nominated Benchmark Rate is an Industry Standard Rate, any other index, benchmark or other price source selected by the Calculation Agent.

If the Replacement Benchmark Rate is determined to be an Alternative Post-nominated Benchmark Rate, the Calculation Agent shall specify a date on which the index, benchmark or other price source was recognised or acknowledged as being the relevant industry standard

(which may be before such index, benchmark or other price source commences) in the notice to the Noteholders specifying the Replacement Benchmark Rate.

“Replacement Benchmark Rate Adjustment Spread” means, in respect of any Series and any Replacement Benchmark Rate, the adjustment, if any, to a Replacement Benchmark Rate that the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, which is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from the Issuer to the Noteholders (or vice versa) as a result of the replacement of the Benchmark Rate with the Replacement Benchmark Rate. Any such adjustment may take account of, without limitation, any transfer of economic value as a result of any difference in the term structure or tenor of the Replacement Benchmark Rate by comparison to the Benchmark Rate. The Replacement Benchmark Rate Adjustment Spread may be positive, negative or zero or determined pursuant to a formula or methodology. If the Calculation Agent is required to determine the Replacement Benchmark Rate Adjustment Spread, it shall consider Relevant Market Data. If a spread or methodology for calculating a spread has been formally designated, nominated or recommended by any Relevant Nominating Body in relation to the replacement of the Benchmark Rate with the relevant Replacement Benchmark Rate, the Replacement Benchmark Rate Adjustment Spread shall be determined on the basis of such recommendation (adjusted as necessary to reflect the fact that the spread or methodology is used in the context of the Notes).

“Risk-Free Rate Event” has the meaning given to it in the definition of “Benchmark Rate Event”.

“Risk-Free Rate Event Date” has the meaning given to it in the definition of “Benchmark Rate Event”.

“SAFE” means State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局).

“Section 871(m) Withholding” means any deduction or withholding imposed as a result of the application of the provisions of Section 871(m) of the U.S. Code or any U.S. Treasury Regulations or other administrative guidance published thereunder, or any successor or substitute legislation or provision of law.

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

“Tax Event” means the change in, or amendment to, the laws or regulations of a Tax Jurisdiction, or any change in application or official interpretation of such laws or regulations, which results in any present or future taxes, duties or governmental charges of any nature whatsoever being imposed on payments in respect of the Notes.

“Tax Jurisdiction” means Hong Kong and any political subdivision or any authority thereof or therein having power to tax.

“Temporary Global Note” means a Global Note representing Bearer Notes on issue and which shall be substantially in the form set out in the Fiscal Agency Agreement.

“U.S. Code” means the U.S. Internal Revenue Code of 1986, as amended.

1 FORM, DENOMINATION, TITLE AND TRANSFER

(a) *Form and Denomination*

The Notes are either in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), as specified in the applicable Pricing Supplement, and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes may also be issued in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Equity Linked Interest Note, a Currency Linked Interest Note, a Fund Linked Interest Note, a Debt Linked Interest Note, an Interest Rate Linked Interest Note, a Commodity Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Equity Linked Redemption Note, an Instalment Note, a Currency Linked Redemption Note, a Fund Linked Redemption Note, a Debt Linked Redemption Note, an Interest Rate Linked Redemption Note, Commodity Linked Redemption Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons and, if applicable, Receipts attached, unless they are Zero Coupon Notes or non-interest bearing Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

(b) *Title*

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon the registration of transfers in accordance with the provisions of the Fiscal Agency Agreement.

The Issuer, the Guarantor, the Paying Agents and the Registrar will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note or Global Certificate, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note or Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU Service, each person (other than Euroclear or Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of the CMU Service as the holder of a particular nominal amount or number of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU Service as to the nominal amount or number of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount or number of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount or number of such Notes, for which purpose the bearer of the relevant Global Note or the registered holder of Registered Notes represented by the relevant Global Certificate shall be treated by the Issuer, the Guarantor and any Paying Agent as the

holder of such nominal amount or number of such Notes in accordance with and subject to the terms of the relevant Global Note or Global Certificate and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly. Notes which are represented by a Global Note or Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

(c) Exchanges and Transfers

(i) General – Transfers

Notes which are represented by a Global Note or Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be and, if applicable, in the manner specified in the relevant Global Note or Global Certificate. References to Euroclear and/or Clearstream, Luxembourg or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

(ii) Transfer of interests in Registered Notes represented by a Global Certificate

Transfers of beneficial interests in Registered Notes represented by a Global Certificate will be effected by Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in Registered Notes represented by a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be and in accordance with the terms and conditions specified in the Fiscal Agency Agreement.

Transfers or exchanges of Unitary Registered Notes represented by a Unitary Global Certificate to or for Unitary Registered Notes represented by the same or another Unitary Global Certificate may be effected only to or through the Issuer or an Affiliate of the Issuer, only upon submission to Citibank, N.A., London Branch of a duly completed transferee letter substantially in the form of the Master Purchaser Certificate set out as the Appendix attached to these Terms and Conditions, and made only:

- (1) (A) to a non-U.S. person in an offshore transaction pursuant to Regulation S under the Securities Act or (B) (a) to a U.S. person who is a QIB who is also a QP or (b) to, or for the account or benefit of, a U.S. person who is a QIB and a QP, in the case of either (a) or (b), who acquired such Notes in a transaction meeting the requirements of Rule 144A; and
- (2) to a transferee or an exchange representing or deemed to represent that either

- (A) it is not and is not purchasing Notes or any interest therein on behalf of any employee benefit plan or other plan subject to the Employee Retirement Income Security Act of 1974 (“**ERISA**”) or Section 4975 of the U.S. Internal Revenue Code (“**U.S. Code**”), or any entity or arrangement whose underlying assets are treated for purposes of such provisions as “plan assets” of such plans, or any governmental, church or non-U.S. benefit plan which is not subject to such provisions of law but are subject to substantially similar laws (“**Similar Law**”), or
 - (B) its acquisition, holding and disposition of the Notes or any interest therein would not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the U.S. Code, or a violation of any Similar Law, and that such representations shall be deemed to be made each day from the date on which the purchaser purchases through and including the date on which the purchaser disposes of the Notes and all interests therein.
- (3) in accordance with any applicable rules and regulations from time to time of the Issuing and Paying Agent, Euroclear, and Clearstream, Luxembourg.

The Noteholder must send to Euroclear or Clearstream, Luxembourg, as the case may be, a free of payment instruction not later than 10.00 a.m. (Brussels or Luxembourg time, as the case may be) one Business Day, as the case may be, prior to the date on which the transfer or exchange is to take effect.

In the case of a transfer, separate payment arrangements are required to be made between the transferor and the transferee.

On the transfer or exchange date, Euroclear or Clearstream, Luxembourg, as the case may be, will debit the account of its participant and will instruct the Issuing and Paying Agent to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to credit the relevant account of the Euroclear or Clearstream, Luxembourg participant, as the case may be.

If at any time the Issuing and Paying Agent determines or is notified by the Issuer or any of its Affiliates that (i) a transfer or attempted or purported transfer of any interest in a Note was not consummated in compliance with the provisions of Condition 1(c), or (ii) there was a breach of any representation (at the time given) or agreement set forth in any certificate or letter or any deemed representation or agreement delivered or deemed to be made (at the time deemed made) by such purchaser, the purported transfer shall be absolutely null and void ab initio and shall vest no rights in such purchaser (being in such case, a “**Disqualified Transferee**”) and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Noteholder thereof retroactively to the date of purported transfer of such interest by such Noteholder; alternatively, the Issuer may require any Disqualified Transferee to sell such interest to the Issuer or an entity designated by the Issuer that would not be a Disqualified Transferee.

(iii) *Transfer of definitive Registered Notes*

One or more definitive Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes set out in Scheduled 5 to the Fiscal Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(iv) *Exchange of Exchangeable Bearer Notes*

Subject as provided in Condition 1(c)(viii) below, Exchangeable Bearer Notes may be exchanged for the same nominal amount or number of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(v) *Exercise of Options or Partial Redemption in Respect of Registered Notes*

In the case of an exercise of an Issuer Call (in full or in part) or an Investor Put in respect of a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed, as the case may be. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(vi) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 1(c)(iii), 1(c)(iv)(or 1(c)(v) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(f)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be

made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 1(c)(vi), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(vii) Exchange Free of Charge

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(viii) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 5 days (or any other period specified in the applicable Pricing Supplement) before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

In the case where the Notes are represented by a Global Certificate or a Global Note, the Conditions are modified by certain provisions contained in such Global Certificate or Global Note, as the case may be. See “Summary of Provisions relating to the Notes while in Global Form”.

2 STATUS OF THE NOTES AND THE GUARANTEE

(a) Status of the Notes

The Notes and any relative Receipts and Coupons are direct and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The obligations of the Issuer under the Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, present and future.

(b) Status of the Guarantee

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall, save for such

exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated obligations of the Guarantor, present and future.

3 INTEREST

(a) *General*

(i) *Interest Payment Dates*

Each Note (other than a Zero Coupon Note) bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period.

If a Business Day Convention is specified in the applicable Pricing Supplement and (1) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (2) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (I) in any case where Specified Periods are specified in accordance with Condition 3(a)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (1) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (2) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred;
- (II) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day;
- (III) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (IV) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(ii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3(b)(i) below is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 3(b)(i) below is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(b) Interest on Fixed Rate Notes and Floating Rate Notes

(i) Rate of Interest

(A) Fixed Rate Notes

The rate of interest (the “**Rate of Interest**”) payable from time to time in respect of Fixed Rate Notes will be specified in the applicable Pricing Supplement.

If specified in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount.

Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

(B) Floating Rate Notes (other than Notes referencing SONIA or SOFR)

(1) The rate of interest (the “**Rate of Interest**”) payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(2) ISDA Determination

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the relevant margin (the “**Relevant Margin**”) (if any). For the purposes of this sub paragraph (2), “**ISDA Rate**” for an Interest Period means a rate (as determined by the Calculation Agent) equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction as if it were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “**ISDA Definitions**”), and under which:

(l) the Floating Rate Option is as specified in the applicable Pricing Supplement;

- (II) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (III) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on HIBOR, LIBOR, EURIBOR or on CNH HIBOR, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement,

provided that, if no Benchmark Rate Event has occurred and the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined by the Calculation Agent in a commercially reasonable manner (though applying the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest, if any).

For the purposes of this sub paragraph (1), “**Floating Rate, Floating Rate Option, Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

(3) *Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA*

- (a) If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate(s) is/are to be determined and the Reference Rate is specified in the relevant Pricing Supplement as being "Compounded Daily SONIA", the Interest Rate applicable to the Notes for each Interest Period will be the sum of the Relevant Margin and Compounded Daily SONIA, all as determined by the Calculation Agent on the Interest Determination Date for such Interest Period and subject always to the provisions of Condition 3(h) (*Benchmark Rate Event*).
- (b) If, in respect of any London Banking Day in the relevant Observation Period, the SONIA Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Rate shall be the sum of: (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on such London Banking Day; plus (B) the mean of the spread of the SONIA Rate to the Bank Rate over the previous five days on which a SONIA Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).
- (c) If the Interest Rate cannot be determined in accordance with the foregoing provisions, the Interest Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Relevant Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin relating to the relevant Interest Period, in place of the Relevant Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest

Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Relevant Margin applicable to the first Interest Period).

- (d) If the Notes become due and payable in accordance with Condition 17 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which the Notes became due and payable and the Interest Rate applicable to the Notes shall, for so long as any such Note remains outstanding, be that determined on such date.
- (e) For the purposes of this Condition 3(b)(i)(B)(3):

"**Compounded Daily SONIA**" means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"**d**" means, in relation to any Interest Period, the number of calendar days in such Interest Period;

"**d₀**" means, in relation to any Interest Period, the number of London Banking Days in such Interest Period;

"**i**" means, in relation to any Interest Period, a series of whole numbers from one to **d₀**, each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in such Interest Period to (but excluding) the last London Banking Day in such Interest Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**" means, in relation to any London Banking Day "**i**", the number of calendar days from (and including) such London Banking Day "**i**" up to (but excluding) the following London Banking Day;

"**Observation Period**" means, in relation to an Interest Period, the period from (and including) the date which is "**p**" London Banking Days prior to the first day of such Interest Period and ending on (but excluding) the date which is "**p**" London Banking

Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"p" means the whole number specified as the Observation Look-back Period in the applicable Pricing Supplement, such number representing a number of London Banking Days, or if no such number is specified, five London Banking Days;

"SONIA_i" means, in relation to any London Banking Day "i", a reference rate equal to the daily Sterling Overnight Index Average ("SONIA") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) (the "SONIA Rate") on the London Banking Day immediately following such London Banking Day; and

"SONIA_{i-pLBD}" means, in relation to any London Banking Day "i" falling in the relevant Interest Period, the SONIA Rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i".

(4) *Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SOFR*

- (a) If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate(s) is/are to be determined and the Reference Rate is specified in the relevant Pricing Supplement as being "Compounded Daily SOFR", the Interest Rate applicable to the Notes for each Interest Period will be the sum of the Relevant Margin and Compounded Daily SOFR, all as determined by the Calculation Agent on the Interest Determination Date for such Interest Period and subject always to the provisions of Condition 3(h) (*Benchmark Rate Event*).

- (b) For the purposes of this Condition 3(b)(i)(B)(4):

"**Compounded Daily SOFR**" means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with SOFR as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"d" means, in relation to any Interest Period, the number of calendar days in such Interest Period;

"**d₀**" means, in relation to any Interest Period, the number of U.S. Government Securities Business Days in such Interest Period;

"**i**" means, in relation to any Interest Period, a series of whole numbers from one to **d₀**, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in such Interest Period to (but excluding) the last U.S. Government Securities Business Day in such Interest Period;

"**n_i**" means, in relation to any U.S. Government Securities Business Day "**i**", the number of calendar days from (and including) such U.S. Government Securities Business Day "**i**" up to (but excluding) the following U.S. Government Securities Business Day; and

"**SOFR_i**" means, in relation to any Interest Period and any U.S. Government Securities Business Day "**i**":

- (i) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR in relation to the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and
- (ii) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the Cut-Off Period), SOFR in relation to the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date in such Interest Period;

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

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

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

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

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

- (i) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) announcing that it has ceased or will

cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, **provided that**, at that time, there is no successor administrator that will continue to publish or provide a daily Overnight Bank Funding Rate;

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

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

"SOFR" means:

- (i) in relation to any U.S. Government Securities Business Day (the "**SOFR Determination Date**"), the daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date;
- (ii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred, the daily Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or
- (iii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have both occurred, "**SOFR**" in relation to such SOFR Determination Date shall be the rate that was recommended as the replacement for the daily Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate

may include any adjustments or spreads); **provided, however, that**, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then:

- (A) subject to (B) below, "**SOFR**" in relation to each SOFR Determination Date falling on or after the SOFR Index Cessation Effective Date shall be equal to the rate determined in accordance with (i) or (ii) above (as applicable) but as if:
 - (aa) references in this Condition 3(b)(i)(B)(4) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "d₀" shall be construed so that it means the aggregate of (x) the number of U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and "i" shall be construed accordingly);
 - (bb) references to "daily Secured Overnight Financing Rate" were to the daily Overnight Bank Funding Rate;
 - (cc) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and
 - (dd) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and
- (B) if the rate specified in (A) above is not so published and an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred, then, in relation to each SOFR Determination Date falling on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, "**SOFR**" shall be equal to the rate determined in accordance with (i) above but as if:
 - (aa) references in this Condition 3(b)(i)(B)(4) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "d₀" shall be construed so that it means the aggregate of (x) the number of

U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and "i" shall be construed accordingly); and

- (bb) the reference in paragraph (i) above to the "daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date" were a reference to the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards);

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

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

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

successor administrator of the daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time there is no successor administrator that will continue to publish or provide the daily Secured Overnight Financing Rate; or

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

"SOFR Reset Date" means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day in the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date (such period, the **"Cut-Off Period"**); and

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (c) The Issuer may at any time (in consultation with the Calculation Agent) specify such changes to paragraph (iii) of the definition of "SOFR" set out in Condition 3(b)(i)(B)(4)(b) as it determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of rates determined in accordance with such paragraph, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 3(b)(i)(B)(4)(c)). No consent of the Noteholders of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with effecting such changes, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Issuing and Paying Agency Agreement (if required)). The Issuer shall promptly following the determination of any changes pursuant to Condition 3(b)(i)(B)(4)(c) give notice thereof to the Noteholders (with a copy to the Calculation Agent) (in accordance with Condition 23 (*Notices*)).

(5) *Screen Rate Determination for Floating Rate Notes referencing Weighted Average SOFR*

- (a) If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate(s) is/are to be determined and the Reference Rate is specified in the relevant Pricing Supplement as being "Weighted Average SOFR", the Interest Rate applicable to the Notes for each Interest Period will be the sum of the Relevant Margin and

Weighted Average SOFR, all as determined by the Calculation Agent on the Interest Determination Date for such Interest Period and subject always to the provisions of Condition 3(h) (*Benchmark Rate Event*).

(b) For the purposes of this Condition 3(b)(i)(B)(5):

"**SOFR**:" means, in relation to any Interest Period and any U.S. Government Securities Business Day "I":

- (i) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR in relation to the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and
- (ii) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the Cut-Off Period), SOFR in relation to the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date in such Interest Period;

"**SOFR**" means:

- (i) in relation to any U.S. Government Securities Business Day (the "**SOFR Determination Date**"), the daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date;
- (ii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred, the daily Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or
- (iii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have both occurred, "**SOFR**" in relation to such SOFR Determination Date shall be the rate that was recommended as the replacement for the daily Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads); **provided, however, that**, if no such rate has been recommended

within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then:

- (A) subject to (B) below, "**SOFR**" in relation to each SOFR Determination Date falling on or after the SOFR Index Cessation Effective Date shall be equal to the rate determined in accordance with (i) or (ii) above (as applicable) but as if:

- (aa) references in this Condition 3(b)(i)(B)(5) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "Weighted Average SOFR" shall be construed so that it means the arithmetic mean of (x) SOFR_i in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) SOFR_i in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly);

- (bb) references to "daily Secured Overnight Financing Rate" were to the daily Overnight Bank Funding Rate;

- (cc) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and

- (dd) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and

- (B) if the rate specified in (A) above is not so published and an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred, then, in relation to each SOFR Determination Date falling on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, "**SOFR**" shall be equal to the rate determined in accordance with (i) above but as if:

- (aa) references in this Condition 3(b)(i)(B)(5) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "Weighted Average SOFR"

shall be construed so that it means the arithmetic mean of (x) SOFR_i in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) SOFR_i in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly); and

- (bb) the reference in paragraph (i) above to the "daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date" were a reference to the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards);

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

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

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

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

- (i) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) announcing that it has ceased or will

cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, **provided that**, at that time, there is no successor administrator that will continue to publish or provide a daily Overnight Bank Funding Rate;

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

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

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

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

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

successor administrator that will continue to publish or provide the daily Secured Overnight Financing Rate; or

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

"SOFR Reset Date" means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day in the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date (such period, the **"Cut-Off Period"**);

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

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"Weighted Average SOFR" means, in relation to any Interest Period, the arithmetic mean of SOFR_i in effect for each U.S. Government Securities Business Day during such Interest Period (each such U.S. Government Securities Business Day, "i"), calculated by multiplying the relevant SOFR_i for any U.S. Government Securities Business Day "i" by the number of days such SOFR_i is in effect (being the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period.

- (c) The Issuer may at any time (in consultation with the Calculation Agent) specify such changes to paragraph (iii) of the definition of "SOFR" set out in Condition 3(b)(i)(B)(5)(b) as it determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of rates determined in accordance with such paragraph, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 3(b)(i)(B)(5)(c)). No consent of the Noteholders of the relevant Series or of the Holders of the Coupons appertaining thereto shall be required in connection with effecting such changes, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Issuing and Paying Agency Agreement (if required)). The Issuer shall promptly following the determination of any changes pursuant to Condition 3(b)(i)(B)(5)(c) give notice thereof to Noteholders (with a copy to

the Calculation Agent) (in accordance with Condition 23 (Notices)).

(6) *Screen Rate Determination for Floating Rate Notes referencing HIBOR, LIBOR, EURIBOR or CNH HIBOR*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 3(g) (*Benchmark discontinuation*), be either:

- (I) the offered quotation; or
- (II) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Hong Kong time, in the case of HIBOR, or Brussels time, in the case of EURIBOR, or London time in the case of LIBOR) or 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if sub-paragraph (2)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (2)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case, as at the time specified above, subject as provided below, the Rate of Interest shall be determined by the Calculation Agent in a commercially reasonable manner (though applying the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest, if any).

If the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than HIBOR, LIBOR, EURIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined by the Calculation Agent as provided in the applicable Pricing Supplement.

(ii) ***Determination of Rate of Interest***

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined in accordance with Condition 3(b)(i)(B)(i)(3) to Condition 3(b)(i)(B)(i)(6), determine the Rate of Interest for the relevant Interest

Period. The Calculation Agent will notify the Issuing and Paying Agent of such Rate of Interest as soon as practicable after calculating the same.

(iii) Calculation of Interest Amounts

The Calculation Agent, in accordance with Condition 3(b)(i)(B)(i)(3) to Condition 3(b)(i)(B)(i)(6) will calculate the amount of interest (the Interest Amount) payable on the Notes in respect of each Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such amount by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The Calculation Agent will notify the Issuing and Paying Agent of such Interest Amount as soon as practicable after calculating the same.

(iv) Notification of Rate of Interest and Interest Amounts for Floating Rate Notes

In respect of Floating Rate Notes, the Calculation Agent, in accordance with Condition 3(b)(i)(B)(i)(3) to Condition 3(b)(i)(B)(i)(6), will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Notes are for the time being listed and notice thereof to be published in accordance with Condition 23 as soon as possible after their determination, but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Notes are for the time being listed and to the Noteholders in accordance with Condition 23.

(v) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3, by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Fiscal Agent, the Issuing and Paying Agent, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent (if applicable) in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Equity Linked Interest Notes

In the case of Equity Linked Interest Notes, the rate and amount of interest shall be determined by the Calculation Agent and notified to the Issuing and Paying Agent as soon as reasonably practicable (as specified in the applicable Pricing Supplement) by reference to the provisions specified in the applicable Pricing Supplement.

If Participatory Note Provisions are specified as applicable in the applicable Pricing Supplement, Condition 9 shall apply; provided that, in the event of inconsistency between Condition 9 and any other Condition, Condition 9 will prevail.

(d) Interest on Index Linked Interest Notes, Currency Linked Interest Notes, Interest Rate Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes and Debt Linked Interest Notes

In the case of each of Index Linked Interest Notes, Currency Linked Interest Notes, Interest Rate Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes and Debt Linked Interest Notes, the rate and amount of interest shall be determined by the Calculation Agent and notified to the Issuing and Paying Agent as soon as reasonably practicable (as specified in the applicable Pricing Supplement) by reference to the provisions specified in the applicable Pricing Supplement.

(e) Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and
- (ii) five Business Days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Issuing and Paying Agent in the case of Bearer Notes or the Registrar in the case of Registered Notes and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Condition 23.

(f) References to Interest

References to interest (or other amounts payable in excess of the amount subscribed for Notes) in these Terms and Conditions are to payments by the Issuer of amounts for the use of the sum subscribed for Notes and as compensation for the risk that, as the case may be, the amount repayable on Notes may be less than the sum subscribed or the amount payable as interest on Notes may be reduced to zero in certain circumstances.

(g) Benchmark discontinuation

Notwithstanding any other provision of the Conditions, but without prejudice to Condition 3(h) (*Benchmark Rate Event*), if a Benchmark Event occurs in relation to an Original Reference Rate by reference to which any amount payable under the Notes remains to be determined, then the following provisions of this Condition 3(g) (*Benchmark discontinuation*) shall apply.

(i) Independent Adviser

The Calculation Agent shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Calculation Agent determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3(g)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 3(g)(iii) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 3(g)(iv) (*Benchmark Amendments*)).

An Independent Adviser appointed pursuant to this Condition 3(g) (*Benchmark discontinuation*) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Fiscal Agent, the Paying Agents or the Noteholders for any determination made by it or for any advice given to the

Calculation Agent in connection with any determination made by the Calculation Agent, pursuant to this Condition 3(g) (*Benchmark discontinuation*).

(ii) Successor Rate or Alternative Rate

If the Calculation Agent, following consultation with the Independent Adviser and acting in good faith, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 3(g)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine any relevant amount(s) payable under the Notes (subject to the further operation of this Condition 3(g) (*Benchmark discontinuation*)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 3(g)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the any relevant amount(s) payable under the Notes (subject to the further operation of this Condition 3(g) (*Benchmark discontinuation*)).

(iii) Adjustment Spread

If the Calculation Agent, following consultation with the Independent Adviser and acting in good faith, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of any relevant amount(s) payable under the Notes by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 3(g) (*Benchmark discontinuation*) and the Calculation Agent, following consultation with the Independent Adviser and acting in good faith, determines (A) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Calculation Agent shall, subject to giving notice thereof in accordance with Condition 3(g)(v) (*Notices, etc.*), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 3(g)(iv) (*Benchmark Amendments*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 3(g) (*Benchmark discontinuation*) will be notified promptly by the Calculation Agent to the Fiscal Agent, the Paying Agents and, in accordance with Condition 23 (*Notices*), the

Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Fiscal Agent a certificate, to be made available for inspection by Noteholders, signed by two authorised signatories of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 3(g) (*Benchmark discontinuation*);
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread; and
- (C) certifying that (i) the Calculation Agent has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (ii) explaining, in reasonable detail, why the Calculation Agent not done so.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Calculation Agent under Conditions 3(g)(i) (*Independent Adviser*), 3(g)(ii) (*Successor Rate or Alternative Rate*), 3(g)(iii) (*Adjustment Spread*) and 3(g)(iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 3(b)(i)(B)(2) (*Screen Rate Determination for Floating Rate Notes*), will continue to apply unless and until the Calculation Agent has determined the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 3(g)(v) (*Notices, etc.*).

(h) *Benchmark Rate Event*

Subject to Condition 3(i), if the Calculation Agent determines that a Benchmark Rate Event has occurred in respect of a Series and a Benchmark Rate, the Calculation Agent shall give a Benchmark Rate Event Notice to the Noteholders as soon as practicable in accordance with Condition 23 (*Notices*) and then:

- (i) the Calculation Agent shall attempt to identify a Replacement Benchmark Rate;
- (ii) the Calculation Agent shall attempt to determine the Replacement Benchmark Rate Adjustment Spread;
- (iii) if the Calculation Agent identifies a Replacement Benchmark Rate pursuant to paragraph (i) above and determines a Replacement Benchmark Rate Adjustment Spread pursuant to paragraph (ii) above:
 - (a) with effect from the Business Day following the Cut-off Date the terms of the Notes shall, without the consent of the Noteholders or the Couponholders,

be amended so that references to in the Floating Rate Option to the Benchmark Rate are replaced by references to the Replacement Benchmark Rate plus the Replacement Benchmark Rate Adjustment Spread (provided that the Replacement Benchmark Rate plus the Replacement Benchmark Rate Adjustment Spread plus or minus (as indicated in the relevant Pricing Supplement) the Margin, may not be less than zero); and

- (b) with effect from the Business Day following the Cut-off Date the Calculation Agent shall, without the consent of the Noteholders or the Couponholders, make such other adjustments (“**Floating Rate Option Replacement Benchmark Rate Amendments**”) to the Conditions (including, but not limited to, any Business Day, Business Day Convention, Day Count Fraction, Determination Date, Interest Amount, Interest Payment Date, Interest Period, and Rate of Interest) as it determines necessary or appropriate in order to account for the effect of the replacement of the Benchmark Rate with the Replacement Benchmark Rate plus the Replacement Benchmark Rate Adjustment Spread and/or to preserve as nearly as practicable the economic equivalence of the Notes before and after the replacement of the Benchmark Rate with the Replacement Benchmark Rate plus the Replacement Benchmark Rate Adjustment Spread; and
- (c) the Calculation Agent shall deliver a notice to the Noteholders as soon as practicable in accordance with Condition 23 (Notices) which specifies any Replacement Benchmark Rate, Replacement Benchmark Rate Adjustment Spread, Cut-off Date and the specific terms of any Floating Rate Option Replacement Benchmark Rate Amendments and such notice shall be irrevocable. Any Replacement Benchmark Rate, Replacement Benchmark Rate Adjustment Spread and Floating Rate Option Replacement Benchmark Amendments will be binding on the Issuer, the Agents, the Noteholders and the Couponholders.
- (iv) If, in respect of a Series, there is more than one Benchmark Rate, then the foregoing provisions of this Condition 3(h) shall apply separately to each such Benchmark Rate.
- (v) for the avoidance of doubt, if the Calculation Agent does not identify a Replacement Benchmark Rate pursuant to paragraph (i) above or does not determine a Replacement Benchmark Rate Adjustment Spread pursuant to paragraph (ii) above, Condition 5(d) (*Redemption for Benchmark Rate Event*) shall apply.

The Calculation Agent shall not have any duty to monitor, enquire or satisfy itself as to whether any Benchmark Rate Event has occurred. If the Noteholders provide the Calculation Agent with details of the circumstances which could constitute a Benchmark Rate Event, the Calculation Agent will consider such notice, but will not be obliged to determine that a Benchmark Rate Event has occurred solely as a result of receipt of such notice.

If, in respect of a Series, the definition, methodology or formula for a Benchmark Rate, or other means of calculating such Benchmark Rate, is changed or modified (irrespective of the materiality of any such change or changes), then, unless otherwise specified in the relevant Pricing Supplement, references to that Benchmark Rate shall be to the Benchmark Rate as changed and modified and

Noteholders or Couponholders will not be entitled to any form of compensation as a result of such change or modification.

(i) Specific Provisions for Certain Benchmark Rates

If the definition of the Floating Rate Option in the ISDA Definition includes a reference to a concept defined or otherwise described as an “index cessation event” (regardless of the contents of that definition or description) then, notwithstanding anything to the contrary in these Conditions, upon the occurrence of such an event, any fallback specified in that definition or description to apply following such an event (the “**Priority Fallback**”) shall apply. If the Priority Fallback fails to provide a means of determining the index level, then Condition 3(h) (*Benchmark Rate Event*) shall apply.

(j) Interim Measures

If, following a Benchmark Rate Event, the relevant Benchmark Rate is required for any determination in respect of the Notes and, at that time:

- (i) no *amendments* have occurred in accordance with Condition 3(h)(iii) (*Benchmark Rate Event*); and
- (ii) an Early Redemption Date has not occurred pursuant to Condition 5(d) (*Redemption for Benchmark Rate Event*),
 - (A) then, for the purposes of that determination: if the Benchmark Rate is still available (in relation to a Benchmark Rate Cessation), the Administrator/Benchmark Event Date has not yet occurred (in relation to an Administrator/Benchmark Event), the Risk-Free Rate Event Date has not yet occurred (in relation to a Risk-Free Rate Event) or the Benchmark Rate Representative Event Date has not yet occurred (in relation to a Benchmark Rate Representative Event), the level of the Benchmark Rate shall be determined pursuant to the terms that would apply to the determination of the Benchmark Rate as if no Benchmark Rate Event had occurred; or
 - (B) if the Benchmark Rate is no longer available or the Administrator/Benchmark Event Date, the Risk-Free Rate Event Date or the Benchmark Rate Representative Event Date has occurred, the level of the Benchmark Rate shall be determined pursuant to any fallbacks specified by the parties to apply in order to determine a level for the Relevant Benchmark in circumstances in which the Relevant Benchmark is not available and no Benchmark Rate Event has occurred; or
 - (C) if the level for the Benchmark Rate cannot be determined under paragraph (A) or (B) above, the level of the Benchmark Rate shall be determined by reference to the rate published in respect of the Benchmark Rate at the time at which the Benchmark Rate is ordinarily determined on (I) the day on which the Benchmark Rate ceased to be available (in relation to a Benchmark Rate Cessation), (II) the Administrator/Benchmark Event Date (in relation to an Administrator/Benchmark Event), (III) the Risk-Free Rate Event Date (in relation to a Risk-Free Rate Event) or (IV) the Benchmark Rate Representative Event Date (in relation to a Benchmark Rate Representative Event) or, if no rate is published at that time or that rate cannot be used in accordance with applicable law or regulation, by reference to the rate published at that time on the last day on which the rate was published or can be used in accordance with applicable law or regulation, as applicable.

4 PAYMENTS

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (iii) payments in Renminbi will be made by credit or transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to any fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations directives or agreements, but without prejudice to the provisions of Condition 15.

(b) *Presentation of Definitive Bearer Notes, Receipts and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Index Linked Redemption Notes, Equity Linked Redemption Notes, Currency Linked Redemption Notes, Commodity Linked Redemption Notes, Interest Rate Linked Redemption Notes, Fund Linked Redemption

Notes, Debt Linked Redemption Notes, or Long Maturity Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 16) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Index Linked Note, Equity Linked Note, Currency Linked Note, Interest Rate Linked Note, Fund Linked Redemption Note, Debt Linked Redemption Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

(d) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of Registered Notes (whether or not in global form) will be made to the person in whose name such Registered Note is registered at the close of business on the business day (being for the purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) prior to the due date for such payment (the "**Record Date**") in the manner provided in paragraph (a) above subject to surrender of the Certificates representing such Registered Notes at the specified office of the Registrar or at the specified office of any Paying Agent if no further payment falls to be made in respect of Notes represented by such Certificates.

Payments of interest due on a Registered Note and payments of instalments (if any) of principal on a Registered Note, other than the final instalment, will be made to the person in whose name such Registered Note is registered at the close of business on the Record

Date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the due date. If payment is required by credit or transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date. In the case of payments of interest due on a Registered Note in Renminbi, payment shall be made by transfer to the registered account of the Noteholder. In this Condition, "**registered account**" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(e) General provisions applicable to payments

The holder of a Global Note or the registered holder of a Global Certificate shall be the only person entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer, or as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note or registered holder of such Global Certificate, as the case may be, in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or the CMU Service as the beneficial holder of a particular nominal amount or number of Notes represented by such Global Note or Global Certificate must look solely to Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be, for his share of each payment so made by the Issuer, or as the case may be, the Guarantor to, or to the order of, the holder of such Global Note or Global Certificate, as the case may be.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(f) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, then the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

(g) Interpretation of principal and interest

Any reference in these Terms and Conditions to "**principal**" in respect of the Notes shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the Notes;

- (ii) the Early Redemption Amount of the Notes;
- (iii) the Optional Redemption Amount(s) (if any) of the Notes;
- (iv) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(g)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

(h) CNY Currency Event

If a CNY Currency Event, as determined by the Calculation Agent in its sole and absolute discretion, exists on a date for payment of any amount in respect of any Note denominated in CNY (or the relevant Receipt, Talon or Coupon), the Calculation Agent may determine one or more the following, and take such action or make such determination accordingly, in its sole and absolute discretion:

- (i) the relevant payment of the Issuer be postponed to 5 Business Days after the date on which the CNY Currency Event ceases to exist or, if that would not be possible (as determined by the Calculation Agent acting in good faith) as soon as reasonably practicable thereafter;
- (ii) the Issuer's obligation to make a payment in CNY under the terms of the Notes be replaced by an obligation to pay such amount in the Relevant Currency (converted at the Alternate Settlement Rate determined by the Calculation Agent as of a time selected in good faith by the Calculation Agent); and/or
- (iii) by giving notice to the relevant Noteholders in accordance with Condition 23, the Issuer, in its sole and absolute discretion, may redeem all, but not some only, of the Notes at the Early Redemption Amount referred to in Condition 5(g) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Upon the occurrence of a CNY Currency Event, the Issuer shall give notice, as soon as practicable, to the Noteholders in accordance with Condition 23 stating the occurrence of the CNY Currency Event, giving brief details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition and unless stated otherwise in the applicable Pricing Supplement:

“Alternate Settlement Rate” means the spot rate between CNY and the Relevant Currency determined by the Calculation Agent, taking into consideration all available information which the Calculation Agent deems relevant (including, but not limited to, the pricing information obtained from the CNY non-deliverable market outside the PRC and/or the CNY exchange market inside the PRC);

“CNY Currency Events” means any one of CNY Illiquidity, CNY Non-Transferability and CNY Inconvertibility;

“CNY Illiquidity” means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer and/or any of its Affiliates cannot obtain sufficient CNY in order to make a payment or perform any other of its obligations under the Notes, as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

“CNY Inconvertibility” means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its Affiliates to convert any amount into or from CNY as may be required to be paid by the Issuer under the Notes on any payment date or such other amount as may be determined by the Calculation Agent in its sole and absolute discretion at the general CNY exchange market in Hong Kong, other than where such impossibility, impracticability or illegality is due solely to the failure of that party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the relevant series of Notes and it is impossible for the Issuer and/or any of its Affiliates, due to an event beyond the control of the Issuer or the relevant Affiliate, to comply with such law, rule or regulation);

“CNY Non-Transferability” means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its Affiliates to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the CNY clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility, impracticability or illegality is due solely to the failure of the Issuer and/or the relevant Affiliate to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the relevant series of Notes and it is impossible for the Issuer and/or any of its Affiliates, due to an event beyond the control of the Issuer and/or the relevant Affiliate, to comply with such law, rule or regulation);

“Governmental Authority” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; and

“Relevant Currency” means United States dollars, Hong Kong dollars or such other currency as may be determined by the Calculation Agent.

5 GENERAL PROVISIONS RELATING TO REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note (unless it is an Index Linked Redemption Note, an Equity Linked Redemption Note, a Currency Linked Redemption Note, a an Interest Rate Linked Redemption Note, Commodity Linked Redemption Note, a Debt Linked Redemption Note or a Fund Linked Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for Tax Reasons*

In the event that, in the determination of the Calculation Agent, a Tax Event has occurred, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date (as specified in the applicable Pricing Supplement), on giving not less than 30 days’ notice to the Noteholders in accordance with Condition 23 (which notice shall be irrevocable).

Notes redeemed pursuant to this Condition 5(b) will be redeemed at their Early Redemption Amount referred to in Condition 5(g) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption for Illegality*

In the event that, in the determination of the Calculation Agent, either (i) it has become or will become unlawful, illegal, or otherwise prohibited in whole or in part or (ii) the Issuer will incur a materially increased cost (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates) in performing its obligations under the Notes, after application of all relevant provisions in the Conditions relating to replacement of the Benchmark Rate or Original Reference Rate and adjustment to the Conditions of the Notes or in holding, acquiring or disposing of any arrangement made to hedge its positions under the Notes, whether under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or in the interpretation thereof, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date (as specified in the applicable Pricing Supplement), on giving not less than 30 days' notice to the Noteholders in accordance with Condition 23 (which notice shall be irrevocable).

Notes redeemed pursuant to this Condition 5(c) will be redeemed at their Early Redemption Amount referred to in Condition 5(g) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(d) *Redemption for Benchmark Rate Event*

If following the occurrence of a Benchmark Rate Event:

- (i) the Calculation Agent determines that it cannot identify a Replacement Benchmark Rate or determine a Replacement Benchmark Rate Adjustment Spread in accordance with Condition 3(h) (*Benchmark Rate Event*) on or before the Cut-off Date on or before the second Business Day after the Cut-off Date;
- (ii) it (a) is or would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, for the Calculation Agent or the Issuer to perform the actions prescribed in Condition 3(h) (*Benchmark Rate Event*) (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time);
- (iii) the Calculation Agent determines that a Replacement Benchmark Rate Adjustment Spread is or would be a benchmark, index or other price source whose production, publication, methodology or governance would subject the Calculation Agent or the Issuer to material additional regulatory obligations (such as the obligations for administrators under the EU Benchmark Regulation); or
- (iv) the Calculation Agent determines that having identified a Replacement Benchmark Rate and determined a Replacement Benchmark Rate Adjustment Spread on or before the second Business Day after the Cut-off Date in accordance with 3(h) (*Benchmark Rate Event*), the adjustments provided for in 3(h) (*Benchmark Rate Event*) would not achieve a commercially reasonable result for either the Issuer or the Noteholders;

then the Calculation Agent shall give notice to Noteholders as soon as practicable in accordance with Condition 23 (*Notices*) and the Issuer shall redeem all, but not some only, of the Notes then outstanding on the Interest Payment Date immediately succeeding the Cut-off Date at the Early Redemption Amount (as described in Condition 5(g) (*Early*

Redemption Amounts)) (together with interest accrued to (but excluding) the date fixed for redemption).

(e) *Redemption at the option of the Issuer (Issuer Call)*

- (i) If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given not less than 5 Business Days' notice (or any other notice period specified in the applicable Pricing Supplement) to the Noteholders in accordance with Condition 23 and having given to the Issuing and Paying Agent notice of not less than 1 day before the giving of such notice to the Noteholders (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.
- (ii) In the case of a partial redemption of Notes in definitive form, the Notes to be redeemed will be drawn in such place and in such manner as the Issuing and Paying Agent may determine to be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. In the case of a partial redemption of Notes which are represented by a Global Note or Global Certificate, the relevant Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg or the CMU Service. If only some of the Notes then outstanding are to be so redeemed, the Optional Redemption Amount (after accounting for any interest accrued to (but excluding) the relevant Optional Redemption Date) shall be an amount that is (A) equal to or greater than the Minimum Redemption Amount and (B) equal to or less than the Maximum Redemption Amount, as determined by the Calculation Agent.

(f) *Redemption at the option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 23 not less than 30 days' notice (or any other notice period specified in the applicable Pricing Supplement), the Issuer will, upon the expiry of such notice, redeem in accordance with the terms specified in the applicable Pricing Supplement such Note on the relevant Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. If "Adjustment for Hedging Costs" is specified in the applicable Pricing Supplement, the Optional Redemption Amount will be adjusted to take account for any Hedging Costs.

To exercise such Investor Put the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (a "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Fiscal Agency Agreement) without the prior consent of the Issuer.

(g) *Early Redemption Amounts*

For the purpose of Condition 4(h), Condition 5(b), Condition 5(c), Condition 5(d), Condition 7(b), Condition 8(c), Condition 12(b), Condition 15 and Condition 17, each Note

will be redeemed at its Early Redemption Amount calculated by the Calculation Agent as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price; and

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Pricing Supplement; or

- (iv) in the case of an Index Linked Interest Note, an Index Linked Redemption Note, an Equity Linked Interest Note, an Equity Linked Redemption Note, a Currency Linked Interest Note, a Currency Linked Redemption Note, a Dual Currency Redemption Note, a Debt Linked Interest Note, a Debt Linked Redemption Note, a Fund Linked Interest Note, a Fund Linked Redemption Note, an Interest Rate Linked Interest Note, an Interest Rate Linked Redemption Note, a Commodity Linked Interest Note or a Commodity Linked Redemption Note, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will be determined by reference to the provisions in the applicable Pricing Supplement;

provided that, in each case, if “Adjustment for Hedging Costs” is specified in the applicable Pricing Supplement, the Early Redemption Amount will be adjusted to take account for any Hedging Costs.

(h) Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(g).

(i) Purchases

The Issuer, the Guarantor or any affiliate of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price

in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor or the relevant affiliate of the Issuer or the Guarantor, surrendered to the Issuing and Paying Agent for cancellation.

(j) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 5(i) (together with, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent and cannot be reissued or resold.

(k) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5(a), Condition 5(b), Condition 5(c), Condition 5(d) or Condition 5(f) or upon its becoming due and repayable as provided in Condition 17 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the Amortised Face Amount calculated as provided in Condition 5(g)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five Business Days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Issuing and Paying Agent in the case of Bearer Notes or the Registrar in the case of Registered Notes and notice to that effect has been given to the Noteholders in accordance with Condition 23.

(l) Hedging Costs

For the purposes of this Condition 5, "**Hedging Costs**" means, in respect of the Early Redemption Amount or Optional Redemption Amount (as the case may be and each a "**Relevant Redemption Amount**") (A) the losses, expenses and costs (if any), including any loss of bargain or cost of funding (in which case the Relevant Redemption Amount will be adjusted downward to the extent of such losses, expenses and costs) or (B) the gain (in which case the Relevant Redemption Amount will be adjusted upward to the extent of such gain), as the case may be, to the Issuer and/or any Affiliate of the Issuer of unwinding, terminating, liquidating, adjusting, obtaining, replacing or re-establishing any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

6 COMMODITY LINKED REDEMPTION NOTES

(a) Redemption of Commodity Linked Redemption Notes

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount of the Commodity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the "**Specified Amount**") will be redeemed by the Issuer (A) if Cash Settlement is specified in the applicable Pricing

Supplement, by payment of the Redemption Amount (as determined by the Calculation Agent) on the Maturity Date, (B) if Physical Delivery is specified in the applicable Pricing Supplement, by delivery of the Asset Amount on the Maturity Date or (C) if Cash Settlement and/or Physical Delivery is specified in the applicable Pricing Supplement, by payment of the Redemption Amount and/or by delivery of the Asset Amount (in each case as determined by the Calculation Agent) on terms set out in the applicable Pricing Supplement, in each case on the Maturity Date.

(b) Adjustments to a Commodity Reference Price

(i) Successor Entity Calculates and Reports a successor Commodity Price

If in respect of a relevant Pricing Date a Commodity Reference Price is either (i) not calculated and announced by the Exchange but is calculated and announced by a successor entity acceptable to the Calculation Agent, or (ii) replaced by a successor commodity price calculated using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Reference Price, then in each case such price as so calculated (the “**Successor Commodity Price**”) will be deemed to be the Commodity Reference Price.

(ii) Corrections of Commodity Reference Price

For the purposes of determining the Relevant Price for any day, if the relevant Commodity Reference Price published or announced on a given day and used or to be used by the Calculation Agent to determine a Relevant Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days after the original publication or announcement (or within such other period of time specified in the applicable Pricing Supplement), the Calculation Agent may in its sole discretion adjust the Redemption Amount or any other amount payable on the Notes as a result of that correction.

(iii) Consequences of Market Disruption Events

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence a Market Disruption Event and no Successor Commodity Price is available, then the Calculation Agent shall determine if such event has a material effect on the Notes and, if so, shall calculate the Redemption Amount using, in lieu of a published price for that Commodity, the price for that Commodity as at the time specified on that Pricing Date, as the case may be, as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity and any other information that in good faith it deems relevant.

(iv) Notice

Upon the occurrence of a correction to the Commodity Reference Price or a Market Disruption Event, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of the action proposed to be taken in relation thereto.

(c) Definitions applicable to Commodity Linked Redemption Notes

“**Asset Amount**” has the meaning given in the applicable Pricing Supplement;

“**Commodity**” means, the commodity specified as such in the applicable Pricing Supplement;

“Commodity Business Day” means:

- (a) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during their respective regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time;
- (b) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a relevant price;

“Commodity Reference Price” means, in respect of any Commodity, the commodity reference price specified in the applicable Pricing Supplement;

“Disappearance of Commodity Reference Price” means (A) the permanent discontinuation of trading in the relevant Commodity on the Exchange; (B) the disappearance of, or of trading in, the relevant Commodity; or (C) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Commodity;

“Exchange” means in relation to a Commodity, each exchange or principal trading market for such Commodity specified in the applicable Pricing Supplement, any successor to such exchange or principal trading market or any substitute exchange or principal trading market to which trading in the Commodity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Commodity on such temporary substitute exchange or trading market as on the original Exchange);

“Exchange Business Day” means a day that is (or, if Market Disruption Event is specified as applying in the applicable Pricing Supplement, a day that but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange specified in the applicable Pricing Supplement other than a day on which trading on the Exchange is scheduled to close prior to its regular weekday closing time;

“Exchange Rate” means the rate specified as such in the applicable Pricing Supplement;

“Material Change in Content” means the occurrence since the Issue Date of the Notes of a material change in the content, composition or constitution of the relevant Commodity;

“Material Change in Formula” means the occurrence since the Issue Date of the Notes of a material change in the formula for or the method of calculating the relevant Commodity Reference Price;

“Market Disruption Event” means in respect of a relevant Commodity and as determined by the Calculation Agent, the occurrence or existence of a Price Source Disruption, Trading Disruption, Disappearance of a Commodity Reference Price, Material Change in Formula, Material Change in Content and/or Tax Disruption;

“Pricing Date” means each date specified in the applicable Pricing Supplement, or, if such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day;

“Price Source” means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Relevant Price (or prices from which the Relevant Price is calculated) specified in the relevant Commodity Reference Price;

“Price Source Disruption” means (A) the failure of the Price Source to announce or publish the Relevant Price (or the information necessary for determining the Relevant Price) for the relevant Commodity Reference Price; or (B) the temporary or permanent discontinuance or unavailability of the Price Source;

“Redemption Amount” means the Redemption Amount specified in the applicable Pricing Supplement.

“Relevant Price” means, in respect of any Commodity, for any Pricing Date, the price, expressed as a price per unit of the Commodity, calculated with respect to that day in accordance with the relevant Commodity Reference Price;

“Tax Disruption” means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

“Trading Disruption” means the material suspension of, or the material limitation imposed on, trading in the relevant Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Pricing Supplement. For these purposes:

- (a) a suspension of the trading in the Commodity on any Commodity Business Day shall be deemed to be material only if:
 - (iv) all trading in the Commodity is suspended for the entire Pricing Date; or
 - (v) all trading in the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the Commodity on any Commodity Business Day shall be deemed to be material only if the Exchange establishes limits on the range within which the price of the Commodity may fluctuate and the closing or settlement price of the relevant Commodity on such day is at the upper or lower limit of that range.

7 INDEX LINKED REDEMPTION NOTES

(a) *Redemption of Index Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount of the Index Linked Redemption Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the “**Specified Amount**”) will be redeemed by the Issuer by payment of the Redemption Amount (as determined by the Calculation Agent) on the Maturity Date.

(b) *Adjustments to an Index*

(i) *Successor Index Sponsor Calculates and Reports an Index*

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

(ii) *Modification and Cessation of Calculation of an Index*

If (A) on or prior to the Valuation Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”), or (B) on the Valuation Date, the Index Sponsor or (if applicable) the successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**”) and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”) then:

(x) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities or commodities that comprised that Index immediately prior to that Index Adjustment Event; or

(y) the Issuer shall, on giving notice to the Noteholders in accordance with Condition 23, redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Specified Amount being redeemed at the Early Redemption Amount referred to in Condition 5(g) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(iii) *Notice*

Upon the occurrence of an Index Adjustment Event, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of the action proposed to be taken in relation thereto.

(c) **Definitions applicable to Index Linked Redemption Notes**

“China Connect Business Day” means any Scheduled Trading Day on which the China Connect Service is open for order-routing during its regular order-routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time.

“China Connect Service” means the securities trading and clearing links programme developed by the Exchange, SEHK, CSDCC and HKSCC, through which (i) SEHK and/or its affiliates provides order-routing and other related services for certain eligible securities traded on the Exchange and (ii) CSDCC and HKSCC provides clearing, settlement, depository and other services in relation to such securities.

“CSDCC” means China Securities Depository and Clearing Corporation Limited.

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or, if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Index, on which the China Connect Service fails to open for order-routing during its regular order-routing hours or on which a Market Disruption Event has occurred.

“Exchange” means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities or commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities or commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“HKSCC” means the Hong Kong Securities Clearing Company Limited.

“Indices” and **“Index”** mean, subject to adjustment in accordance with Condition 6(b), the indices or index specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

“Index Sponsor” means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Pricing Supplement.

“Market Disruption Event” means, in respect of an Index:

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (vi) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange, Related Exchange or otherwise:
 - (A) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or

- (B) in futures or options contracts relating to the relevant Index on any relevant Related Exchange;
- (vii) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (viii) if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Index, (a) any suspension of or limitation imposed on routing of orders (including in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (b) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of the market participants in general to enter orders in respect of securities that comprise 20 per cent. or more of the level of the relevant Index through the China Connect Service,

which in each case the Calculation Agent determines is material; or

- (b) the closure on any Exchange Business Day of any relevant Exchange relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of:
 - (i) the actual closing time for the regular trading session on such Exchanges(s) or such Related Exchange(s) on such Exchange Business Day; and
 - (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (c) if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Index, the closure on any China Connect Business Day of the China Connect Service (provided that securities that comprise 20 per cent. or more of the level of the relevant Index are securities that are order-routed through the China Connect Service) prior to its Scheduled Closing Time unless such earlier closing time is announced by SEHK or the Exchange, as the case may be, at least one hour prior to the earlier of:
 - (i) the actual closing time for order-routing through the China Connect Service on such China Connect Business Day; and
 - (ii) the submission deadline for orders to be entered into the China Connect Service system for execution on the

Exchange at the Valuation Time on such China Connect Business Day.

For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security/commodity included in the Index at any time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

“**PRC**” means the People’s Republic of China (excluding Hong Kong, Macau and Taiwan).

“**Redemption Amount**” means the Redemption Amount specified in the applicable Pricing Supplement or, if no such amount is specified in the applicable Pricing Supplement, an amount equal to:

- (a) in the case of a Call Index Linked Redemption Note,

$$\frac{\text{Reference Price}}{\text{Strike Price}} \times \text{Specified Amount}; \text{ or}$$

- (b) in the case of a Put Index Linked Redemption Note,

$$\frac{\text{Strike Price}}{\text{Reference Price}} \times \text{Specified Amount},$$

provided always that the Redemption Amount shall in no event be less than zero. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit), in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards.

“**Reference Price**” means:

- (a) where the Notes are specified in the applicable Pricing Supplement to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Pricing Supplement, the level of the Index determined by the Calculation Agent at such Valuation Time) on the Valuation Date (as defined below), without regard to any subsequently published correction; and
- (b) where the Notes are specified in the applicable Pricing Supplement to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Pricing Supplement, the level of each Index determined by the Calculation Agent at such Valuation Time) on the Valuation

Date, without regard to any subsequently published correction, multiplied by the relevant Multiplier specified in the applicable Pricing Supplement.

“Related Exchange” means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Pricing Supplement, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

“SEHK” means The Stock Exchange of Hong Kong Limited.

“Scheduled Closing Time” means, in respect of an Exchange, Related Exchange or, if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Index, the China Connect Service and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange, Related Exchange or the China Connect Service on such Scheduled Trading Day, without regard (in the case of any Exchange or related Exchange) to after hours or any other trading outside of the regular trading session hours or (in the case of the China Connect Service) any after hours or any other order-routing outside of the regular order-routing session hours.

“Scheduled Trading Day” means any day on which (i) each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions and (ii) if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Index, the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions.

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

“Valuation Date” means the date specified as such in the applicable Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless Disrupted Day is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (a) where the Notes are specified in the applicable Pricing Supplement to relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and

method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or

- (b) where the Notes are specified in the applicable Pricing Supplement to relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

“**Valuation Time**” means the Valuation Time specified in the applicable Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the Valuation Date in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

8 EQUITY LINKED REDEMPTION NOTES

(a) *Redemption of Equity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each nominal amount of the Equity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the “**Specified Amount**”) will be redeemed by the Issuer (A) if Cash Settlement is specified in the applicable Pricing Supplement, by payment of the Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing

Supplement on the Maturity Date (subject as provided below) or (B) if Physical Delivery is specified in the applicable Pricing Supplement, by delivery of the Asset Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date (subject as provided below) or (C) if Cash Settlement and/or Physical Delivery is specified in the applicable Pricing Supplement, by payment of the Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the applicable Pricing Supplement, in each case on the Maturity Date (subject as provided below). If Participatory Note Provisions are specified as applicable in the applicable Pricing Supplement, Condition 9 shall apply; provided that, in the event of inconsistency between Condition 9 and any other Condition, Condition 9 will prevail.

(b) Market Disruption

If a Market Disruption Event occurs, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 23 that a Market Disruption Event has occurred.

(c) Adjustments

(i) Potential Adjustment Events

“Potential Adjustment Event” means the occurrence of any of the following:

- (D) a subdivision, consolidation or reclassification of the relevant Shares (save for a Merger Event) in the case of Equity Linked Notes related to Share(s), or of the relevant Units in the case of Equity Linked Notes related to ETF(s), or a free distribution or dividend of any such Shares or Units, as the case may be, to existing holders by way of bonus, capitalisation or similar issue;
- (E) a distribution, issue or dividend to existing holders of the relevant Shares or Units, as the case may be, of (XX) such Shares or Units, as the case may be, or (YY) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company, Basket Company, ETF or Basket ETF, as the case may be, equally or proportionately with such payments to holders of such Shares or Units, as the case may be, or (ZZ) any other type of securities, rights or notes or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
- (F) an extraordinary dividend as determined by the Calculation Agent;
- (G) in the case of Equity Linked Notes related to Share(s), a call by the Share Company or Basket Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (H) a repurchase by the Share Company, Basket Company, ETF or Basket ETF, as the case may be, of relevant Shares or ETF Interest, as the case may be, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

- (I) in the case of Equity Linked Notes related to Share(s), in respect of a Share Company or Basket Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Company or Basket Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, notes, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (J) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares or Units, as the case may be.

Following the declaration by the Share Company, Basket Company, ETF or Basket ETF, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a dilutive or concentrative effect on the theoretical value of the Shares or Units, as the case may be, and, if so, will (i) make the corresponding adjustment(s), if any, to any one or more of any Relevant Assets and/or the Asset Amount and/or the number of Notes and/or the Shares and/or the Basket of Shares and/or Unit and/or Basket of Units and/or any other terms of these Terms and Conditions and/or the applicable Pricing Supplement, as the Calculation Agent in its absolute and sole discretion determines appropriate to account for that dilutive or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share or Unit, as the case may be) and (ii) determine the effective date(s) of the adjustment. The Calculation Agent may, but is in no way obliged to, determine the appropriate adjustment in respect of such Potential Adjustment Event by reference to the adjustment made by an options exchange or quotation system to options on the Shares or Units, as the case may be, traded on that options exchange or quotation system and/or if "China Connect" is specified in the applicable Pricing Supplement to apply to the relevant Share, any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such Potential Adjustment Event in respect of Shares held through the China Connect Service.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 23, giving brief details of the adjustment and of the Potential Adjustment Event.

Any adjustment to the terms of the Notes following a Potential Adjustment Event shall take into account the economic cost of any taxes, duties, levies, fees or registration payable by or on behalf of the Issuer or any of its Affiliates or a foreign investor charged on subscription, acquisition or receipt of any Shares or Units, as the case may be, or other securities received as a result of the Potential Adjustment Event,

such calculations to be determined and carried out by the Calculation Agent in good faith.

Notwithstanding the provisions of this Condition 8(c), the Issuer may, at its option and in lieu of making any adjustment as provided above, provide to the Noteholders additional Notes (by way of issuance or otherwise) in such amount as the Calculation Agent shall determine in its sole and absolute discretion.

(ii) Fund Events, Merger Events, Delisting, Nationalisation, Insolvency and Tender Offer

If (x) in the case of Equity Linked Notes related to Share(s), a Merger Event, Delisting, Nationalisation, Insolvency and/or Tender Offer occurs in relation to a Share, and/or (y) in the case of Equity Linked Notes related to ETF(s), a Fund Event, Delisting, Nationalisation or Insolvency occurs in relation to a Unit, the Issuer in its sole and absolute discretion may take the action described in (A), (B) or (C) below:

- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Reference Item(s) (including removing any such Reference Item or substituting any such Reference Item with a different Reference Item), the Rate of Interest, any one or more Interest Amount(s), the Reference Price, the Final Redemption Amount, any Relevant Assets, the Asset Amount and/or any of the other terms of these Terms and Conditions and/or the applicable Pricing Supplement to account for the Fund Event, Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may, but is in no way obliged to, determine the appropriate adjustment in respect of the Fund Event, Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency by reference to the adjustment made by any options exchange or quotation system to options on the Shares or Units, as the case may be, traded on that options exchange or quotation system and/or if "China Connect" is specified in the applicable Pricing Supplement to apply to the relevant Share, any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such Potential Adjustment Event in respect of Shares held through the China Connect Service; or
- (B) redeem the Notes in whole or in part at the Early Redemption Amount referred to in Condition 5(g) together (if appropriate) with interest accrued to (but excluding) the date of redemption by giving notice to Noteholders in accordance with Condition 23. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 23; or
- (C) following determination of the adjustment to be made to the settlement terms of options on the Shares or Units, as the case may be, traded on such exchange(s) or quotation

system(s) as the Calculation Agent in its sole discretion shall select, require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Assets and/or Asset Amount and/or any of the other terms of these Terms and Conditions and/or the applicable Pricing Supplement, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the adjustment made on the relevant exchange or quotation system. If options on the Shares or Units, as the case may be, are not traded on the relevant exchange or quotation system, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Asset Amount and/or any of the other terms of these Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by any recognised exchange or quotation system on which options on shares are traded for dealing with a Fund Event, Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by that exchange or quotation system if such options over the Shares or Units, as the case may be, were so traded.

- (iii) Upon the occurrence of a Fund Event, Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 23 stating the occurrence of the Fund Event, Merger Event, Tender Offer, Delisting, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(d) Physical Delivery

- (i) If any Equity Linked Redemption Notes are to be redeemed by delivery of the Asset Amount, in order to obtain delivery of the Asset Amount(s) in respect of such Note:
 - (A) if such Note is represented by a Global Note or Global Certificate, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg or the CMU Service (as applicable), with a copy to the Issuer not later than the close of business in each place of receipt on the Cut-Off Date specified in the applicable Pricing Supplement, a duly completed Asset Transfer Notice; and
 - (B) if such Note is in definitive form, the relevant Noteholder must deliver (i) if this Note is a Bearer Note, to any Paying Agent or (ii) if this Note is a Registered Note, to the Registrar or any Paying Agent, in each case, with a copy to the Issuer not later than the close of business in each place of receipt on the Cut-Off Date specified in the applicable Pricing Supplement, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note or Global Certificate, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be, which is expected to be by authenticated SWIFT message or tested telex or (ii) if such Note is in definitive form, in writing or by tested telex.

If such Note is in definitive form, this Note must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (1) specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the applicable Pricing Supplement;
- (2) in the case of Notes represented by a Global Note or Global Certificate, specify the nominal amount or number of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Delivery Date;
- (3) include an undertaking to pay all Delivery Expenses and, in the case of Notes represented by a Global Note or Global Certificate, an authority to debit a specified account of the Noteholder at Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be, in respect thereof and to pay such Delivery Expenses;
- (4) specify an account to which dividends (if any) payable pursuant to this Condition 8(d) or any other cash amounts specified in the applicable Pricing Supplement as being payable are to be paid; and
- (5) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear or Clearstream, Luxembourg or the CMU Service, the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note or Global Certificate, upon receipt of such notice, Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be, shall verify that the person specified therein as the Noteholder is the holder of the specified nominal amount or number of Notes according to its books.

Failure to complete and deliver an Asset Transfer Notice properly may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Notes represented by a

Global Note, by Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

Delivery of the Asset Amount in respect of each Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Pricing Supplement.

In relation to each Note which is to be redeemed by delivery of the Asset Amount, the Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with this Condition the “**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg, the CMU Service or a Paying Agent, as the case may be, with a copy to the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date specified in the applicable Pricing Supplement.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

- (ii) All Delivery Expenses arising from the delivery of the Asset Amount in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

If, prior to the delivery of the Asset Amount in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the date on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Noteholder in accordance with Condition 23. Such Noteholder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the

Asset Amount pursuant to this paragraph. Where delivery of the Asset Amount has been postponed as provided in this paragraph, the Issuer shall not be in breach of these Terms and Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Asset Amount in respect of any Note is not practicable by reason of a Settlement Disruption Event, then, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the “**Election Notice**”) is given to the Noteholders in accordance with Condition 23. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 23.

Where the Asset Amount is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Noteholders will receive an Asset Amount comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Noteholder’s entire holding may be aggregated at the Issuer’s discretion for the purpose of delivering the Asset Amounts), and an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 23.

For the purposes of the Notes, (i) the Issuer shall be under no obligation to register or procure the registration of any Noteholder or any other person as the registered shareholder in the register of members of any issuer, (ii) the Issuer shall not be obliged to account to any Noteholder or any other person for any entitlement received or that is receivable in respect of any Relevant Assets comprising the Asset Amount in respect of any Note if the date on which such Relevant Assets are first traded on the relevant Exchange ex such entitlement is on or prior to the Delivery Date and (iii) any interest, dividend or other distribution in respect of any Asset Amount will be payable to the party that would receive such interest, dividend or other distribution according to market practice for a sale of the Relevant Assets executed on the Delivery Date and to be delivered in the same manner as the Asset Amount. Any such interest, dividend or other distribution to be paid to a Noteholder shall be paid to the account specified in the relevant Asset Transfer Notice.

(e) Definitions applicable to Equity Linked Redemption Notes

“**Affected Item**” shall have the meaning assigned thereto in the definition of “Valuation Date” below.

“**Asset Transfer Notice**” means a duly completed asset transfer notice substantially in the form set out in the Fiscal Agency Agreement.

“**Asset Amount**” has the meaning given in the applicable Pricing Supplement.

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If “**Omission**” is specified as applying in the applicable Pricing Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Reference Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of “Valuation Date” will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if “**Postponement**” is specified as applying in the applicable Pricing Supplement, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if “**Modified Postponement**” is specified as applying in the applicable Pricing Supplement then:
 - (i) where the Notes are Equity Linked Notes related to a single Share or a single ETF the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a) of the definition of “Valuation Date” below;
 - (ii) where the Notes are Equity Linked Notes related to a Basket of Shares or a Basket of Units, the Averaging Date for each Share or Unit not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date and the Averaging Date for a Share or Unit affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Share or Unit. If the first succeeding Valid Date in relation to such Share or Unit has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in

respect of such Share or Unit, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b) of the definition of "Valuation Date" below,

for the purposes of these Terms and Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Basket Company**" means a company whose equity securities are included in the Basket of Shares.

"**Basket ETF**" means an ETF of which Units are included in the Basket of Units.

"**Basket of Shares**" means a basket of Shares as specified in the applicable Pricing Supplement.

"**Basket of Units**" means a basket composed of ETF Interests in such ETFs specified in the applicable Pricing Supplement in the relative proportions or number of Units of each ETF Interest specified in the applicable Pricing Supplement.

"**China Connect Business Day**" means any Scheduled Trading Day on which the China Connect Service is open for order-routing during its regular order-routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time.

"**China Connect Service**" means the securities trading and clearing links programme developed by the Exchange, SEHK, CSDCC and HKSCC, through which (i) SEHK and/or its affiliates provides order-routing and other related services for certain eligible securities traded on the Exchange and (ii) CSDCC and HKSCC provides clearing, settlement, depository and other services in relation to such securities.

"**CSDCC**" means China Securities Depository and Clearing Corporation Limited.

"**Delisting**" means, in respect of any relevant Shares or Units, as the case may be, the Exchange announces that pursuant to the rules of such Exchange, such Shares or Units, as the case may be, cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than, in the case of Shares, a Merger Event or a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on a major exchange or quotation system, as determined in the reasonable judgment of the Calculation Agent, located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"**Delivery Expenses**" means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Asset Amount.

"**Disruption Cash Settlement Price**" means an amount equal to the fair market value of the relevant Note (but not taking into account any interest accrued on such Note as such, interest shall be paid pursuant to Conditions 3 and 4) on such day as shall be selected by the Issuer in its sole and absolute discretion, provided that such day is not more than 15 days before the date that the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any Affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or, if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Share, on which the China Connect Service fails to open for order-routing during its regular order-routing hours or on which a Market Disruption Event has occurred.

“ETF” means, with respect to a Unit, the exchange traded fund of which Units relate to the Notes as specified in the applicable Pricing Supplement.

“ETF Interest” means an interest issued to or held by an investor in an exchange traded fund or any other interest identified as such in the applicable Pricing Supplement.

“Exchange” means in respect of Equity Linked Notes related to Share(s) and in relation to a Share or Equity Linked Notes related to ETF(s) and in relation to a Unit, as the case may be, each exchange or quotation system specified as such for such Share or ETF in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share or Unit, as the case may be, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share or Unit, as the case may be, on such temporary substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“Fund Event” shall have the meaning assigned thereto in Condition 12(b) as if references in that Condition and the related definitions to:

- (a) Fund(s) are to ETF(s);
- (b) Fund Interest(s) are to ETF Interest(s); and
- (c) Fund Linked Note(s) are to Equity Linked Note(s) related to ETF(s).

“HKSCC” means the Hong Kong Securities Clearing Company Limited.

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy or any analogous proceeding affecting the Share Company, Basket Company, ETF or Basket ETF, as the case may be, (i) all the Shares of that Share Company, Basket Company, or Units of that ETF or Basket ETF, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Share Company or Basket Company, or Units of that ETF or Basket ETF, as the case may be, become legally prohibited from transferring them.

“Market Disruption Event” means, in the case of Equity Linked Notes related to a single Share or a Basket of Shares, in respect of a Share or in case of Equity Linked Notes related to a single Unit or Basket of Units, in respect of a Unit:

- (a) the occurrence or existence at any time during the one-hour period that ends at the Valuation Time on any Scheduled Trading Day of:
 - (i) any suspension of or limitation imposed on trading (by reason of movements in price exceeding permitted limits or otherwise) by the relevant Exchange or Related Exchange or otherwise and whether by reason of

movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise:

- (A) relating to the Share or Unit, as the case may be, on the Exchange; or
 - (B) in futures or options contracts relating to the Share or Unit, as the case may be, on any Related Exchange;
- (ii) any event (other than as described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Share or Unit, as the case may be, on the Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share or Unit, as the case may be, on any Related Exchange; or
- (iii) if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Share, (a) any suspension of or limitation imposed on routing of orders (including in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service relating to the Share on the Exchange or (ii) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of the market participants in general to enter orders in respect of Shares through the China Connect Service,

which in each case the Calculation Agent determines is material;

- (b) the closure on any Exchange Business Day of the Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (c) if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Share, the closure on any China Connect Business Day of the China Connect Service prior to its Scheduled Closing Time unless such earlier closing time is announced by SEHK or the Exchange, as the case may be, at least one hour prior to the earlier of (A) the actual closing time for order-routing through the China Connect Service on such China Connect Business Day and (ii) the submission deadline for orders to be entered into the China Connect Service system for execution on the Exchange at the Valuation Time on such China Connect Business Day.

“Merger Event” means, in respect of any relevant Shares, any offer by, invitation to make an offer by, or other arrangement with, a person (the **“Bidder”**):

- (a) to reclassify or change all or substantially all such Shares that, if accepted, made or effected (and, in the case of an invitation made, accepted) by or with all or substantially all holders of such Shares, would result in a transfer of or an irrevocable commitment to transfer all or substantially all of such Shares outstanding, or would result in a cancellation of all or substantially all such Shares outstanding on terms that new shares are issued to the Bidder or any entity controlled, directly or indirectly, by the Bidder;
- (b) to consolidate, amalgamate or merge the Share Company or Basket Company, as the case may be, with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company or Basket Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all or substantially all of such Shares outstanding); or
- (c) to takeover all or substantially all such Shares that, if accepted, made or effected (and, in the case of made, accepted) by all or substantially all holders of such Shares, would result in a transfer of or an irrevocable commitment to transfer all of such Shares (other than such Shares owned or controlled by the Bidder),

which, in any such case, the Calculation Agent determines in its absolute discretion has been accepted or implemented such that:

- (i) a majority of such Shares of the relevant Share Company or Basket Company, as the case may be, or any shares issued in respect of such Shares of the relevant Share Company or Basket Company, as the case may be, are controlled, directly or indirectly, by (or on behalf of), the Bidder;
- (ii) the Share Company or Basket Company, as the case may be, consolidates, amalgamates or merges with or into another entity; or
- (iii) a majority of such Shares of the relevant Share Company or Basket Company, as the case may be, are taken over, directly or indirectly, by or on behalf of the Bidder,

where in each case, the Calculation Agent determines that such event occurs on or before, in the case of Notes to be redeemed by delivery of the Asset Amount, the Maturity Date or, in any other case, the final Valuation Date or, where Averaging is specified in the applicable Pricing Supplement, the final Averaging Date in respect of the relevant Note. For the purposes of this provision, references to Shares in the phrase “all or substantially all the Shares” and analogous expressions shall exclude (x) those Shares controlled directly or indirectly by or on behalf of the Bidder and (y) those Shares held by persons in respect of which it is unlawful, under the laws of any jurisdiction, to make any such offer, invitation to offer, arrangement or takeover.

“**Multiplier**” means the percentage or amount specified in the applicable Pricing Supplement.

“**Nationalisation**” means that all the Shares or Units, as the case may be, or all the assets or substantially all the assets of the Share Company, Basket Company, ETF or Basket ETF, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any Government Authority.

“**Omission**” shall have the meaning assigned thereto in the definition of Averaging Date in this Condition 8.

“**Postponement**” shall have the meaning assigned thereto in the definition of Averaging Date in this Condition 8.

“**PRC**” means the People’s Republic of China (excluding Hong Kong, Macau and Taiwan).

“**Redemption Amount**” means the Redemption Amount specified in the applicable Pricing Supplement or, if no such amount is specified in the applicable Pricing Supplement, an amount calculated by the Calculation Agent equal to:

- (a) in the case of a Call Equity Linked Redemption Note

$$\frac{\text{Reference Price}}{\text{Strike Price}} \times \text{Specified Amount}; \text{ or}$$

- (b) in the case of a Put Equity Linked Redemption Note

$$\frac{\text{Strike Price}}{\text{Reference Price}} \times \text{Specified Amount}; \text{ or}$$

provided always that the Redemption Amount shall in no event be less than zero. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards.

“**Reference Price**” means, subject to Condition 8 and as referred to in “Valuation Date” below or “Averaging Date” above, as the case may be:

- (a) in the case of Equity Linked Notes related to a Basket of Shares or a Basket of Units, an amount equal to the sum of the values calculated for each Share or Unit, as the case may be, at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) quoted on the relevant Exchange for such Share or Unit, as the case may be, on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date and, in either case, without regard to any subsequently published correction (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) cannot be so determined and the Valuation Date or Averaging Date, as the

case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) for the relevant Share or Unit, as the case may be, whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Share or Unit, as the case may be, or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Multiplier, each such value to be converted, if so specified in the applicable Pricing Supplement, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Reference Price, all as determined by or on behalf of the Calculation Agent; and

- (b) in the case of Equity Linked Notes related to a single Share or a single Unit, an amount equal to the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) quoted on the relevant Exchange for such Share or Unit, as the case may be, on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date and, in either case, without regard to any subsequent published correction (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) for the Share or Unit, as the case may be, based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the

Share or Unit, as the case may be, or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Pricing Supplement, into the Settlement Currency at the Exchange Rate and such converted amount to be the Reference Price, all as determined by or on behalf of the Calculation Agent.

“Related Exchange” means, in respect of Equity Linked Notes and in relation to a Share or a Unit, each exchange or quotation system specified as such for such Share or Unit in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share or Unit has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share or Unit on such temporary substitute exchange or quotation system as on the original Related Exchange), Provided That where “All Exchanges” is specified as the Related Exchange in the applicable Pricing Supplement, **“Related Exchange”** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or Unit.

“Relevant Time” means the time specified on the Valuation Date or the Averaging Date for the calculation of the Reference Price (if applicable), as set out in the applicable Pricing Supplement or if no such time is specified, the close of trading on the relevant Exchange.

“Scheduled Closing Time” means, in respect of an Exchange, Related Exchange or, if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Share, the China Connect Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange, Related Exchange or the China Connect Exchange on such Scheduled Trading Day, without regard (in the case of the China Connect Service) to after hours or any other trading outside of the regular trading session hours or (in the case of the China Connect Service) any after hours or any other order-routing outside of the regular order-routing session hours.

“Scheduled Trading Day” means any day on which (i) each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions and (ii) if “China Connect” is specified in the applicable Pricing Supplement to apply to the relevant Share, the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions.

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

“SEHK” means The Stock Exchange of Hong Kong Limited.

“Settlement Disruption Event” means an event beyond the control of the Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the Asset Amount by or on behalf of the Issuer in accordance with these Terms and Conditions and/or the applicable Pricing Supplement is not practicable.

“Share Company” means the company whose Shares relate to the Notes as specified in the applicable Pricing Supplement.

“Shares” and **“Share”** mean, subject to adjustment in accordance with Condition 8(c), in the case of an issue of Notes related to a Basket of Shares, the equity securities or an equity security of the relevant Basket Company and, in the case of an issue of Notes related to a

single equity security, the equity securities or an equity security of the relevant Share Company and related expressions shall be construed accordingly.

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

“**Units**” and “**Unit**” mean, subject to adjustment in accordance with Condition 8(c), shares or a share of the relevant ETF Interest or if such ETF Interest is not denominated by shares, the notional units or unit of account of ownership of such ETF Interest of the relevant ETF.

“**Valid Date**” shall have the meaning assigned to it under the definition of Averaging in this Condition 8.

“**Valuation Date**” means the Valuation Date specified in the applicable Pricing Supplement or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Notes are Equity Linked Notes related to a single Share or a single Unit, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (b) where the Notes are Equity Linked Notes related to a Basket of Shares or a Basket of Units, the Valuation Date for each Share or Unit, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Share or Units affected, as the case may be, (each an “**Affected Item**”) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Reference Price using, in relation to the Affected Item, the value determined in the manner set out in the applicable Pricing Supplement and a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not

practicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

“**Valuation Time**” means the Relevant Time specified in the applicable Pricing Supplement, or where no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Share or Unit to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

9 PARTICIPATORY NOTES

This Condition shall apply if Participatory Note Provisions are specified as applicable in the applicable Pricing Supplement; provided that, in the event of inconsistency between this Condition and any other Condition, this Condition will prevail.

(a) *Interim Payments*

On each Interim Payment Date and in respect of each nominal amount of Notes equal to the Specified Amount, the Issuer shall pay the relevant Interim Payment Amount.

If the Share Company fails to deliver to an Investor entitled to receive it any Applicable Cash Dividend Amount before Applicable Cash Dividend Failure Date, no payment in respect of any such unpaid Applicable Cash Dividend Amount shall be payable by the Issuer.

(b) *Regulatory Change Event*

Upon the occurrence of a Regulatory Change Event, the Calculation Agent will (a) make the corresponding adjustment, if any, to any one or more of the terms and conditions of the Notes as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the effect of such Regulatory Change Event and (b) determine the effective date of such adjustment(s).

Upon making any such adjustment(s), the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 23, stating the adjustment(s) made to the terms and conditions of the Notes and giving brief details of the Regulatory Change Event.

(c) *Expenses and Taxation*

All payments in respect of the Notes will be subject, in all cases, to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever). For the avoidance of doubt, any FATCA Withholding or Section 871(m) Withholding shall be treated as a deduction or withholding required by applicable law.

Neither the Issuer nor the Guarantor shall be liable for or otherwise obliged to pay, and the relevant Noteholder shall be liable for and/or pay, any tax, duty, charge, withholding, expense or other payment whatsoever which may arise as a result of, or in connection with, the ownership, transfer, redemption and/or enforcement of the Notes held by the Noteholder, and/or the purchase, holding or sale of any relevant Hedge Transaction (including any applicable depository charges, transaction or exercise charges, stamp duty, registration fees, securities transfer fees and/or other taxes, duties or expenses). The Issuer shall have the right, but shall not be obliged to withhold or deduct from any amount payable

to the Noteholder such amount as shall be necessary to account for or to pay any such tax, duty, charge, withholding, expense or other payment. The Noteholders shall indemnify the Issuer against any loss, cost or other liability whatsoever sustained or incurred by the Issuer in respect of any such tax, duty, charge, withholding, expense or other payment as referred to above.

The Noteholder acknowledges and agrees that it shall, from time to time and immediately upon demand by the Issuer, reimburse the Issuer on a full indemnity basis for all taxes, duties and other charges which have not been deducted from the Redemption Amount, any other redemption amount or Interim Payment Amount and that are (as determined by the Calculation Agent in its sole and absolute discretion) assessed, ascertained, or become due or payable by the Issuer and/or any of its Affiliates, in connection with the purchase, holding or sale of the Hedge Transactions or receipt of dividends from the issuer of the Share. This obligation of the Noteholder shall remain notwithstanding the maturity of the Notes or the sale of the Notes by the Noteholder.

(d) Additional Provisions for Other Jurisdictions

If “Additional Provisions for Other Jurisdictions” is specified as applying in the applicable Pricing Supplement, then, without prejudice to the generality of any applicable law, the Noteholder expressly consents to the disclosure by the Issuer or any of its Affiliates to the relevant authorities in the jurisdiction of the Share (the “**Relevant Jurisdiction**”), information relating to the Notes, including the name of the Noteholder, in order for the Issuer or any of its Affiliates to comply with laws and regulations of the Relevant Jurisdiction that are applicable to the Issuer or any of its Affiliates in connection with their dealings in the Share.

(e) Definitions applicable to Participatory Notes

“**Applicable Cash Dividend Amount**” means the net cash dividend on one Share, paid to an Investor entitled to receive it in respect of any single declaration of cash dividends, less the sum of (i) 10% or such other percentage as determined by the Calculation Agent of such cash dividend amount in respect of withholding taxes, and (ii) other costs, commissions and fees incurred by an Investor in respect of such dividend amount, expressed in the Settlement Currency as determined by the Calculation Agent, the ex-dividend date for which falls during the period from and including the Issue Date to and including the earlier of (a) the Maturity Date, or (b) any date of early redemption.

“**Chinese QFII**” means an entity outside the People’s Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (“**Qualified Foreign Institutional Investors**”), and where “**Measures**” means the measures regarding the regulation of Qualified Foreign Institutional Investors’ investment in domestic securities.

“**Chinese RQFII**” means an entity outside the PRC which meets the requirements of the RQFII Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities and bond markets by using Renminbi fund, and has obtained the quota from the State Administration of Foreign Exchange. RQFII Measures means the measures regarding the regulation of Renminbi qualified foreign institutional investors’ investment in financial market in the People’s Republic of China.

“**Hedge Transactions**” means any securities, futures or derivatives transaction(s) entered into by the Issuer and/or its Affiliates with any party in any jurisdiction, including, without limitation, an entity affiliated, related to or controlled by the Issuer or any entity through

which the Issuer or its Affiliates or nominees purchase and or hold interests in the Share or other relevant securities or contracts to hedge the Issuer's position under the Notes.

"Initial Reference Price" shall have the meaning specified in the applicable Pricing Supplement.

"Interim Payment Amount" means an amount in the Settlement Currency equal to the product of (a) any Applicable Cash Dividend Amount and (b) the Share Amount applicable on the relevant ex-dividend date (net of any and all withholding taxes based upon the maximum statutory rates applicable to an Investor in connection with the receipt of such dividends). The Calculation Agent will determine the Interim Payment Amount, if any, in respect of the Notes in its sole discretion.

"Interim Payment Date" shall have the meaning specified in the applicable Pricing Supplement.

"Investor" means a Qualified Investor or, if "China Connect" is specified in the applicable Pricing Supplement to apply to the relevant Share, an investor trading and holding the relevant Share through the China Connect Service.

"Provisional Tax Cost" means an amount equal to:

- (a) (i) 10% or such other percentage as determined by the Calculation Agent of the excess (if any) of the Reference Price over the Initial Reference Price multiplied by (ii) the Share Amount, in respect of Call Equity Linked Redemption Notes; or
- (b) (i) 10% or such other percentage as determined by the Calculation Agent of the excess (if any) of the Initial Reference Price over the Reference Price multiplied by (ii) the Share Amount, in respect of Put Equity Linked Redemption Notes;

in respect of provisional taxes.

"Qualified Investor" means, where the Relevant Jurisdiction is Taiwan or the People's Republic of China, a Taiwan FINI, a Chinese QFII and a Chinese RQFII, respectively, and where the Relevant Jurisdiction is a jurisdiction other than Taiwan or the People's Republic of China, an entity which is incorporated or established outside such jurisdiction and meets the relevant regulatory requirement and has obtained the relevant regulatory approval to invest in the domestic securities of such jurisdiction.

"Redemption Amount" means in respect of each nominal amount of Notes equal to the Specified Amount, an amount calculated by the Calculation Agent equal to the sum of:

- (a) if such Notes are Call Equity Linked Redemption Notes,

$$\left[\frac{\text{Reference Price}}{\text{Strike Price}} \times \text{Specified Amount} \right]; \text{ or}$$

- (b) if such Notes are Put Equity Linked Redemption Notes,

$$\left[\frac{\text{Strike Price}}{\text{Reference Price}} \times \text{Specified Amount} \right];$$

Less

- (c) Provisional Tax Cost;

provided always that the Redemption Amount shall in no event be less than zero. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of

Japanese Yen, the nearest whole unit) in the Redemption Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards.

“Reference Price” means, as determined by the Calculation Agent, the execution price per Share actually received by the Issuer and/or its Affiliates if it actually sold the Share at the Valuation Time on the Valuation Date or (if Averaging is specified in the applicable Pricing Supplement) an Averaging Date, as the case may be, less any costs, commissions and other fees incurred by the Issuer and/or its Affiliates in connection with such sale, or if such sale or sales were not made, the execution price which would have been payable to the Issuer and/or its Affiliates had it sold such Share on the Exchange at the Valuation Time on the Valuation Date or (if Averaging is specified in the applicable Pricing Supplement) an Averaging Date, as the case may be, less any costs, commissions and other fees that would have been incurred by the Issuer and/or its Affiliates had it made such sale or sales. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applying in the applicable Pricing Supplement, into the Settlement Currency at the Exchange Rate and such converted amount shall be the Reference Price.

“Regulatory Change Event” means any event which, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, constitutes:

- (a) the adoption of, change in or change in the interpretation or administration of, any law, rule or regulation by any governmental authority, central bank or comparable agency (**“Regulatory Authority”**); and/or
- (b) the compliance by the Issuer and/or any of its Affiliates with any request or directive of any Regulatory Authority (whether or not having the force of law), and

which (1) imposes, modifies, applies or eliminates any tax, reserve, special deposit, insurance assessment or any other requirement in respect of assets or deposits of the Issuer and/or any of its Affiliates in respect of (i) the issue of and/or exercise of any rights attached to the Notes or (ii) any transaction entered into by the Issuer and/or any of its Affiliates to hedge, either directly or indirectly, the obligations of the Issuer in respect of the Notes; and/or (2) affects in any other way the cost to the Issuer and/or any of its Affiliates of: (i) the issue of and/or exercise of any rights attached to the Notes; and/or (ii) hedging, either directly or indirectly, the obligations of the Issuer in respect of the Notes.

“Share Amount” means the number of Shares per Specified Amount specified in the applicable Pricing Supplement; and

“Taiwan FINI” means an entity incorporated or established outside Taiwan with foreign institutional investor (FINI) status in Taiwan.

10 CURRENCY LINKED REDEMPTION NOTES

(a) *Redemption of Currency Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount of the Currency Linked Redemption Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the Specified Amount) will be redeemed by the Issuer by payment of the Redemption Amount (as determined by the Calculation Agent specified in the applicable Pricing Supplement) on the Maturity Date.

(b) *Adjustments and FX Disruption Events*

- (i) For the purposes of determining the Settlement Rate, “FX Disruption Event” means, in respect of a Reference Currency and as determined by the Calculation

Agent, the occurrence or existence of Dual Exchange Rate, Currency Replacement, General Inconvertibility, General Non-Transferability, Governmental Authority Event, Illiquidity, Price Source Disruption and/or any event specified as such in the applicable Pricing Supplement.

- (ii) The Calculation Agent will determine the Settlement Rate (or the method of determining the Settlement Rate) as an alternative basis for determining the Redemption Amount after having taken into consideration all relevant quotations and other information in good faith it deems relevant.
- (iii) Upon the occurrence of a Market Disruption Event, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of the action proposed to be taken in relation thereto.

(c) **Definitions applicable to Currency Linked Redemption Notes**

“Dual Exchange Rate” means the relevant Settlement Rate splits into dual or multiple currency exchange rates.

“Currency Replacement” means a Reference Currency ceases to exist and is replaced by a new currency in a relevant jurisdiction.

“General Inconvertibility” means the occurrence of any event that generally makes it impossible to convert one Reference Currency into another Reference Currency in the country for which the first Currency is the lawful currency through customary legal channels.

“General Non-Transferability” means the occurrence of any event that generally makes it impossible to deliver (A) a Reference Currency from accounts inside the country for which another Reference Currency is the lawful currency to accounts outside such country or (B) a Reference Currency between accounts inside the country for which that Currency is the lawful currency or to a party that is a non-resident of such country.

“Governmental Authority” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (public or private) charged with the regulation of the financial markets (including the central bank) of a relevant jurisdiction.

“Governmental Authority Event” means a Governmental Authority of a relevant jurisdiction has given public notice of its intention to impose any controls which are likely to materially affect the Issuer’s ability to hedge its obligations with respect to the Currency Linked Redemption Notes or to unwind any such hedge.

“Illiquidity” means it becomes impossible to obtain a firm quote of the Settlement Rate in a customary amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the customary amount) on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source) or by such other date (the **“Illiquidity Valuation Date”**) as is specified for such purpose in the applicable Pricing Supplement.

“Price Source Disruption” means it becomes impossible to obtain the Settlement Rate on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source).

“Redemption Amount” means the amount as specified in the applicable Pricing Supplement, as determined by the Calculation Agent, which may be calculated with reference to the Settlement Rate.

“**Reference Currency**” means each Reference Currency specified in the applicable Pricing Supplement.

“**Settlement Rate**” means the foreign exchange rate used to calculate the Redemption Amount as specified in the applicable Pricing Supplement.

Any capitalised term not defined in this Condition shall take the meaning as specified in the applicable Pricing Supplement.

11 INTEREST RATE LINKED REDEMPTION NOTES

Provisions relating to the redemption of Interest Rate Linked Redemption Notes will be set out in the applicable Pricing Supplement.

12 FUND LINKED NOTES

(a) *Redemption of Fund Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each nominal amount of Fund Linked Redemption Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the “**Specified Amount**”) will be redeemed by the Issuer by payment of the Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(b) *Fund Events*

“**Fund Event**” means the occurrence of each of a Fund Disruption Event and/or a Fund Extraordinary Event as determined by the Calculation Agent.

- (i) “**Fund Disruption Event**” means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines any such event is material:
 - (A) Fund Valuation Disruption: “**Fund Valuation Disruption**” means (x) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (y) the failure of a Scheduled Fund Valuation Date in respect of a Fund Interest to be a Fund Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Valuation Date;
 - (B) Fund Settlement Disruption: “**Fund Settlement Disruption**” means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests).
- (ii) “**Fund Extraordinary Event**” means each of the following events:
 - (A) Nationalisation: “**Nationalisation**” means that all the Fund Interests or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be

transferred to any governmental agency, authority, entity or instrumentality thereof;

- (B) Insolvency: “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (x) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (y) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them;
- (C) Fund Insolvency Event: “**Fund Insolvency Event**” means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (x) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (x) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) through (E) above;

- (D) NAV Trigger Event: “**NAV Trigger Event**” means that (x) the aggregate net asset value of a Fund has decreased by an amount equal to or greater than 30 per cent. since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (y) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (E) Adviser Resignation Event: “**Adviser Resignation Event**” means the resignation, termination of appointment, or replacement of a Fund’s Fund Adviser;
- (F) Fund Modification: “**Fund Modification**” means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;
- (G) Strategy Breach: “**Strategy Breach**” means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;
- (H) Regulatory Action: “**Regulatory Action**” means (x) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (y) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (z) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;

- (I) Reporting Disruption: “**Reporting Disruption**” means (x) occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case may be; (y) any failure of a Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Fund’s, or its authorised representative’s, normal practice and that the Calculation Agent deems necessary to monitor such Fund’s compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;
- (J) Fund Service Provider Cessation: “**Fund Service Provider Cessation**” means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (K) Fund Administrator Disruption: “**Fund Administrator Disruption**” means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or
- (L) Related Agreement Termination: “**Related Agreement Termination**” means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

Following the occurrence of a Fund Event, the Issuer may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to make such determinations and/or adjustments to these Terms and Conditions and/or the applicable Pricing Supplement as it determines appropriate to account for the Fund Event, which may include, without limitation, delaying any determination until it determines that no Fund Event exists, calculating the value of a Fund Interest and/or replacing a Fund Interest (the

“**Affected Fund Interest**”) with a replacement fund interest (the “**Replacement Fund Interest**”) with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or

- (ii) on giving notice to the Noteholders in accordance with Condition 23, redeem all (but not some only) of the Notes, each Note being redeemed at the Early Redemption Amount referred to in Condition 5(g) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

Upon the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Noteholders in accordance with Condition 23 giving details of the action proposed to be taken in relation thereto, Provided That any failure to give, or non-receipt of, such notice will not affect the validity of such action.

(c) Fund Potential Adjustment Events

“**Fund Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of relevant Fund Interests of (A) such Fund Interests or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related Fund as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or
- (v) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of relevant Fund Interests.

Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Fund Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interest and, if so, will make the corresponding adjustment, if any, to any one or more of any of the terms of these Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion,

determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as reasonably practicable to the Noteholders in accordance with Condition 23 stating the adjustment to any of the terms of these Terms and Conditions, and/or the applicable Pricing Supplement and giving brief details of the Fund Potential Adjustment Event, Provided That any failure to give, or non receipt of, such notice will not affect the validity of any such adjustment.

(d) *Definitions applicable to Fund Linked Interest Notes and Fund Linked Redemption Notes*

“Fund” means, subject to adjustment in accordance with this Condition 12, each fund specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

“Fund Administrator” means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

“Fund Adviser” means any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser).

“Fund Documents” means the constitutive and governing documents, subscription agreements and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

“Fund Interest” means, subject to adjustment in accordance with this Condition 12, each fund interest specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

“Fund Redemption Valuation Date” means, in respect of a Fund Interest, the date as of which a Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

“Fund Service Provider” means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

“Fund Valuation Date” means a date as of which a Fund (or its Fund Service Provider that generally determines such value) determines the value of the related Fund Interest.

“Hypothetical Investor” means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be,

without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

“Removal Date” means, in respect of an Affected Fund Interest, the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realisation of such Affected Fund Interest effected as soon as reasonably practicable following the occurrence of the relevant Fund Event.

“Removal Value” means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive on the redemption or realisation of such Affected Fund Interest at the relevant time, Provided That if any such redemption proceeds would comprise non-monetary assets the Removal Value shall include the amount (if any) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realisation (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets as soon as reasonably practicable after their receipt.

“Scheduled Fund Redemption Valuation Date” means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the related Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

“Scheduled Fund Valuation Date” means, in respect of a Fund Interest, a date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of the related Fund Interest or, if the Fund only reports its aggregate net asset value, the date as of which such Fund is scheduled to determine its aggregate net asset value.

“Valuation Date” means each Valuation Date specified in the applicable Pricing Supplement.

“Valuation Time” means the Valuation Time specified in the applicable Pricing Supplement.

13 DEBT LINKED NOTES

(a) *Redemption of Debt Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each nominal amount of Debt Linked Redemption Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the **“Specified Amount”**) will be redeemed by the Issuer by payment of the Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(b) *Market Disruption*

Market Disruption Event shall mean the suspension of or limitation imposed on trading either on any exchange or quotation system on which the Debt Instruments or any of them (in the case of a basket of Debt Instruments) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Instruments or any of them (in the case of a basket of Debt Instruments) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

(c) **Correction of Debt Instrument Price**

If the price of a Debt Instrument published or provided on any Valuation Date or an Averaging Date which is utilised for any calculation or determination made for the purposes of the Notes (a “**Relevant Calculation**”) is subsequently corrected and the correction (the “**Corrected Debt instrument Price**”) is published or provided no later than two Business Days prior to the date of payment of any amount to be calculated by reference to the Relevant Calculation, then such Corrected Debt Instrument Price shall be deemed to be the relevant price for such Debt Instrument on such Averaging Date or Valuation Date, as the case may be, and the Calculation Agent shall use such Corrected Debt Instrument Price in determining the relevant price.

(d) **Definitions applicable to Debt Linked Interest Notes and Debt Linked Redemption Notes**

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Pricing Supplement, or if any such day is not a Scheduled Trading Day the immediately following Scheduled Trading Day.

“**Debt Instrument**” means a type of documented financial obligation assumed by the issuer thereof to repay a debt according to the agreed terms.

“**Debt Instrument Price**” means the Debt Instrument Price specified in the applicable Pricing Supplement, or if not so specified in the applicable Pricing Supplement:

- (i) in the case of Debt Linked Notes relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument at the bid price for such Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of such Debt Instrument, multiplied by the relevant weighting; and
- (ii) in the case of Debt Linked Notes relating to a single Debt Instrument, an amount equal to the bid price for the Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of the Debt Instrument.

“**Scheduled Trading Day**” has the meaning given to it in the applicable Pricing Supplement.

“**Valuation Date**” means each Valuation Date specified in the applicable Pricing Supplement or if that date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day.

“**Valuation Time**” means the Valuation Time specified in the applicable Pricing Supplement.

14 ADDITIONAL DISRUPTION EVENTS AND HEDGE ADJUSTMENT EVENT

(a) *Occurrence of Additional Disruption Events*

If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:

- (i) require the Calculation Agent to make the appropriate adjustment, if any;
- (ii) where the Notes are specified in the relevant Pricing Supplement as relating to a basket of Reference Items, and the Additional Disruption Event occurs with respect to a Reference Item comprised in the basket, remove such Reference Item from the basket and, following such removal, the Calculation Agent shall make the appropriate adjustment, if any;
- (iii) substitute the relevant Reference Item with a different Reference Item and, following such substitution, the Calculation Agent shall make such adjustment, if any,
- (iv) in each case to any one or more of the Rate of Interest, any one or more Interest Amount(s), the Reference Price, the Final Redemption Amount and/or any of the other terms of these Terms and Conditions and/or the applicable Pricing Supplement to account for the Additional Disruption Event, and determine the effective date of that adjustment, in its sole and absolute discretion; or
- (v) give notice to the Noteholders in accordance with Condition 23 and redeem or cancel all, but not some only, of the Notes on a date selected by the Issuer by payment of the Early Redemption Amount.

Upon the occurrence (if relevant) of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 23 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

(b) *Occurrence of Hedge Adjustment Event*

- (i) If “Hedge Adjustment Event” is specified as being applicable in the relevant Pricing Supplement, then following the determination by the Issuer or the Calculation Agent that a Hedge Adjustment Event has occurred, the Issuer or the Calculation Agent, in its sole and absolute discretion, may:
 - (A) determine in its discretion, acting in a commercially reasonable manner, the appropriate adjustment, if any, to be made to any of the Conditions and/or the relevant Pricing Supplement to account for the Hedge Adjustment Event and determine the effective date of that adjustment; or
 - (B) give notice to Noteholders in accordance with Condition 23 (Notices) and redeem the Aggregate Nominal Amount of the Notes at a commercially reasonable amount as determined by the Issuer or the Calculation Agent.
- (ii) Upon the occurrence of a Hedge Adjustment Event, the Issuer shall deliver, or cause the Fiscal Agent to deliver, a notice (a “**Hedge Adjustment Event Notice**”) in accordance with Condition 23 (Notices) to the Noteholders stating the occurrence of

the Hedge Adjustment Event and giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Hedge Adjustment Event.

(c) **Definitions**

“Additional Disruption Event” means any of Change in Law, FX Disruption, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Loss of Stock Borrow, Force Majeure, Illegality, Qualified Investor Disruption, Qualified Investor Status Disruption, China Connect Share Disqualification and/or China Connect Service Termination, in each case if specified in the relevant Pricing Supplement.

“Change in Law” means that, on or after the Trade Date (as specified in the relevant Pricing Supplement), (i) due to the adoption of or any change in any relevant law or regulation (including, without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any relevant law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (a) it has or there is a substantial likelihood that it will become illegal for the Issuer to hold, acquire or dispose of Hedge Positions or (b) the Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

“China Connect Share Disqualification” means, on or after the Trade Date, the Shares cease to be accepted as “China Connect Securities” (as defined in the rules of SEHK) for the purpose of the China Connect Service.

“China Connect Service Termination” means, on or after the Trade Date, the announcement by one or more of the Exchange, SEHK, the CSDCC, HKSCC or any regulatory authority with competent jurisdiction of a suspension or termination of the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the Shares through the China Connect Service and the Calculation Agent determines that there is a reasonable likelihood that such suspension or termination is not, or will not be, temporary.

“Force Majeure” means that the Issuer or the Calculation Agent shall have determined, acting in a commercially reasonable manner, that the performance of any of the Issuer’s obligations with respect to the Notes and/or that any arrangements made to hedge the Issuer’s obligations with respect to the Notes shall have or will become or would be (as the case may be), impossible or impracticable to comply with, in whole or in part, due to reasons outside of the Issuer or Calculation Agent’s control (including, but not limited to, any natural, systems, facilities, technological, political or other cause) and which cannot be overcome by reasonable diligence and/or without unreasonable expense.

“FX Disruption” means it has become impracticable, illegal or impossible (i) to convert the relevant currency (the **“Local Currency”**) in which the relevant Shares, Index, Units, Fund, Commodity or Debt Instrument (as the case may be) or any options or futures contracts in relation to the Shares, Index, Units, Fund, Commodity or Debt Instrument (as the case may be) or any other property or transaction held by the Issuer or its Affiliates for the purposes of hedging its obligations under the Notes (the **“Other Property”**) are denominated, into the Settlement Currency, or to exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the relevant Shares, Index, Units, Fund, Commodity or Debt Instrument (as the case may be) or any options or futures contracts in relation to the Shares, Index, Units, Fund, Commodity or Debt Instrument (as

the case may be) or any Other Property are traded, due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise, or (ii) for the Calculation Agent to determine a rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Notes.

“Hedge Adjustment Event” means any adjustments, amendment, revision, event, determination and/or order which, as determined by the Calculation Agent in its sole discretion, would materially affect the Hedge Positions established by the Issuer and/or any of its Affiliates. For the avoidance of doubt, with respect to any series of Notes, the Hedge Adjustment Event shall include (but not be limited to) any adjustment or change to the Hedge Transaction or the Hedge Positions relating to that series arising as a result of any determinations made in respect of the relevant Hedge Transaction by the counterparty(ies) and/or calculation agent of such transaction, which may have a material adverse effect on the value of the Notes.

“Hedge Adjustment Event Notice” has the meaning gives to that term in Conditions 14(b) (*Occurrence of the Hedge Adjustment Event*).

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

“Hedging Disruption” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s). For the avoidance of doubt, if “China Connect” is specified in the applicable Pricing Supplement to be applicable to the relevant Index or Share, (a) a Hedging Disruption includes (without limitation) any inability to hedge by the Issuer and/or any of its Affiliates as a result of compliance with any foreign ownership restrictions imposed by the issuer of any security comprising the relevant Index or the relevant Share, any exchange or any court, tribunal, government or regulatory authority in the PRC or Hong Kong, and (b) “using commercially reasonable efforts” to hedge the relevant risks does not include the use of any quota granted to the Issuer and/or any of its Affiliates as a Chinese QFII or a Chinese RQFII.

“Hedging Securities” means, in relation to the Notes, the Reference Item(s) or securities/commodities comprised in an index or other security or commodity that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes.

“Illegality” means that the Calculation Agent shall have determined, acting in a commercially reasonable manner, that the performance of any of the Issuer’s obligations with respect to the Notes and/or that any arrangements made to hedge the Issuer’s obligations with respect to the Notes and/or under any hedging arrangements shall have or will become or would be (as the case may be), in whole or in part, unlawful, illegal or otherwise contrary to any present or future law, rule, regulation, judgment, order, directive, policy or request of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or any change in the interpretation thereof.

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Increased Cost of Stock Borrow” means, in relation to the Notes, that the Issuer and/or any of its Affiliates would incur a rate to borrow any Reference Item or any security/commodity comprised in an index or any other security or commodity that it deems reasonable to hedge the equity or other price risk of the Issuer issuing or performing its obligation with respect to the Notes that is greater than the Initial Stock Loan Rate.

“Initial Stock Loan Rate” means, in relation to the Notes, in respect of a Reference Item or any security/commodity comprised in an index or any other security or commodity that the Issuer and/or any of its Affiliates deems reasonable to hedge the equity or other price risk of the Issuer issuing or performing its obligation with respect to the Notes, the rate which the Issuer and/or any of its Affiliates would have incurred to borrow such Reference Item or such other securities or commodities in an amount equal to the Hedging Securities (where applicable), as the case may be, as of the Trade Date, as determined by the Calculation Agent.

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

“Loss of Stock Borrow” means that the Issuer and/or any of its Affiliate(s) is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Reference Item or any securities/commodities comprised in an index or any other security or commodity that it deems reasonable to hedge the equity or other price risk of the Issuer issuing or performing its obligations with respect to the Notes in an amount equal to the Hedging Securities at a rate equal to or less than the Maximum Stock Loan Rate.

“Maximum Stock Loan Rate” means, in respect of a Reference Item or a security/commodity comprised in an index or any other security or commodity that the Issuer and/or any of its Affiliates deems reasonable to hedge the equity or other price risk of the Issuer issuing or performing its obligations with respect to the Notes, the lowest rate at which the Issuer and/or any of its Affiliates, after using commercially reasonable efforts, would have incurred to borrow (and maintain a borrowing of) such Reference Item or such other security or commodity, as the case may be, in an amount equal to the Hedging Securities, as of the Trade Date, as determined by the Calculation Agent.

“Qualified Investor Disruption” means that, on or after the Trade Date due to any action (an **“Action”**) taken by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) against any QFII or RQFII in respect of its duties and obligations as a QFII or an RQFII, the

Calculation Agent is of the opinion that there has been a material increase in regulatory risk in connection with maintaining, entering into or unwinding any Hedge Positions. For the avoidance of doubt, in determining whether a Qualified Investor Disruption has occurred, the Calculation Agent may take into consideration the responses of other QFIIs or RQFIIs in relation to such Action.

“**Qualified Investor Status Disruption**” means that, on or after the Trade Date (i) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation or administration by any court, tribunal, central bank, regulator or governmental authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that there has been (or it expects that there will be) a material change in the scheme for investment in domestic securities in the People’s Republic of China by a QFII and/or an RQFII, or (ii) the approval of the Issuer or any of its Affiliates as a QFII and/or under such scheme is (A) withdrawn, revoked or suspended for any reason whatsoever, or (B) modified in a material manner as determined by the Calculation Agent.

15 TAXATION

Without prejudice to Condition 5(b), all payments in respect of the Notes will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature that the Issuer, the Guarantor or any Agent is required by applicable law to make. For the avoidance of doubt, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any FATCA Withholding or Section 871(m) Withholding. In addition, in determining the amount of Section 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Issuer shall be entitled to withhold on any “dividend equivalent” (as defined for purposes of Section 871(m) of the U.S. Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law. Neither the Issuer nor any other person shall be obliged to gross up any payments in respect of any Notes (including any FATCA Withholding or Section 871(m) Withholding) and shall not be liable for or otherwise obliged to pay any such taxes, duties or charges.

16 PRESCRIPTION

The Notes (whether bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 4(b) or any Talon which would be void pursuant to Condition 4(b).

17 EVENTS OF DEFAULT

If any one or more of the following events (each an “**Event of Default**”) shall occur and be continuing:

- (i) if default is made in the payment of any principal, premium (if any), interest or delivery of any Asset Amount due in respect of the Notes or any of them and the default continues for a period of 45 days after the due date;
- (ii) if the Issuer or the Guarantor fails to perform or observe any one or more of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter

mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer or the Guarantor of written notice requiring the same to be remedied,

in each case other than where the Issuer or the Guarantor withholds or refuses any such payment, delivery or performance (A) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction or with any agreement between the Issuer (or the Guarantor, the Fiscal Agent, the Issuing and Paying Agent, the relevant Paying Agent, the Transfer Agent, the Registrar or the holder of the Note, Receipt or Coupon) and any taxing authority, or (B) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the abovementioned 45 or 30 day period (as the case may be) by independent legal advisers;

- (iii) if an order is made or an effective resolution passed for winding up the Issuer or the Guarantor, except for the purpose of a reconstruction or amalgamation and the entity resulting from such reconstruction or amalgamation assumes all the rights and obligations, as the case may be, of the Issuer or the Guarantor (including its obligations under the Notes), or
- (iv) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Issuing and Paying Agent or the Registrar, as the case may be, effective upon the date of receipt thereof by the Issuing and Paying Agent or the Registrar, as the case may be, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of payment, without presentment, demand, protest or other notice of any kind.

18 SUBSTITUTION OF THE ISSUER

The Issuer (or any previously substituted company from time to time) shall, without the consent of the Noteholders, be entitled at any time to substitute for the Issuer (or any such previously substituted company) any other company (the “**Substitute**”) as principal obligor in respect of all obligations arising from or in connection with the Notes, provided that (i) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Notes represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute shall have assumed all obligations arising from or in connection with the Notes and shall have become a party to the Fiscal Agency Agreement, with any consequential amendments; (iii) the obligations of the Substitute in respect of the Notes shall be unconditionally and irrevocably guaranteed by the Guarantor, (iv) each stock exchange or listing authority on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes would continue to be listed on such stock exchange; and (v) the Issuer shall have given at least 30 days’ prior notice of the date of such substitution to the Noteholders in accordance with Condition 23.

In the case of a substitution pursuant to this Condition 18, the Issuing and Paying Agent may in its absolute discretion agree, without the consent of the relevant Noteholders, to a change of the law governing the Notes and/or the Fiscal Agency Agreement provided that such change would not in the opinion of the Issuing and Paying Agent be materially prejudicial to the interests of the Noteholders.

19 DETERMINATIONS

Any determination, judgment or adjustment made by the Issuer and/or the Calculation Agent pursuant to these Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the relevant Agents and the Noteholders.

In making any determination, judgment or adjustment pursuant to these Conditions, the Issuer and/or Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Noteholder shall be entitled to claim, from the Issuer, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Noteholders.

Unless stated otherwise, the Issuer or the Calculation Agent is entitled to act in its sole and absolute discretion, but it must act in good faith.

20 REPLACEMENT OF NOTES, CERTIFICATES, RECEIPTS, COUPONS AND TALONS

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

21 APPOINTMENT OF AGENTS

The Fiscal Agent, the Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, Issuing and Paying Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Issuing and Paying Agent, any Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) an Issuing and Paying Agent, (iii) a Registrar in relation to Registered Notes, (iv) a Transfer Agent in relation to Registered Notes, (v) one or more Calculation Agent(s) where the Conditions so require and (vi) a Luxembourg Listing Agent with a specified office in Luxembourg in relation to Notes listed on the Official List.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 4(e).

The Fiscal Agency Agreement contains provisions relating to the giving of notice of any such change or any change of any specified office to the Noteholders.

22 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 16.

23 NOTICES

- (a) All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London or Hong Kong. It is expected that such publication will be made in the *Financial Times* in London or, as the case may be, *South China Morning Post* in Hong Kong. So long as the Notes are traded on the Euro MTF market, notices to any Noteholder will be published in *Luxemburger Wort* for so long as it remains necessary to do so to comply with the listing requirements applicable to the Euro MTF. Notices to Noteholders may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices to holders of Registered Notes will be valid if mailed to their registered addresses appearing on the register. Any such notice shall be deemed to have been given on the third day after the day on which it was mailed. In addition, for so long as any Notes are traded on the Euro MTF market, Notices to any Noteholder will be published in *Luxemburger Wort* for so long as it remains necessary to do so to comply with the listing requirements applicable to the Euro MTF. Notices to Noteholders may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes or delivery of the relevant notice to the persons shown in the relevant CMU Instrument Position Report (as the case may be). Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg or the persons shown in the relevant CMU Instrument Position Report (as the case may be).

- (b) Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relevant Note or Notes, with the Issuing and Paying Agent or the Registrar, as the case may be. Whilst any of the Notes are represented by a Global Note or Global Certificate, such notice may be given by any holder

of a Note to the Issuing and Paying Agent through Euroclear and/or Clearstream, Luxembourg or the CMU Service, as the case may be, in such manner as the Issuing and Paying Agent and Euroclear and/or Clearstream, Luxembourg or the CMU Service, as the case may be, may approve for this purpose.

- (c) If Notice to the Issuer is specified as applying in the applicable Pricing Supplement, notices to be given by any Noteholder to the Issuer regarding the Notes will be validly given if delivered in writing to the Issuer as specified in the applicable Pricing Supplement. Any such notice shall be deemed to have been given on the day when delivered or if delivered after 5.00 p.m. in the place of location of the Issuer on an Issuer Business Day, will be deemed effective on the next following Issuer Business Day. In the case of Bearer Notes, the relevant Noteholder must provide satisfactory evidence to the Issuer of its holding of Bearer Notes which, so long as the Bearer Notes are represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU Service, is expected to be in the form of certification from Euroclear and/or Clearstream, Luxembourg or the CMU Service, as the case may be.

24 MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Fiscal Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Fiscal Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than two-thirds in nominal amount or number of the Notes for the time being remaining outstanding.

The quorum at (a) any such meeting is two or more persons holding or representing in the aggregate not less than two-thirds in principal amount of the Notes for the time being outstanding or (b) at any adjourned meeting is one or more persons holding or representing the Notes for the time being outstanding (whatever the principal amount of the Notes so held or represented). An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Issuer may without the consent of the Noteholders, Receiptholders or Couponholders, agree to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Fiscal Agency Agreement which is not materially prejudicial to the interests of the Noteholders, in the sole and absolute discretion of the Issuer (without considering the individual circumstances of any Noteholders or the tax or other consequences of such adjustment in any particular jurisdiction); or
- (b) any modification of the Notes, the Receipts, the Coupons or the Fiscal Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Agents, Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Agents, Noteholders in accordance with Condition 23 as soon as practicable thereafter.

25 FURTHER ISSUES

The Issuer shall be at liberty from time to time, without the consent of the Noteholders, the Receiptholders or the Couponholders, to create and issue further notes having terms and

conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

26 GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing Law*

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, Hong Kong law.

(b) *Submission to Jurisdiction*

The Courts of Hong Kong are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Other Documents*

The Issuer, and where applicable the Guarantor, have in the Deed of Guarantee, Deed of Covenant and Fiscal Agency Agreement submitted to the jurisdiction of the courts of Hong Kong in terms substantially similar to those set out above.

Appendix

MASTER PURCHASER CERTIFICATE*

The undersigned, [●], of

[Name] [Title] [Name of Investment Manager]

(the “**Investment Manager**”), hereby certifies to CICC Financial Trading Limited, China International Capital Corporation (Hong Kong) Limited and China International Capital Corporation Hong Kong Securities Limited (collectively, the “**CICC Entities**”) that, in connection with the sale or other transfer of any of various series of Unitary Registered Notes issued by CICC Financial Trading Limited from time to time in accordance with the CICC Financial Trading Limited Guaranteed Structured Note Programme dated 2 June 2020, as defined in the relevant Pricing Supplement for each such series of Notes (the “**Notes**”), for the benefit of each of the beneficial owners (each a “**Purchaser**” and each as identified in the Schedule to this Master Purchaser Certificate, as amended or supplemented from time to time) for whom the Investment Manager is acting in respect of the relevant Notes, on the date of this Master Purchase Certificate and is deemed to repeat these certifications on each date that the Investment Manager purchases any series of Notes and on each date on which the Purchasers remain beneficial owners of any of the Notes:

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- (A) each Purchaser is fully authorized by its organizational documents to purchase each relevant series of Notes, and this Master Purchaser Certificate has been duly executed by one or more persons duly authorized pursuant to such documents, and the purchase of each relevant series of Notes by such Purchaser does not contravene the organizational documents of such Purchaser or the Investment Manager or any provision of any law or regulation applicable to such Purchaser or the Investment Manager;
- (B) the Investment Manager and each Purchaser has prior knowledge and experience in investing in securities in each of the jurisdictions in which the Reference Items relating to each series of Notes are located;
- (C) in respect of each relevant series of Notes, the Investment Manager has, without reliance on, or advice from, the CICC Entities, and based solely on such information obtained by such Investment Manager independently of the CICC Entities (which was sufficient to make its investment decision), independently decided, as an investment decision consistent with the investment criteria and guidelines applicable to it and to each Purchaser, to obtain Pricing Supplement exposure to the Reference Items on behalf of each Purchaser independent of its decision to purchase each relevant series of Notes and, as a result of such decision, has independently initiated with the CICC Entities the transaction in each relevant series of Notes;
- (D) the Investment Manager and each Purchaser has consulted with its own advisors as to the legal, regulatory, tax, business, financial, accounting and related aspects of a purchase of each relevant series of Notes by each Purchaser to the extent it has deemed necessary in order to make its own decision to invest in each relevant series of Notes, the value of which is derived from the value of the Reference Items specified in the Pricing Supplement, and to make its own determination as to the suitability of such an investment;

* Only applicable for Notes purchased by Investment Manager acting on behalf of the Purchasers. In the case that an Investment Manager is not involved, amendment to the Master Purchaser Certificate will be required.

- (E) in respect of each relevant series of Notes, none of the CICC Entities nor any of their affiliates has given the Investment Manager or any Purchaser (directly or indirectly through any other person or entity) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return or performance of an investment in the relevant series of Notes;
- (F) each Purchaser and the Investment Manager has read the Pricing Supplement applicable to each relevant series of Notes (each, the relevant “**Pricing Supplement**”) and the accompanying Offering Circular dated 2 June 2020, is fully cognisant of and understands the terms of and risks associated with an investment in each relevant series of Notes, and has such knowledge and experience in financial business matters generally as to be capable of evaluating the merits and risks of an investment in the relevant series of Notes, and each Purchaser is capable of and willing to assume (financially and otherwise) those risks;
- (G) the Investment Manager may seek to purchase additional Notes of one or more series from time to time on behalf of all or some of the beneficial owners specified in the Schedule to this Master Purchaser Certificate (the “**Potential Purchasers**”). The Investment Manager and the Potential Purchasers hereby acknowledge that there is no obligation on the part of the CICC Entities to sell additional Notes of any series to the Investment Manager or the Potential Purchasers at such time;
- (H) the Investment Manager and the Potential Purchasers hereby acknowledge that the purchase price of the additional Notes of any series may differ from that for the initial Notes of any series of Notes;
- (I) the Investment Manager and each Purchaser understand that the CICC Entities may, from time to time, have published or may in the future publish research reports with respect to the Reference Items relating to any series of Notes and that these research reports may or may not recommend that investors buy or hold securities in relation to such Reference Items; and the Investment Manager and each Purchaser acknowledge that the CICC Entities do not undertake to inform the Investment Manager or any Purchaser of any changes (either positive or negative) to any recommendations contained in any such future research reports, if any;
- (J) the Investment Manager and each Purchaser further represents and warrants that each Purchaser is either:
 - (i)
 - (a) a Qualified Institutional Buyer (“**QIB**”), as defined in Rule 144A under the U.S. Securities Act of 1933 (the “**Securities Act**”), and is a Qualified Purchaser (“**QP**”), as defined in the U.S. Investment Company Act of 1940 (the “**Investment Company Act**”), and will advise the Issuer and the Guarantor, if for any reason it ceases to be such a QIB or QP as of the issue date of any relevant series of Notes;
 - (b) not a dealer as described in Rule 144A(a)(1)(ii) that owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of issuers that are not affiliated persons of said dealer;
 - (c) not a (a) partnership, (b) common trust fund, (c) special trust, pension fund or retirement plan or (d) other entity in which the partners, beneficiaries, beneficial owners or participants, as the case may be, may designate the particular investments to be made or the allocation thereof;

- (d) not formed for the purpose of investing in any relevant series of Notes or other securities of the Issuer unless each of its beneficial owners is a QIB and QP who was not so formed;
 - (e) purchasing each relevant series of Notes for its own account or for the accounts of one or more persons each of whom meets all of the requirements of items (a) to (d) above; and
 - (f) understands that none of the Notes have been nor will be registered under the Securities Act, that the Issuer has not been registered under the Investment Company Act and that all Notes are being sold to it in a transaction that is exempt from the registration requirements of the Securities Act and in accordance with the requirements of Section 3(c)(7) of the Investment Company Act; or
 - (ii) outside the United States and is not a U.S. person (as defined under Regulation S under the Securities Act) ("**Regulation S**") and is acquiring the relevant series of Notes in an offshore transaction in compliance with Regulation S;
 - (K) the Investment Manager and each Purchaser in respect of any additional Notes hereby represents that the representations contained herein shall be deemed to be repeated in full in respect of any purchase of the additional Notes and hereby acknowledges that if the CICC Entities enter into sales of any such additional Notes, they will do so in reliance on the deemed repetition of the representations contained herein;
 - (L) the Investment Manager and each Purchaser represents that it will not offer, sell, transfer, pledge or transfer any Note or any interest therein except to or through the Issuer or an Affiliate of the Issuer and acknowledges the right of the Issuer to void any transfer of any interest in the Notes made in violation of this certification I.(L) and either (i) to restore all rights as a holder of such interests in the Notes to the last preceding transferee who did not receive its interest in the Notes in a transfer violating this certification I.(L), retroactively to the date of such transfer of such interest by such holder or (ii) require any transferee purporting to take any interest in violation of this certification I.(L) to sell such interest to the Issuer or any entity designated by the Issuer, at the option of the Issuer; and
 - (M) the Investment Manager and each Purchaser understand that the CICC Entities may from time to time receive a list of participants holding positions in the Notes from one or more book-entry depositories.
- II The Investment Manager, each Purchaser, and any other fiduciary of any such Purchaser causing it to acquire the Notes, hereby represents, in its corporate and fiduciary capacity, that on each day from the date of its acquisition of any series of Notes and any additional Notes, through and including the date of its disposition of such Notes either:
- (A) it is not and is not purchasing Notes or any interest therein on behalf of any employee benefit plan or other plan subject to the Employee Retirement Income Security Act of 1974 ("**ERISA**") or Section 4975 of the U.S. Internal Revenue Code ("**U.S. Code**"), or any entity or arrangement whose underlying assets are treated for purposes of such provisions as "plan assets" of such plans, or any governmental, church or non-U.S. benefit plan which is not subject to such provisions of law but are subject to substantially similar laws ("**Similar Law**"), or

- (B) its acquisition, holding and disposition of the Notes or any interest therein would not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the U.S. Code, or a violation of any Similar Law, and that such representations shall be deemed to be made each day from the date on which the purchaser purchases through and including the date on which the purchaser disposes of the Notes and all interests therein.

The Investment Manager and any Purchaser, and any fiduciary of any such Purchaser causing it to acquire the Notes, agrees to indemnify and hold harmless the CICC Entities and their affiliates from any cost, damage or loss incurred by them as a result of any of the representations made in this Part II being or becoming untrue. Any transfer of the Notes in violation of this Part II will be of no force and effect, will be void ab initio, and will not operate to transfer any rights to the transferee, notwithstanding any instruction to the contrary to the CICC Entities, the Agent (as defined in the Pricing Supplement) or any intermediary.

The Investment Manager represents and warrants that it has the authority to sign this certificate and make the above certifications on behalf of each Purchaser.

[Name of Investment Manager]

By: [Name]

Title:

Date:

SCHEDULE

List of specified beneficial owners as amended from time to time to include additional Purchasers and indication of whether such beneficial owner is making the representation in Part I.(J)(i) or (J)(ii), and the representation in Part II. (1) or (2) each as applicable. Please tick as appropriate.

Name of Purchaser	Part I.(J)(i) applicable (QIB/QP)	Part I.(J)(ii) applicable (Reg S)	Part II (A) Applicable (Not a Plan)	Part II (B) Applicable (Is a Plan)
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The following summary does not purport to be complete and is qualified in its entirety by the Terms and Conditions of the Notes, the Fiscal Agency Agreement, the Deed of Guarantee and the Deed of Covenant and, in relation to any particular Tranche of Notes, the applicable Pricing Supplement.

Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

Upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”) or a sub-custodian for the CMU Service or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg or the CMU Service and delivery of the relative Global Certificate to the Common Depository or the sub-custodian for the CMU Service, Euroclear or Clearstream, Luxembourg or the CMU Service will credit each subscriber with a nominal amount or number of Notes equal to the nominal amount or number thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the applicable Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU Service, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU Service as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer, or as the case may be, the Guarantor will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in respect of each amount so paid. Each of the persons shown in the records of the CMU Service, as the beneficial holder of a particular nominal amount or number of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each

payment so made by the Issuer, or as the case may be, the Guarantor in respect of such Global Note or Global Certificate.

Exchange

Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the applicable Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement for interests in a permanent Global Note or, if so provided in the applicable Pricing Supplement, for Definitive Notes.

The CMU Service may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes" below, in part for Definitive Notes or, in the case of certain circumstances described under "Partial Exchange of Permanent Global Notes" below, Registered Notes:

- (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and
- (ii) (a) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or the CMU Service or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or (b) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent (or, in the case of CMU Notes, the CMU Lodging and Paying Agent) of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only.

Permanent Global Certificates

If the applicable Pricing Supplement states that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or the CMU Service or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Reg S Global Certificate pursuant to Condition 1(c)(ii) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due,

provided that, in the case of the first transfer of part of a holding, the registered holder has given the Registrar not less than 30 days' notice at its specified office of the registered holder's intention to effect such transfer.

Transfers of the holding of Notes represented by any Unitary Global Certificate pursuant to Condition 1(c)(ii) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due,

provided that, in the case of the first transfer of part of a holding, the registered holder has given the Registrar (a) not less than 30 days' notice at its specified office of the registered holder's intention to effect such transfer and (b) a fully completed, signed certification substantially to the effect that (i) the exchanging registered holder is not transferring its interest at the time of such exchange, or (ii) in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A or (iii) in the case of simultaneous resale pursuant to Regulation S, a certification that the transfer is being made in compliance with the provisions of Regulation S. Definitive Registered Notes issued pursuant to the exchange shall bear the legends applicable to transfers of Unitary Global Certificates.

Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for (i) Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (ii) for Definitive Notes if principal in respect of any Notes is not paid when due.

Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of CMU Notes, the CMU Lodging Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount or representing a number of Notes equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount or aggregate number of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this section "*Summary of Provisions Relating to the Notes while in Global Form*", "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and

Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Fiscal Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

Modification to the effect of the Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes. The following is a summary of certain of those provisions.

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to Global Note held through the CMU Service) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.

All payments in respect of Registered Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or a Global Certificate held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited at the relevant time (in the case of a Global Note) or at the close of business on the Clearing System Business Day immediately prior to the date for payment (in the case of a Global Certificate) (each as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Paying Agent by the CMU Service) and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of or number of Notes represented by the relevant permanent Global Note.

Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor or any of their respective affiliates if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, the CMU Service or any other clearing system (as the case may be).

Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of CMU Notes, the CMU Lodging and Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount or number of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent (or, in the case of CMU Notes, the CMU Lodging and Paying Agent), or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 17 by stating in the notice to the Issuing and Paying Agent the nominal amount of or number of Notes represented by such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on 17 November 2014 as amended and restated on 28 October 2015 and as may be amended and/or supplemented from time to time to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the

Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or such Global Certificate is held on behalf of (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or the Global Certificate or (ii) the CMU Service, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

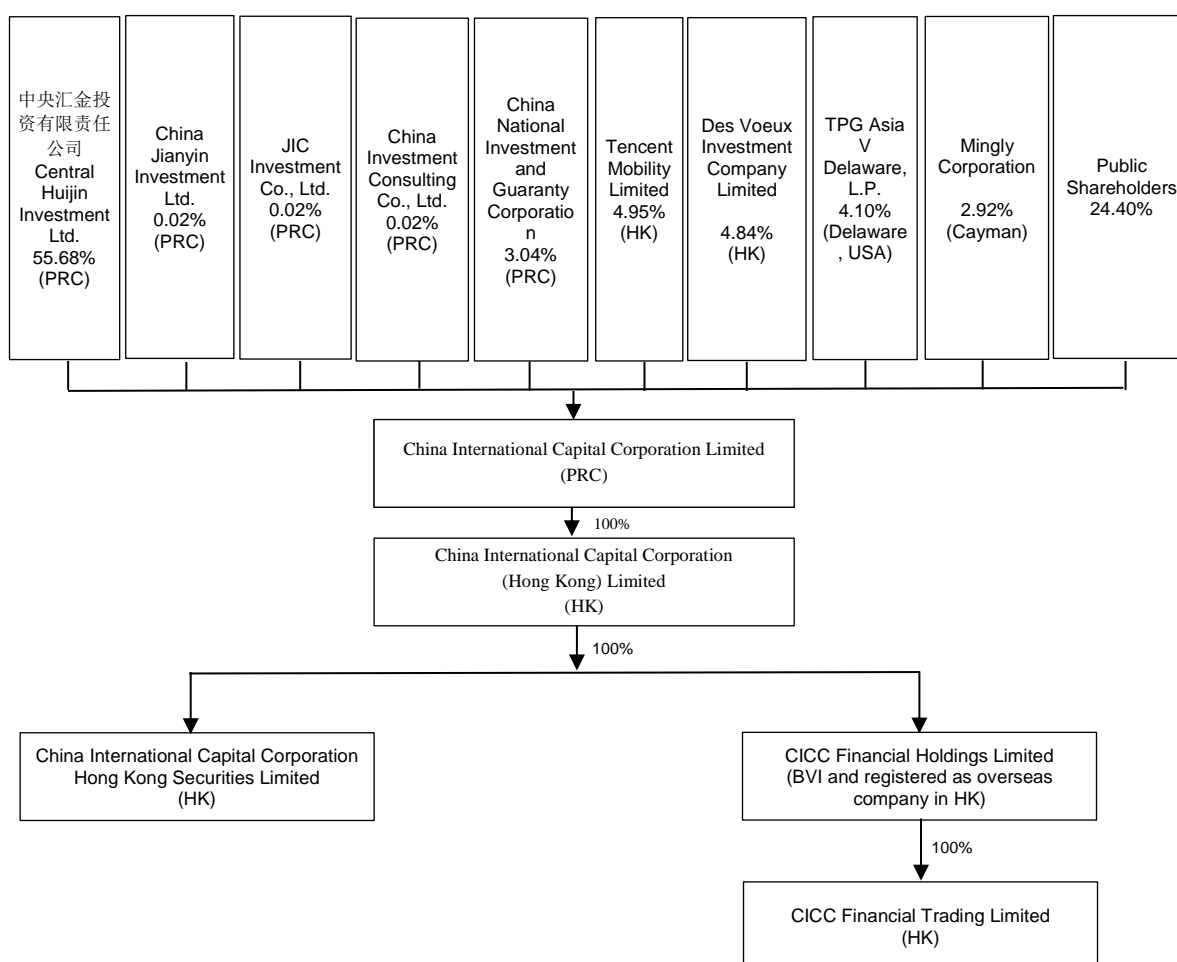
USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for acquisition of Reference Item(s), establishment of the hedging arrangements and/or general funding purposes.

DESCRIPTION OF THE ISSUER

Overview

CICC Financial Trading Limited (the “**Issuer**”) is a corporation incorporated in Hong Kong on April 10, 2012 and registration number 1725312 was assigned to the Issuer by the Registrar of Companies of Hong Kong. The Issuer is wholly owned by CICC Financial Holdings Limited which is 100% owned by China International Capital Corporation (Hong Kong) Limited (“**CICC HK**”, and together with its subsidiaries “**CICC HK Group**”). The organizational chart below shows the Issuer’s position within the CICC HK Group as at 2 June 2020 (rounded to the nearest 2 decimal places with 0.005 rounded upwards):



The registered office of the Issuer is at 29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

The Issuer has kept proper books of account as are necessary to give a true and fair view of the state of its affairs and to explain its transactions.

Business Overview

The Issuer is a member of the CICC HK Group of companies. It engages in principal trading activities, including but not limited to, dealing in securities arising out of client facilitation agency orders placed with China International Capital Corporation Hong Kong Securities Limited, dealing in equity derivatives with regulated counterparties, hedging activities and non-client driven principal

trading. All client interactions, such as for its client facilitation business, are intermediated by China International Capital Corporation Hong Kong Securities Limited, a regulated entity in Hong Kong.

Recent Development

The Issuer continued to pursue growth opportunities, in particular, the opportunities in cross border business. The Issuer has set up a trading desk to manage hedge positions in structured notes programme and other equity derivatives activities, which would enable the Issuer to better serve and assist overseas investors to invest in China, as well as Chinese investors to invest in overseas security markets. There has been no material adverse change in the prospects of the Issuer since 31 December 2019.

Selected Financial Data

The table below sets out the financial highlights of the Issuer derived from the audited financial statements of the Issuer as of 31 December 2019 and 2018.

Statement of profit or loss and other comprehensive income

	Year ended 31 December 2019	Year ended 31 December 2018
	<i>(HK\$)</i>	
Net gain on financial assets and financial liabilities at fair value through profit or loss and derivatives	78,775,133	29,076,237
Other income and gains/(losses), net	169,292,831	85,354,985
Other operating expenses	(22,476,317)	(19,172,037)
Profit from operation	<u>225,591,647</u>	<u>95,259,185</u>
Finance costs	(71,847,995)	(36,204,960)
Profit before taxation	<u>153,743,652</u>	<u>59,054,225</u>
Income tax.....	(25,374,783)	(9,682,327)
Profit and total comprehensive income for the year	<u><u>128,368,869</u></u>	<u><u>49,371,898</u></u>

Statement of financial position

	Year ended 31 December 2019	Year ended 31 December 2018
	<i>(HK\$)</i>	
Non-current assets		
Deposits with stock exchange	<u>1,056,537</u>	<u>659,272</u>
Current assets		
Financial assets at fair value through profit or loss.....	7,333,902,939	3,283,309,141
Derivatives.....	252,711,177	365,527,561
Accounts receivable	1,546,370,472	947,521,619
Other receivables	783,479	36,844
Cash and cash equivalents	<u>32,289,447</u>	<u>18,672,095</u>
	<u><u>9,166,057,514</u></u>	<u><u>4,615,067,260</u></u>
Current liabilities		
Accounts payable	2,136,834,043	1,282,015,827
Financial liabilities at fair value through profit or loss	3,370,760,076	1,804,383,552

	Year ended 31 December 2019	Year ended 31 December 2018
	<i>(HK\$)</i>	
Derivatives.....	483,073,525	283,534,880
Financial assets held under repurchase agreement (“REPOs”)	1,021,302,216	453,743,179
Accruals and other payables	9,265,946	7,857,385
Loan from intermediate holding company.....	1,841,595,093	641,168,476
Amounts due to fellow subsidiaries	835,237	6,181,812
Tax payable	28,564,469	3,271,277
Short-term notes issued	18,027,350	5,082,917
	<u>8,910,257,955</u>	<u>4,487,239,305</u>
Net assets	<u>256,856,096</u>	<u>128,487,227</u>
Equity		
Share capital	—	—
Reserves	256,856,096	128,487,227
	<u>256,856,096</u>	<u>128,487,227</u>

Management

The Directors of the Issuer as at the date of this Offering Circular are:

Name	Current Position	Principal Activities outside CICC Financial Trading Limited
Gu Andrew Ye Yan.....	Director	
Jia Jia.....	Director	
Huang Haizhou.....	Director	Head of Equities Department of CICC
Wan Li	Director	Head of Equities Department of CICC HK

Ownership and Capital Structure

As at the date of this Offering Circular, the Issuer has an issued share capital of HK\$1, divided into 1 ordinary share, all of which has been fully paid. The Issuer is an indirect wholly-owned subsidiary of China International Capital Corporation (Hong Kong) Limited (中國國際金融(香港)有限公司) which was incorporated with limited liability in Hong Kong on April 4, 1997 and registration number 602470 was assigned to it by the Registrar of Companies of Hong Kong.

DESCRIPTION OF THE GUARANTOR

Overview

China International Capital Corporation (Hong Kong) Limited (中國國際金融(香港)有限公司) (the “**Guarantor**”) is a corporation incorporated in Hong Kong on April 4, 1997 and registration number 602470 was assigned to the Guarantor by the Registrar of Companies of Hong Kong. It is a direct wholly-owned subsidiary of China International Capital Corporation Limited (中國國際金融股份有限公司) (“**CICC**”). The Guarantor is the holding company of all CICC overseas subsidiaries and affiliates in Hong Kong, New York, London and Singapore, and CICC conducts its overseas businesses in Hong Kong, New York, London and Singapore through six direct or indirect wholly owned subsidiaries of the Guarantor, including (i) China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), (ii) China International Capital Corporation Hong Kong Asset Management Limited (中國國際金融香港資產管理有限公司), (iii) China International Capital Corporation Hong Kong Futures Limited (中國國際金融香港期貨有限公司), (iv) CICC US Securities, Inc., (v) China International Capital Corporation (Singapore) Pte. Limited, and (vi) China International Capital Corporation (UK) Limited. Over the years, the Guarantor has become the operating base for overseas businesses of CICC.

The registered office of the Guarantor is at 29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

The Guarantor has kept proper books of account as are necessary to give a true and fair view of the state of its affairs and to explain its transactions.

The Guarantor has a long-term credit rating of “BBB” and a short-term credit rating of “A-2” by S&P.

Overview of CICC

CICC was established in the PRC on July 31, 1995, under the name of China International Capital Corporation. It was converted into a joint stock company under its current name of China International Capital Corporation Limited on June 1, 2015. Headquartered in Beijing, CICC is the first PRC-based international financial institution providing investment banking services and has a registered capital of U.S.\$100 million. On November 9, 2015, CICC was listed on the Hong Kong Stock Exchange under the stock code of 3908.

CICC is a full-service investment bank. CICC has established subsidiaries in mainland China, branch companies in major cities including Shanghai and Shenzhen, and over 200 securities branches in 28 provinces and municipalities across China. CICC has also actively ventured into overseas markets and has established subsidiaries in New York, Singapore, London, San Francisco, and most recently, Frankfurt, in addition to Hong Kong.

CICC’s business model classifies its products and services into five categories, including, investment banking business, equity sales and trading business, fixed income, commodity and currency business, wealth management services, and investment management platform.

Business Overview

The primary business of the Guarantor is investment holding. It is also responsible for senior bank credit facilities and human resources matters for most of its subsidiaries. The principal business of the CICC HK Group includes: securities broking and dealing, and provision of investment advisory, underwriting and asset management services.

Securities Broking and Dealing

CICC HK Group offers agency trading service to both institutional and individual clients. The service covers a range of products, including stocks listed in Hong Kong and U.S. and derivatives

products. As the operating base for overseas businesses of CICC, the Guarantor and its subsidiaries assist clients outside of mainland China with investment in China A and B shares through the securities broking and dealing services.

Provision of Investment Advisory

CICC HK Group offers customized management and advisory service to match the needs of a variety of investors from Hong Kong and mainland China, in particular, public, private equity and fixed income funds investors. The investment advisory services cover overseas listed securities, as well as securities of private owned companies.

Underwriting

CICC HK Group offers mainland China based companies across all industries with underwriting, management and advisory service for overseas initial public offering, in particular, in Hong Kong, Singapore and U.S.

Turnover represents commission and brokerage income, selling concession income, advisory fee income, underwriting fee income and asset management fee. The amount of each significant category of revenue recognised in turnover in each year 2019 and 2018 is as follows:

	The CICC HK Group	
	2019	2018
	<i>(HK\$)</i>	
Commission and brokerage income	796,537,903	852,573,018
Selling concession income	170,581,612	271,016,570
Advisory and research fee income	538,217,596	534,725,486
Underwriting fee income	904,215,894	747,598,176
Asset management fee	9,710,923	5,446,255
	<u>2,419,263,928</u>	<u>2,411,359,505</u>

Recent Development

CICC HK Group is continuing to pursue to bring investors from mainland China to the world and assist overseas investors to invest in China capital market. CICC HK Group is using all available tools in QFII, RQFII, QDII and Stock Connect to conduct cross border agency trading and investment activities in areas of equity, currency and commodities. During next few years, CICC HK Group plans to expand business in U.S. and U.K. to increase business volumes and enhance client coverage.

Selected Financial Data

The table below sets out the financial highlights of the Guarantor derived from the audited consolidated financial statements of the Guarantor as of 31 December 2019 and 2018:

	Year ended 31 December 2019	Year ended 31 December 2018
	<i>(HK\$)</i>	
Consolidated statement of profit or loss and other comprehensive income		
Revenue	2,419,263,928	2,411,359,505
Other income and gains/(losses), net	3,450,016,214	1,662,509,018
Staff costs	(1,435,945,489)	(1,241,268,689)
Net (recognition)/reversal of impairment loss on accounts receivable ..	(14,422,698)	20,534,425

	Year ended 31 December 2019	Year ended 31 December 2018
	(HK\$)	
Net charge of impairment loss on financial assets at fair value through other comprehensive income	(4,428,831)	(2,541,456)
Depreciation.....	(143,793,218)	(15,899,711)
Other operating expenses.....	(720,832,719)	(717,078,175)
Profit from operations.....	3,549,857,187	2,117,614,917
Finance costs.....	(1,263,307,308)	(743,239,486)
Share of results of joint ventures.....	9,189,809	(34,398,471)
Share of results of associates	(841,720)	67,302
Profit before taxation.....	2,294,897,968	1,340,044,262
Income tax expense.....	(357,481,161)	(197,628,316)
Profit for the year	1,937,416,807	1,142,415,946
Other comprehensive income for the year		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(12,453,445)	(11,517,763)
Financial assets at fair value through other comprehensive income: net movement in revaluation reserve	140,903,292	(53,718,763)
	128,449,847	(65,236,526)
Total comprehensive income for the year	2,065,866,654	1,077,179,420

Consolidated statement of financial position

Non-current assets

Property, plant and equipment	123,360,588	34,658,670
Right-of-use assets	448,966,208	—
Financial assets at fair value through profit or loss.....	1,936,549,523	1,491,241,434
Other non-current assets	1,010,420,995	500,589,263
Deferred tax assets.....	23,223,476	36,194,319
Interest in associates	904,679	94,518,481
Interest in a joint ventures	300,363,629	293,082,464
	3,843,789,098	2,450,284,631

Current assets

Financial assets at fair value through profit or loss.....	73,207,246,233	35,017,851,505
Financial assets at fair value through other comprehensive income	5,309,368,847	4,637,809,010
Financial assets held under resale agreements ("reverse REPOs")	721,485,942	1,255,912,387
Derivatives.....	3,183,019,925	3,250,591,032
Accounts receivable.....	14,340,469,357	11,385,954,775
Other receivables, deposits and prepayments.....	2,332,169,464	1,102,751,499
Amount due from the ultimate holding company.....	146,193,000	101,070,465
Amount due from fellow subsidiaries.....	16,059	—
Amount due from joint ventures	2,288,515	—
Tax recoverable	3,959,469	4,228,598
Fixed deposits with original maturity over three months	99,566,295	21,932,162
Cash and cash equivalents	3,561,563,951	4,773,087,822

	Year ended 31 December 2019	Year ended 31 December 2018
	(HK\$)	
	102,907,347,057	61,551,189,255
Current liabilities		
Accounts payable.....	19,473,004,208	15,277,823,494
Financial liabilities at fair value through profit or loss.....	26,704,991,145	15,488,539,372
Financial assets sold under repurchase agreements ("REPOs")	11,412,188,318	7,849,128,424
Derivatives.....	4,919,278,313	2,742,397,887
Lease liabilities	130,136,997	639,577
Other creditors and accruals	2,323,681,881	1,757,233,330
Amount due to the ultimate holding company.....	8,752,697	148,162,663
Amounts due to fellow subsidiaries	5,849,111	56,714
Bank loans and overdrafts	8,420,666,157	33,806,861
Taxation payable	436,611,950	102,486,026
Long-term notes issued.....	—	3,912,733,230
Short-term notes issued	7,347,539,487	2,219,644,837
	<u>81,182,700,264</u>	<u>49,532,652,415</u>
Net current assets	<u>21,724,646,793</u>	<u>12,018,536,840</u>
Total assets less current liabilities	<u>25,568,435,891</u>	<u>14,468,821,471</u>
Non-current liabilities		
Long term notes issued.....	15,534,476,708	7,809,171,016
Lease liabilities	349,245,770	1,554,050
Other non-current liabilities	1,298,306	1,247,435
Deferred tax liabilities.....	<u>10,989,068</u>	<u>889,585</u>
	<u>15,896,009,852</u>	<u>7,812,862,086</u>
Net assets	<u>9,672,426,039</u>	<u>6,655,959,385</u>
Equity		
Share capital.....	2,300,000,000	1,349,400,000
Reserves	<u>7,372,426,039</u>	<u>5,306,559,385</u>
Total equity	<u>9,672,426,039</u>	<u>6,655,959,385</u>
Consolidated statement of cash flows		
Operating activities		
Profit before taxation.....	2,294,897,968	1,340,044,262
Adjustments for:		
Depreciation.....	143,793,218	15,899,711
Net recognition of impairment loss on accounts receivable	14,422,698	(20,534,425)
Net recognition of impairment loss on financial assets at fair value through other comprehensive income	4,428,831	2,541,456
Interest element of leases.....	16,058,475	44,686
Other interest expenses	969,197,911	567,861,485
Share of results of a joint ventures.....	(9,189,809)	34,398,471

	Year ended 31 December 2019	Year ended 31 December 2018
	(HK\$)	
Share of results of an associate	841,720	(67,302)
Fair value losses/(gains) on financial assets and liabilities at fair value through profit or loss and derivatives.....	1,803,587,897	(2,081,342,631)
Operating profit before changes in working capital	5,238,038,909	(141,154,287)
Increase in statutory deposits.....	(509,831,732)	(124,393,475)
Net change in financial assets and financial liabilities at fair value through profit or loss and derivatives.....	(26,543,537,965)	(1,648,416,546)
Net change in financial assets at fair value through other comprehensive income	(524,270,973)	(414,106,773)
Net change in reverse REPOs and REPOs.....	4,097,486,339	5,042,033,255
Increase in accounts receivable	(2,968,937,280)	(4,469,557,528)
Increase in other receivables, deposits and prepayments	(1,229,417,965)	(655,840,564)
Increase in fixed deposits with original maturity over three months	(77,634,133)	(21,932,162)
Decrease in restricted bank deposits	21,824,646	78,175,934
Net change in amount due from/to ultimate holding company	(184,532,501)	103,058,149
Net change in amounts due to fellow subsidiaries	5,776,338	(4,686,606)
Net change in amounts due from an associate.....	—	24,214
Net change in amounts due from a joint venture	(2,288,515)	5,248,638
Increase in accounts payable.....	4,195,180,714	3,010,981,638
Net change in other creditors, accruals and other non-current liabilities	568,489,525	262,422,894
Cash (used in)/generated from operations.....	(17,913,654,593)	1,021,856,781
Tax paid		
Hong Kong Profits Tax refunded	—	3,492,986
Hong Kong Profits Tax paid	(2,665,650)	(110,744,683)
Overseas tax paid	(8,208,825)	(33,478,706)
Net cash (used in)/generated from operating activities.....	(17,924,529,068)	881,126,378
Investing activities		
Payment for purchase of property, plant and equipment	(125,851,702)	(13,308,781)
Proceed from disposal of property, plant and equipment.....	9,990,154	—
Payment for purchase of non-current financial assets at fair value through profit or loss	(752,492,845)	(877,242,593)
Proceed from disposal of non-current financial assets at fair value through profit or loss	316,335,528	—
Net cash used in investing activities.....	(552,468,865)	(890,551,374)
Financing activities		
Net proceeds from/(repayment of) bank loans.....	8,386,859,296	(5,934,666,060)
Proceeds from issuance of long-term notes	7,761,031,348	7,826,753,700
Payment for redemption of long-term notes.....	(3,948,458,886)	—
Proceeds from issuance of short-term notes	11,153,987,206	4,827,453,542
Payment of redemption of short-term notes.....	(6,026,092,556)	(4,763,544,246)
Repayments of lease liabilities/obligations under finance lease.....	(100,260,785)	(820,203)
Issuance of shares.....	950,600,000	—

	Year ended 31 December 2019	Year ended 31 December 2018
	(HK\$)	
Other interest paid	(878,293,662)	(524,090,599)
Net cash generated from financing activities.....	17,299,371,961	1,431,086,134
Net (decrease)/increase in cash and cash equivalents.....	(1,177,625,972)	1,421,661,138
Cash and cash equivalents at 1 January.....	4,751,263,176	3,348,675,049
Effect of foreign exchange rate changes	(12,073,253)	(19,073,011)
Cash and cash equivalents at 31 December	3,561,563,951	4,751,263,176
Net cash used in operating activities including:		
Interest received	879,997,231	586,941,338
Interest paid.....	(253,098,546)	(163,553,096)

Management

The Directors of the Guarantor as at the date of this Offering Circular are:

Name	Current Position	Principal Activities outside CICC (Hong Kong) Limited
Liang Hong	Director	Head of Research of CICC
Xia Xin Han	Director	CEO of CICC UK Limited
Ma Kui	Director	Financial Controller of CICC
Cheng Qiang	Director	Head of Fixed Income, Currencies and Commodities Department of CICC
Huang Haizhou	Director	Head of Equities Department of CICC
Chu Gang.....	Director	Chief Operating Officer of CICC
Wong King Fung.....	Director	Chief Financial Officer of CICC

Ownership and Capital Structure

As at the date of this Offering Circular, the Guarantor has an issued share capital of HK\$1,349,400,000.00, divided into 132,600,000 ordinary shares, all of which have been fully paid.

FORM OF GUARANTEE

Dated 29 November 2017

CHINA INTERNATIONAL CAPITAL CORPORATION (HONG KONG) LIMITED
(中國國際金融(香港)有限公司)

as Guarantor of Notes issued by
CICC FINANCIAL TRADING LIMITED

AMENDED AND RESTATED
DEED OF GUARANTEE

relating to

CICC FINANCIAL TRADING LIMITED

U.S.\$10,000,000,000 Guaranteed Structured Note Programme

arranged by

CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES
LIMITED
(中國國際金融香港證券有限公司)

Linklaters

Linklaters
10th Floor, Alexandra House
Chater Road
Hong Kong

Telephone (+852) 2842 4888
Facsimile (+852) 2810 8133/2810 1695

Ref L-267594

This Amended and Restated Deed of Guarantee is made on 29 November 2017 by China International Capital Corporation (Hong Kong) Limited (中國國際金融(香港)有限公司) (the "**Guarantor**") in favour of the Holders and the Relevant Account Holders.

Whereas:

- (A) CICC Financial Trading Limited (the "**Issuer**") proposes to issue structured notes (the "**Notes**", which expression shall, if the context so admits, include the Global Notes (in temporary or permanent form) to be initially delivered in respect of the Notes and any related coupons, receipts and talons) guaranteed by the Guarantor pursuant to the Issuer's U.S.\$10,000,000,000 Guaranteed Structured Note Programme (the "**Programme**") pursuant to a fiscal agency agreement dated 17 November 2014 as amended and restated on 28 October 2015 and as may be amended and/or supplemented from time to time between, among others, the Issuer, the Guarantor and Citicorp International Limited as Fiscal Agent (the "**Fiscal Agent**").
- (B) The Issuer has, in relation to the Notes issued by it, entered into a deed of covenant dated 17 November 2014 as amended and restated on 28 October 2015 and as may be further amended and/or supplemented from time to time (the "**Deed of Covenant**").
- (C) The Guarantor agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer in respect of the Notes to the holders of any Notes (the "**Holders**") issued by it and under the Deed of Covenant to the Relevant Account Holders (the "**Guarantee**") by entering into a deed of guarantee dated 17 November 2014 (the "**Original Deed of Guarantee**") as amended and restated on 28 October 2015 (the "**28 October 2015 Deed of Guarantee**").
- (D) The Guarantor has agreed to make certain updates to the 28 October 2015 Deed of Guarantee and amend and restate the 28 October 2015 Deed of Guarantee by entering into this Deed.
- (E) For the avoidance of doubt, the Original Deed of Guarantee shall continue to apply to all Notes issued under the Programme before 28 October 2015 in accordance with its terms and the 28 October 2015 Deed of Guarantee shall continue to apply to all Notes issued under the Programme on or after 28 October 2015 but before the date of this Deed in accordance with its terms.

This Deed witnesses as follows:

1 Interpretation

- 1.1 Defined Terms:** In this Guarantee, unless otherwise defined herein, capitalised terms shall have the same meaning given to them in the Deed of Covenant and the Conditions (as defined in the Deed of Covenant).
- 1.2 Headings:** Headings shall be ignored in construing this Guarantee.
- 1.3 Contracts:** References in this Guarantee to this Guarantee or any other document are to this Guarantee or these documents as amended, supplemented or replaced from time to time in relation to the Programme and includes any document that amends, supplements or replaces them.

2 Guarantee and Indemnity

- 2.1 Guarantee:** The Guarantor unconditionally and irrevocably guarantees that if the Issuer does not pay any sum payable by it under the Deed of Covenant or the Notes by the time and on the

date specified for such payment (whether on the normal due date, on acceleration or otherwise), the Guarantor shall pay that sum to each Holder and each Relevant Account Holder before close of business on that date in the city to which payment is so to be made. All payments under this Guarantee by the Guarantor shall be made subject to the Conditions.

- 2.2 Guarantor as Principal Debtor:** As between the Guarantor, the Holders and the Relevant Account Holders but without affecting the Issuer's obligations, the Guarantor shall be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, its obligations shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor, including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of this Guarantee or to the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of this Guarantee, the Notes, the Deed of Covenant or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (7) the illegality, invalidity or unenforceability of or any defect in any provision of this Guarantee, the Notes, the Deed of Covenant or any of the Issuer's obligations under any of them.
- 2.3 Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Notes, the Deed of Covenant or this Guarantee. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind.
- 2.4 Exercise of Guarantor's Rights:** So long as any sum remains payable under the Notes, the Deed of Covenant or this Guarantee, the Guarantor shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by the Issuer or to take the benefit of or enforce any security or other guarantee or indemnity.
- 2.5 Avoidance of Payments:** The Guarantor shall on demand indemnify the relevant Holder or Relevant Account Holder, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Notes or the Deed of Covenant and shall in any event pay to it on demand the amount as refunded by it.
- 2.6 Debts of Issuer:** If any moneys become payable by the Guarantor under this Guarantee, the Issuer shall not (except in the event of the liquidation of the Issuer), so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Guarantor.
- 2.7 Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees: (1) that any sum that, although expressed to be payable by the Issuer under the Notes, the Deed of Covenant or this Guarantee, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, a Holder or a Relevant Account Holder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Holder or Relevant Account Holder (as the case may be) on

demand; and (2) as a primary obligation to indemnify each Holder and Relevant Account Holder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Notes, the Deed of Covenant or this Guarantee not being paid on the date and otherwise in the manner specified in this Guarantee or in the Conditions or any payment obligation of the Issuer under the Notes, the Deed of Covenant or this Guarantee being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to a Holder or a Relevant Account Holder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

- 2.8 Incorporation of Terms:** The Guarantor agrees that it will comply with and be bound by all such provisions contained in the Conditions which relate to it.

3 Payments

- 3.1 Taxation:** The Guarantor shall not be obliged to gross up any payments under this Guarantee and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Guarantor under this Guarantee shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. For the avoidance of doubt, any amounts to be paid on the Notes by or on behalf of the Guarantor will be paid net of any FATCA Withholding or Section 871(m) Withholding. In addition, in determining the amount of Section 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Guarantor shall be entitled to withhold on any “dividend equivalent” (as defined for purposes of Section 871(m) of the U.S. Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law. Neither the Guarantor nor any other person will be required to pay any additional amounts in respect of FATCA Withholding or Section 871(m) Withholding.

- 3.2 Stamp Duties:** The Guarantor covenants to and agrees with the Holders and Relevant Account Holders that it shall pay promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar duty or tax payable in Hong Kong, Belgium or Luxembourg, as the case may be, or in the country of any currency in which the Notes may be denominated or amounts may be payable in respect of the Notes or any political subdivision or taxing authority thereof or therein in connection with the entry into, performance, enforcement or admissibility in evidence of this Guarantee and/or any amendment of, supplement to or waiver in respect of this Guarantee, and shall indemnify each of the Holders and Relevant Account Holders, on an after tax basis, against any liability with respect to or resulting from any delay in paying or omitting to pay any such tax.

4 Amendment and Termination

The Guarantor may not amend, vary, terminate or suspend this Guarantee or its obligations hereunder unless such amendment, variation, termination or suspension shall have been approved by an Extraordinary Resolution to which the special quorum provisions specified in the Notes apply to the holders of each series of Notes outstanding, save that nothing in this Clause shall prevent the Guarantor from increasing or extending its obligations hereunder by way of supplement to this Guarantee at any time.

5 General

- 5.1 Benefit:** This Guarantee shall enure for the benefit of the Holders and the Relevant Account Holders.

5.2 Deposit of Guarantee: The Guarantor shall deposit this Guarantee with the Fiscal Agent, to be held by the Fiscal Agent until all the obligations of the Guarantor have been discharged in full. The Guarantor acknowledges the right of each Holder and each Relevant Account Holder to the production of, and to obtain a copy of, this Guarantee.

6 Governing Law and Jurisdiction

6.1 Governing Law: This Guarantee shall be governed by and construed in accordance with Hong Kong law.

6.2 Jurisdiction: The courts of Hong Kong are to have jurisdiction to settle any disputes that may arise out of or in connection with this Guarantee and accordingly any legal action or proceedings arising out of or in connection with this Guarantee ("**Proceedings**") may be brought in such courts. The Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause is for the benefit of each of the Relevant Account Holders and each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

In witness whereof the Guarantor has caused this deed to be duly delivered as a deed on the date stated at the beginning.

CHINA INTERNATIONAL CAPITAL CORPORATION (HONG KONG) LIMITED (中國國際金融(香港)有限公司)

SEALED with the Common Seal of the)
Guarantor and **SIGNED** by)
)
_____)
a duly authorized Director)

GENERAL TAXATION INFORMATION

Purchasers and/or sellers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of transfer in addition to the issue price or purchase price (if different) of the Notes.

Transactions involving Notes (including purchases, transfer or redemption), the accrual or receipt of any interest payable on the Notes and the liquidation or death of a holder of any Note may have tax consequences for potential purchasers which may depend, amongst other things, upon the tax status of the potential purchaser and may relate to stamp duty, stamp duty reserve tax, income tax, corporation tax, capital gains tax and inheritance tax.

Condition 15 of the terms and conditions of the Notes should be considered carefully by all potential purchasers of Notes.

The provisions relating to payment of Delivery Expenses by the relevant Noteholder on physical delivery of the Asset Amount(s) should be considered carefully by all potential purchasers of Notes which may be redeemed by delivery of Asset Amount(s).

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction are advised to consult their own professional advisers.

PRC Taxation

According to the PRC Enterprise Income Tax Law and the relevant implementation rules, non-PRC resident enterprises will not be subject to PRC income tax in respect of the interest income paid by any enterprise, organisation or establishment located outside the PRC. However, pursuant to the PRC Individual Income Tax Law and the relevant implementation rules, it remains uncertain as to whether non-PRC resident individuals shall be subject to PRC income tax in respect of the interest income from the Notes. Should the PRC tax authorities deem the interest income from the Notes as income sourced within the PRC referred to in Regulations on the Implementation of the PRC Individual Income Tax Law, non-PRC resident individual Noteholders may be subject to individual income tax at 20%, unless otherwise provided in preferential taxation policies under special taxation arrangements.

According to the arrangement for avoidance of double taxation between the PRC and Hong Kong, both Hong Kong resident enterprises and Hong Kong resident individuals will not be subject to the PRC income tax in respect of the revenue from the sale or exchange of the Notes. However, pursuant to the PRC Enterprise Income Tax Law and the PRC Individual Income Tax Law and the relevant implementation rules, it remains uncertain as to whether other non-PRC resident Noteholders shall be subject to PRC income tax in respect of the revenue from the sale or exchange of the Notes. Should the PRC tax authorities deem the gains of non-PRC residents generated from the sale or exchange of the Notes as income sourced within the PRC, non-PRC resident Noteholders other than Hong Kong residents may be subject to the enterprise income tax at rate of 10% for non-PRC resident enterprises, or individual income tax at 20% for non-PRC resident individuals, respectively, unless otherwise provided in other preferential taxation policies under special taxation arrangements.

Hong Kong

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) (the “**IRO**”) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the “**SDO**”)).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Registered Notes constitute loan capital (as defined in the SDO).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 commenced operation on 11th February, 2006. Estates of persons who pass away on or after the commencement date of that ordinance are not subject to Hong Kong estate duty.

POTENTIAL PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE TAX CONSEQUENCES OF TRANSACTIONS INVOLVING THE NOTES.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme and the relevant Pricing Supplement may contain additional or modified disclosure concerning certain U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with initial purchasers of Notes at the “**issue price**” (as defined below) in the initial offering that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address U.S. state, local, non-U.S. or other tax laws. In particular, this summary does not address tax considerations applicable to investors that own (directly or indirectly) 5 per cent. or more of the voting stock of the Issuer, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, U.S. Holders holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living outside the United States expatriates, U.S. Holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement, or investors whose functional currency is not the U.S. dollar). Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term will be discussed in the applicable Pricing Supplement.

As used herein, the term “**U.S. Holder**” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the

activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax adviser concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the “**U.S. Code**”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the U.S. Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Federal Income Tax Characterisation of the Notes

The characterization of a Series or Tranche of Notes that can be issued may be uncertain and may vary. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. Depending on the terms of a particular Series or Tranche of Notes, the Notes may not be characterised as debt for U.S. federal income tax purposes despite the form of the Notes as debt instruments. For example, Notes of a Series or Tranche may be more properly characterised as notional principal contracts, collateralised put options, prepaid forward contracts, or some other type of financial instrument. Additional alternative characterisations may also be possible. There may be no statutory, judicial or administrative authority directly addressing the characterization of some of the types of Notes that are anticipated to be issued under the Programme or of instruments similar to the Notes. As a consequence, it may be unclear how a Series or Tranche of Notes should be properly characterized for U.S. federal income tax purposes. Further possible characterisations, if applicable, may be discussed in the relevant Pricing Supplement.

No rulings will be sought from the U.S. Internal Revenue Service (the “**IRS**”) regarding the characterisation of any of the Notes issued hereunder for U.S. federal income tax purposes. If the IRS were successful in asserting an alternative characterization or treatment for the Notes, the tax consequences to U.S. Holders of the Notes could differ materially from the description herein. Each U.S. Holder should consult its own tax adviser about the proper characterisation of the Notes for U.S. federal income tax purposes, and the consequences to the U.S. Holder of acquiring, owning or disposing of the Notes.

In 2007, the IRS and the U.S. Department of Treasury released a notice announcing that they were considering possible changes to the U.S. federal income tax treatment of prepaid forward contracts, including whether the U.S. Holder should be required to accrue ordinary income on a current basis. If the Notes were recharacterised by the IRS, any legislative or regulatory changes implemented in this area could affect the treatment of the Notes. U.S. Holders are urged to consult their tax advisers concerning the potential impact of these proposals.

In the case of Fund Linked Notes, Equity Linked Notes or any other Series or Tranche of Notes that are redeemable by the Issuer by the physical delivery of equity securities, the relevant Issuer will not attempt to ascertain whether the issuer of such equity securities would be treated as a “passive foreign investment company” (a “**PFIC**”) within the meaning of Section 1297 of the U.S. Code. If the issuer of such equity securities were treated as a PFIC, certain adverse U.S. federal income tax consequences might apply to a U.S. Holder upon the sale, exchange or retirement of a Note. U.S. Holders should refer to information filed with the SEC or another governmental authority by the issuer of such equity securities

and consult their own tax advisers regarding the possible consequences to them if such issuer is or becomes a PFIC.

U.S. Federal Income Tax Treatment of Notes Treated as Debt

The following summary applies to Notes that are properly treated as debt for U.S. federal income tax purposes.

Payments of Interest

General

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a “**foreign currency**”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “Original Issue Discount—General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such U.S. Holder’s method of accounting for U.S. federal income tax purposes, reduced by the allocable amount of amortisable bond premium, subject to the discussion below. Interest paid by the Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under “—Original Issue Discount”) generally will constitute income from sources outside the United States.

Effect of PRC Withholding Taxes

As discussed in “General Taxation Information—PRC Taxation”, under current law payments of interest and OID on the Notes to non-PRC resident individuals may be subject to PRC withholding taxes. For U.S. federal income tax purposes, U.S. Holders would be treated as having actually received the amount of PRC taxes withheld by the Issuer with respect to a Note, and as then having actually paid over the withheld taxes to the PRC taxing authorities. As a result, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest or OID may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

Subject to certain limitations, a U.S. Holder generally will be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for PRC income taxes withheld by the Issuer. Interest generally will constitute “passive category income” for purposes of the foreign tax credit. The rules governing foreign tax credits are complex. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of PRC withholding taxes.

Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID.

A Note, other than a Note with a term of one year or less (a “**Short-Term Note**”), will be treated as issued with OID (a “**Discount Note**”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a de minimis amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “**instalment obligation**”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the “issue price” of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at

maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest.” A qualified stated interest payment generally is any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “—Variable Interest Rate Notes”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated using a constant-yield method regardless as to whether cash attributable to the income is paid at such time, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Discount Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Discount Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Discount Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Discount Note allocable to the accrual period. The “**adjusted issue price**” of a Discount Note at the beginning of any accrual period is the issue price of the Discount Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Discount Note that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Discount Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “**acquisition premium**”) and that does not make the election described below under “—Election to Treat All Interest as Original Issue Discount”, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Discount Note immediately after its purchase over the Discount Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Discount Note after the purchase date, other than payments of qualified stated interest, over the Discount Note’s adjusted issue price.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Fungible Issue

The Issuer may, without the consent of the holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, among other things, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Discount Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or the Discount Note's revised issue price, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "de minimis market discount". For this purpose, the "**revised issue price**" of a Discount Note generally equals its issue price, increased by the amount of any OID that has accrued on the Discount Note and decreased by the amount of any payments previously made on the Discount Note that were not qualified stated interest payments.

Any gain recognised on the sale or retirement of a Market Discount Note (including any payment on a Market Discount Note that is not qualified stated interest) generally will be treated as ordinary income to the extent of the accrued market discount on the Market Discount Note. Alternatively, a U.S. Holder of a Market Discount Note may avoid such treatment by electing to include market discount in income currently over the life of the Market Discount Note. This election applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year for which the election is made. This election may not be revoked without the consent of the IRS.

A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently may be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note. Such interest is deductible when paid or incurred to the extent of income from the Market Discount Note for the year. If the interest expense exceeds such income, such excess is currently deductible only to the extent that such excess exceeds the portion of the market discount allocable to the days during the taxable year on which such Market Discount Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("Variable Interest Rate Notes") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a

single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “**qualified floating rate**” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An “**objective rate**” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “**qualified inverse floating rate**” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “**current value**” of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Variable Interest Rate Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” generally will not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e., at a price below the Variable Interest Rate Note’s stated principal amount) equal to or in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from “true” discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the

qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Variable Interest Rate Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. See “—Contingent Payment Debt Instruments” below for a discussion of the U.S. federal income tax treatment of such Notes.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortisable bond premium”, in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note’s yield to maturity) to that year. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “—Election to Treat All Interest as Original Issue Discount”.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “—Original Issue Discount—General,” with certain modifications.

For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortisable bond premium (described above under “—Notes Purchased at a Premium”) or acquisition premium. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “—Market Discount” to include market discount in income currently over the life of all debt instruments having market discount that are acquired on or after the first day of the first taxable year to which the election applies. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Contingent Payment Debt Instruments

Certain Series or Tranches of Notes may be treated as “contingent payment debt instruments” for U.S. federal income tax purposes (“**Contingent Notes**”). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as OID and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate non-exchangeable instrument (the “**comparable yield**”), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and must produce the comparable yield.

The Issuer is required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield. The comparable yield and projected payment schedule will be available from the Issuer by submitting a written request for such information to the relevant address specified in the relevant Pricing Supplement.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE CONTINGENT NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Contingent Notes. A U.S. Holder generally will be bound by the comparable yield and the projected payment schedule determined by the Issuer, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer’s determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note generally will be required to include OID in income pursuant to the rules discussed in the third paragraph under “—Original Issue Discount—General”, above, applied to the projected payment schedule. The “**adjusted issue price**” of a Contingent Note at the beginning of any accrual period is the issue price of the Contingent Note increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments on the Contingent Note. No additional income will be recognised upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Contingent Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Contingent Note (in the case of a negative adjustment), for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated

as an ordinary loss, but only to the extent the U.S. Holder's total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the U.S. Holder's amount realised on the sale or retirement.

Benchmark Event

If a Benchmark Event occurs, a U.S. Holder holding Notes linked to or referencing a benchmark or screen rate, including LIBOR, EURIBOR, and any other IBOR, may be deemed to exchange such Notes for new notes under section 1001 of the Code, which may be taxable to such U.S. Holder. Recently released proposed U.S. Treasury Regulations, which are not yet in effect but upon which taxpayers may rely, provide that in certain circumstances, the replacement of a benchmark or screen rate with a qualifying reference rate would not result in a deemed exchange under section 1001 of the Code. U.S. Holders should consult with their own tax advisers regarding the potential consequences of a Benchmark Event.

Substitution of Issuer

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognise gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder's adjusted tax basis in the Notes as discussed below under “—Purchase, Sale and Retirement of Notes”. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

Purchase, Sale and Retirement of Notes

Notes other than Contingent Notes

A U.S. Holder generally will recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the U.S. Holder's adjusted tax basis of the Note. A U.S. Holder's adjusted tax basis in a Note generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under “—Original Issue Discount—Market Discount” or “—Original Issue Discount—Short Term Notes” or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. As discussed in “General Taxation Information—PRC Taxation” above, gains from the sale or retirement of Notes may be subject to PRC withholding tax. If a payment were subject to PRC withholding tax, the amount realised would include any such PRC tax withheld. In the event that PRC tax were imposed on the sale or retirement of the Notes, a U.S. Holder that is eligible for the benefits of the income tax treaty between the United States and the PRC (the “**Treaty**”) may be able to treat the gain as foreign-source gain for foreign tax credit purposes. Prospective purchasers should consult their tax advisers as to the

foreign tax credit implications of any PRC withholding tax imposed on the sale or retirement of Notes, including their eligibility for the benefits under the Treaty.

Contingent Notes

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Contingent Note generally will be foreign source.

A U.S. Holder's adjusted tax basis in a Contingent Note generally will be equal to its cost, increased by the amount of interest previously accrued with respect to the Contingent Note (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the U.S. Holder is required to make to account for the difference between the U.S. Holder's purchase price for the Contingent Note and the adjusted issue price of the Contingent Note at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the Contingent Note to the U.S. Holder through such date (without regard to the actual amount paid).

Tax Consequences of Receipt of Property

A U.S. Holder's tax basis in any shares, in the case of Equity Linked Notes, fund shares or units, in the case of Fund Linked Notes, or debt instruments, in the case of Debt Linked Notes, or commodities, in the case of Commodity Linked Notes, received upon redemption will be equal to the fair market value thereof, determined at the time of receipt. A U.S. Holder's holding period for such shares, fund shares or units or debt instruments, as applicable, will commence on the day immediately following their receipt.

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within each taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the relevant taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the accrual basis U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the

spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Discount Note or a sale or disposition of the Discount Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market discount on a Market Discount Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the sale or retirement of the Market Discount Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income (or OID) in units of the foreign currency. On the date bond premium offsets interest income (or OID), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

PRC Withholding Taxes

U.S. Holders that are accrual basis taxpayers, and who do not otherwise elect, will translate the amount of PRC taxes in respect of payments made in a foreign currency into U.S. dollars at a rate equal to the average exchange rate for the taxable year to which such taxes relate. As a result, the amount of PRC withholding taxes taken into account for purposes of calculating foreign tax credits, or the amount deductible from income in respect of such foreign taxes, may be different than the amount treated as received in respect of such amounts withheld for purposes of determining income, gain or loss, as described in "—Effect of PRC Withholding Taxes" above. Cash basis, and electing accrual basis, U.S. Holders will translate the amount of PRC withholding taxes into U.S. dollars using the exchange rate in effect on the day the taxes are withheld. Any such election by an accrual basis U.S. Holder will apply for the taxable year with respect to which it is made and all subsequent taxable years, unless revoked with the consent of the IRS.

Foreign Currency Contingent Notes

Special rules apply to determine the accrual of OID, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Contingent Note**"). The rules applicable to Foreign Currency Contingent

Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note generally will be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under “—Original Issue Discount—Contingent Payment Debt Instruments”. The amount of OID on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note generally will be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under “—Foreign Currency Notes—Interest”. Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account, or if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate at which the OID was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

Sale or Retirement

Notes other than Foreign Currency Contingent Notes. As discussed above under “—Purchase, Sale and Retirement of Notes”, a U.S. Holder generally will recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its adjusted tax basis in the Note. A U.S. Holder’s adjusted tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency generally will be the U.S. dollar value of the purchase price on the settlement date for the purchase, in the case of a cash basis U.S. Holder, or the trade date in the case of an accrual basis U.S. Holder. However, in the case of Notes traded on an established securities market, within the meaning of the applicable U.S. Treasury Regulations, accrual basis U.S. Holders may elect to determine the U.S. dollar cost of a Note based on the exchange rate in effect on the settlement date.

The amount realised on a sale or retirement for an amount in foreign currency generally will be the U.S. dollar value of this amount on the settlement date, in the case of a cash basis U.S. Holder, or the trade date, in the case of an accrual basis U.S. Holder, of such sale or retirement. On the settlement date, an accrual basis U.S. Holder generally will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the trade date and the settlement date. However, in the case of Notes traded on an established securities market, within the meaning of the applicable U.S. Treasury Regulations, an accrual basis U.S. Holder may elect to determine the U.S. dollar value of the amount realised on the sale or retirement of the Notes based on the exchange rate in effect on the settlement date, and no exchange gain or loss will be recognised on such date. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (as adjusted for amortized bond premium, if any) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

Foreign Currency Contingent Notes. Upon a sale or retirement of a Foreign Currency Contingent Note, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale or retirement and the U.S. Holder's adjusted tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder's adjusted tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue date), (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such OID) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (i) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into U.S. dollars at the rate at which the OID was accrued and (ii) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.

The amount realised by a U.S. Holder upon the sale or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realised will be determined by separating such amount realised into principal and one or more OID components, based on the principal and OID comprising the U.S. Holder's basis, with the amount realised allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realised upon a sale or retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realised will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realised upon a sale or retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realised over the U.S. Holder's adjusted tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note generally will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note generally will be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the

date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

U.S. Federal Income Tax Treatment of Certain Notes Not Treated as Debt

The following summary may apply to certain Notes that are not treated as debt for U.S. federal income tax purposes, and in particular certain index-linked Notes and equity-linked Notes. This summary does not discuss all types of Notes that may not be treated as debt for U.S. federal income tax purposes. The applicable Pricing Supplement will specify if the discussion below will apply to a particular Series or Tranche of Notes. The U.S. federal income tax consequences of owning Notes that are not treated as debt for U.S. federal income tax purposes and are not described below will be discussed, as appropriate, in the applicable Pricing Supplement.

Forward Notes

General

A Note that provides for a payment in redemption at maturity that is based on the value of one or more Reference Items (whether physically settled by delivery of those Reference Items or settled in cash) and does not provide for a current coupon, may be identified as a “**Forward Note**” by the Issuer in the applicable Pricing Supplement. A U.S. Holder of a Forward Note generally would be subject to the U.S. federal income tax consequences discussed below. A Forward Note should constitute a prepaid forward contract for U.S. federal income tax purposes.

In 2007, the IRS and the U.S. Department of Treasury released a notice announcing that they were considering possible changes to the U.S. federal income tax treatment of “prepaid forward contracts”. While it is not clear whether the Forward Notes would be viewed as similar to the typical prepaid forward contract described in the notice, it is possible that any U.S. Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the Forward Notes, possibly with retroactive effect. The notice focusses on a number of issues, the most relevant of which for U.S. Holders are the character and timing of income or loss. U.S. Holders are urged to consult their tax advisers regarding the potential impact of these changes if implemented.

Taxation of Forward Notes

Under current law, U.S. Holders should not recognise taxable income or loss upon the acquisition of a Forward Note, and U.S. Holders should not be required to accrue income with respect to a Forward Note over the term of the Forward Notes prior to maturity, other than pursuant to a sale or exchange (including upon an automatic call).

Unless otherwise specified in the applicable Pricing Supplement, if a Forward Note provides for current coupons, the Issuer intends to treat those coupons as ordinary income at the time they accrue or are received in accordance with the U.S. Holder’s regular method of accounting for tax purposes.

Upon the sale or retirement for cash of a Forward Note (including redemption at maturity), U.S. Holders generally will recognise gain or loss equal to the difference between the amount of cash received upon sale or retirement and the U.S. Holder’s adjusted tax basis in the Forward Note. A U.S. Holder’s adjusted tax basis in a Forward Note generally will be the Forward Note’s U.S. dollar cost. The U.S. dollar cost of a Forward Note purchased with a foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase increased by the nominal exercise price, if any, paid by the U.S. Holder. Except as provided under “—Constructive Ownership Transactions” below, any gain or loss recognised on the sale or retirement of a Forward Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Forward Note exceeds one year.

Upon a retirement of a Forward Note by physical delivery of the Reference Items, a U.S. Holder will not be required to recognise gain or loss at that time. A U.S. Holder will have a basis in the Reference Items

equal to the U.S. Holder's basis in the Forward Note. A U.S. Holder's holding period in the Reference Items will not include the U.S. Holder's holding period in the Forward Notes.

Constructive Ownership Transactions

To the extent that a Forward Note is treated as a "constructive ownership transaction," all or a portion of any gain on disposition may be treated as ordinary income and an interest charge may be imposed on a deemed underpayment of tax for each taxable year during which the Forward Note was held. For purposes of determining the interest charge, gain treated as ordinary income is allocated to each such taxable year during which the Forward Note was held so that the amount of gain accrued from each year to the next increases at a constant rate equal to the "applicable federal rate" (a rate published monthly by the IRS based on prevailing Treasury yields) in effect at the time the Forward Note is sold or redeemed.

A Forward Note could be treated in whole or in part as a constructive ownership transaction if the issuer of a Reference Item and, if the Reference Item is an index, possibly the issuer of any security included in that index, is treated for U.S. federal income tax purposes as, among others, certain exchange-traded funds, a PFIC, a partnership, a trust, or a common trust fund.

The Issuer does not intend to determine whether the issuers of any Reference Item in fact fall in any of these categories. Prospective purchasers should consult their tax advisers regarding the status of the Reference Items and the application of the constructive ownership transaction rules to ownership of the Forward Note.

Other alternative U.S. federal income tax characterizations or treatments of Forward Notes are possible, and if applied could also affect the timing and the character of the income or loss with respect to Forward Notes. Prospective investors in Forward Notes should consult their tax advisors as to the tax consequences to them of purchasing the Forward Notes, including any alternative characterizations and treatments.

Option Notes

A Note that provides for a payment in redemption at maturity that may under certain circumstances be based on the value of one or more Reference Items (whether physically settled by delivery of those Reference Items or settled in cash) and also provides for a current coupon may be identified as an "**Option Note**" by the Issuer. The discussion below describes the U.S. federal income tax consequences to a U.S. Holder of holding Option Notes.

The treatment of Option Notes for U.S. federal income tax purposes is highly uncertain. It would be reasonable to treat the purchase of an Option Note by a U.S. Holder as a grant by the U.S. Holder to the Issuer of an option contract (the "**Put Option**"), pursuant to which the U.S. Holder may be required to purchase from the Issuer one or more of the Reference Items (or an amount equal to the value of the Reference Items in the case of a cash-settled Option Note), and under which option (a) at the time of the issuance of the Option Note the U.S. Holder deposits irrevocably with the Issuer a fixed amount of cash to assure the fulfillment of the U.S. Holder's purchase obligation described below (the "**Deposit**"), (b) until maturity the Issuer will be obligated to pay interest to the U.S. Holder, as compensation for the use of the cash Deposit during the term of the Option Note, (c) the Issuer will be obligated to pay an option premium to the U.S. Holder in consideration for granting the option (the "**Put Premium**"), which premium will be payable as part of the coupon payments, (d) if pursuant to the terms of the Option Notes at maturity the U.S. Holder is obligated to purchase the Reference Item(s), then the Deposit will be applied by the Issuer in full satisfaction of the U.S. Holder's purchase obligation under the Put Option, and the Issuer will deliver to the U.S. Holder the number of Reference Items that the U.S. Holder is entitled to receive at that time pursuant to the terms of the Option Notes (or, if the Option Notes are cash settled, a cash amount equal to the value of the Reference items), and (e) if pursuant to the terms of the Option Notes the U.S. Holder is not obligated to purchase the Reference Items at maturity, the Issuer will return the cash Deposit to the U.S. Holder at maturity. The discussion below assumes that an Option Note is so treated, except as explicitly provided.

Amounts paid to the Issuer in respect of the original issue of the Option Notes will be treated as allocable in their entirety to the amount of the cash Deposit attributable to such Option Notes. A portion of the coupon on the Option Notes (which coupon may be denominated entirely as stated interest) will be characterised as interest payable on the amount of such Deposit, includible in the income of a U.S. Holder as interest in the manner described below. A portion of the coupon will be characterised as Put Premium, includible in the income of a U.S. Holder in the manner described below. There is no assurance that the IRS will agree with this treatment, and alternative treatments of the Option Notes could result in less favourable U.S. federal income tax consequences to a U.S. Holder, including a requirement to accrue income with respect to the Put Option on a current basis.

Interest Payments

Interest payments on the Deposit generally will be included in the income of a U.S. Holder as interest at the time that such interest is accrued or received in accordance with such U.S. Holder's method of accounting. If the Option Notes are issued at a discount or have a term of one year or less, U.S. Holders will be subject to the rules discussed above under "—U.S. Federal Income Tax Treatment of Notes Treated as Debt—Original Issue Discount" with respect to interest or OID payable on the Deposit. Interest paid by the Issuer and OID, if any, accrued with respect to the Option Notes, generally constitute income from sources outside the United States.

Payments of Put Premium

Payments of the Put Premium will not be included in the income of a U.S. Holder until the sale or other taxable disposition of the Option Notes or retirement of the Option Notes for cash; if the Option Note is settled by delivery of Reference Items, the payments of Put Premium will instead be incorporated into the U.S. Holder's basis in such Reference Items. Upon the sale or other taxable disposition of the Option Notes or at maturity, as the case may be, the Put Premium payment will be treated in the manner described below.

Retirement of an Option Note for Cash

If the Put Option is deemed not to have been exercised at maturity, the cash payment of the full principal amount of the Option Note at maturity would likely be treated as (i) payment in full of the principal amount of the Deposit (which would likely not result in the recognition of gain or loss to an initial purchaser) and (ii) the lapse of the Put Option, which would likely result in a U.S. Holder's recognition of short-term capital gain in an amount equal to the Put Premium paid to the Holder.

If the Put Option is deemed to be exercised at maturity and is cash-settled, the payment at maturity would likely be treated as (i) payment in full of the principal amount of the Deposit (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by the Issuer of the Put Option. The exercise of the Put Option would result in short-term capital gain or loss to the U.S. Holder in an amount equal to the difference between (i) the sum of the cash received at maturity (other than amounts attributable to accrued but unpaid interest) and all previous payments of Put Premium, and (ii) the U.S. Holder's adjusted basis in the Deposit, as determined under "—U.S. Federal Income Tax Treatment of Notes Treated as Debt—Purchase, Sale and Retirement of Notes".

Other Retirement of an Option Note

Delivery at maturity of Reference Items would likely be treated as (i) payment in full of the Deposit (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by the Issuer of the Put Option and the U.S. Holder's purchase of the Reference Items for an amount equal to the principal amount of the Option Note. The U.S. Holder will have an adjusted tax basis in the Reference Items equal to the principal amount of the Option Notes less an amount equal to the aggregate amount of the Put Premium payments and less the portion of the adjusted tax basis of the Option Notes allocable to any fractional Reference Item, as described in the next sentence. A U.S. Holder will recognise gain or loss (which will be treated as short-term capital gain or loss) with respect to cash received in lieu of fractional Reference Items, in an amount equal to the difference between the cash received and the portion of the basis of the Option Notes allocable to fractional Reference Items (based on the relative value of

fractional Reference Items and full Reference Items delivered to the U.S. Holder). A U.S. Holder's holding period in the Reference Items received will not include the U.S. Holder's holding period in the Option Notes.

Sale or Other Taxable Disposition of an Option Note Prior to Maturity

Upon the sale or other taxable disposition of an Option Note, a U.S. Holder should allocate the amount received between the Deposit and the Put Option on the basis of their respective values on the date of sale or other disposition. The U.S. Holder generally should recognise gain or loss with respect to the Deposit in an amount equal to the difference between the amount of the sales proceeds allocable to the Deposit and the U.S. Holder's adjusted tax basis in the Deposit (which generally will equal the issue price of the Option Note for an initial purchaser (as may be adjusted for any accrued OID on the Deposit)). Except to the extent attributable to accrued but unpaid interest, which will be taxed as such, this gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Option Notes for more than one year. If the Put Option has a positive value on the date of a sale of the Option Note, the U.S. Holder should recognise short-term capital gain equal to the portion of the sale proceeds allocable to the Put Option plus any previously received Put Premium. If the put option has a negative value on the date of sale, the U.S. Holder should be treated as having paid the buyer an amount equal to the negative value in order to assume the U.S. Holder's rights and obligations under the Put Option. In such a case, the U.S. Holder should recognise short-term capital gain or loss in an amount equal to the difference between the total Put Premium previously received and the amount of the payment deemed made by the U.S. Holder with respect to the assumption of the Put Option.

Foreign Currency Option Notes

Option Notes denominated in, or determined by reference to, a foreign currency ("Foreign Currency Option Notes") will be subject to special rules. Interest and OID denominated in, or determined by reference to, a foreign currency generally will be subject to the rules described in "—U.S. Federal Income Tax Treatment of Notes Treated as Debt—Foreign Currency Notes" above.

The treatment upon the sale, retirement or disposition of the Deposit, as described above, should also be governed by the rules described under "—U.S. Federal Income Tax Treatment of Notes Treated as Debt—Foreign Currency Notes" above, regardless of whether the Option Note is cash settled. A U.S. Holder will have a tax basis in any Reference Items received in an amount equal to the excess of the purchase price of the Option Note, translated into U.S. dollars at the exchange rate in effect on the date of retirement, over the total premium payments received, with each premium likely translated into U.S. dollars at the exchange rate in effect on the date that it is received. U.S. Holders should consult their tax advisers about the proper method for translating foreign currency with respect to an Option Note into U.S. dollars.

Possible Alternative Characterisations

Due to the absence of authority as to the proper characterisation of the Option Notes, no assurance can be given that the IRS will accept, or that a court will uphold, the characterisation and tax treatment described above. It is possible, for example, that the IRS could maintain that amounts denominated as Put Premium (i) should be includible in the U.S. Holder's income as interest in the manner described above regarding the interest payment, or (ii) should be included in a U.S. Holder's income even in a case where the Option Notes are retired for Reference Items. Such treatment might arise, for example, if the IRS were successfully to maintain that amounts denominated as Put Premium (i) should be characterised for federal income tax purposes as interest, or (ii) should be treated as a return on the U.S. Holder's investment in the Option Notes that constitutes income. Alternatively, the IRS could maintain that the Option Notes should be treated as contingent payment debt obligations, in which case the U.S. Holder would be treated as owning Contingent Notes (or Foreign Currency Contingent Notes), subject to the treatment discussed above under "—U.S. Federal Income Tax Treatment of Notes Treated as Debt".

Notional Principal Contract Notes

The following summary may apply to certain Notes that are treated as “notional principal contracts” for U.S. federal income tax purposes (including, potentially, Participatory Notes) if they are not characterised as debt, a Forward Note or an Option Note, as discussed above. The following discussion applies to Notes treated as notional principal contracts (“NPC Notes”).

Periodic Payments

Income or deductions with respect to an NPC Note may be attributable to periodic payments, non-periodic payments or termination payments. Periodic payments under an NPC Note are generally payments made or received that are payable at intervals of one year or less during the entire term of the contract (including any extension periods), that are based on a specified index and are based on a single notional principal amount or a notional principal amount that varies over the term of the contract in the same proportion as the notional principal amount that measures the other party's payments.

All U.S. Holders must account for periodic payments under an accrual method of accounting. In a case where periodic payments to be made under an NPC Note are set in arrears, and the payment relating to a period during a taxable year of a U.S. Holder cannot be determined by the end of the year, then accruals for that year will be based on a reasonable estimate of the payment, and the difference between the estimated amount and actual amount will be taken into account in the taxable year in which the payment is fixed.

Non-Periodic Payments

Payments under an NPC Note that are not periodic payments or termination payments are “non-periodic payments”. A “termination payment” is a payment made or received in a transaction that extinguish or assigns all or a proportionate part of the remaining rights and obligations of any party under an NPC Note. Non-periodic payments generally must be recognised over the term of the NPC Note in a manner that reflects the NPC Note's economic substance. The amount of any non-periodic payment that is amortised in any taxable year will be treated in the same manner as a periodic payment that accrues in that year. Under an alternative rule, non-periodic payments under an NPC Note may generally be amortised under a level payment method. Under that method, non-periodic payments are allocated as if they represented principal payments on a level payment loan that extends over the life of the NPC Note and bears interest at a rate equal to the rate (or rates) used by the parties to determine the non-periodic payments (or if such rate is not readily ascertainable, a rate that is reasonable under the circumstances). The level payment method cannot be used by a U.S. Holder with respect to an NPC Note if the U.S. Holder reduces risk with respect to the NPC Note by purchasing, selling or otherwise entering into other financial contracts (other than debt instruments).

Periodic and non-periodic payments attributed to any taxable year are netted. The net amount received or paid generally should be ordinary income or an ordinary deduction, respectively, for that year. For certain taxpayers, including individuals, any deductions that are treated as miscellaneous itemized deductions generally will not be deductible for taxable years beginning after 31 December 2017 to 31 December 2025 (and, for taxable years beginning after 31 December 2025, other limitations on such deductions may apply). Individual U.S. Holders should consult their tax advisers regarding any limitation on losses that may apply to an NPC Note.

If non-periodic payments are “significant,” the payments on an NPC Note may be treated as two separate transactions consisting of an on-market, level payment swap and a loan (the “**Embedded Loan Rule**”). Amounts received by the U.S. Holder attributable to the time value component associated with the loan are recognised as interest for U.S. federal income tax purposes, and accordingly will be governed by the rules described in “—U.S. Federal Income Tax Treatment of Notes Treated as Debt—Original Issue Discount” above. Amounts received by the U.S. Holder attributable to the swap component will be taxed under the rules applicable to periodic payments, as described above.

On May 8, 2015, the IRS issued temporary and proposed regulations that significantly expanded the Embedded Loan Rule for an NPC Note. Under these regulations, unless an exception applies, the Embedded Loan Rule will generally apply to any NPC Note with a term of more than one year (including

any extensions provided for in the terms of the contract) that has a non-periodic payment, regardless of whether such payment is significant (the “**Expanded Embedded Loan Rule**”). The Expanded Embedded Loan Rule should not apply if the NPC Note is cleared by a derivatives clearing organization that is registered as such under the Commodity Exchange Act or by a clearing agency that is registered as such under the Securities Exchange Act of 1934, and the derivatives clearing organization or clearing agency requires the parties to the NPC Note to post and collect cash margin or cash collateral to fully collateralize the mark-to-market exposure on the NPC Note (including the exposure on the non-periodic payment) on a daily basis for the entire term of the NPC Note (the “**Margin or Collateral Requirement**”). Additionally, the Expanded Embedded Loan Rule should not apply if the parties to the NPC Note are required, pursuant to the terms of the NPC Note or the requirements of the U.S. Securities and Exchange Commission, the Commodities Futures Trading Commission or certain other U.S. federal regulators, to satisfy the Margin or Collateral Requirement.

The mark-to-market exposure on an NPC Note will generally be fully collateralized only if the NPC Note is subject to both initial variation margin in an amount equal to the non-periodic payment and daily variation margin in an amount equal to the daily change in the fair market value of the contract.

An NPC Note will meet the Margin or Collateral Requirement only to the extent the parties pay and receive the required margin or collateral in U.S. dollars or cash in the currency in which the NPC Note is denominated. If the amount of cash margin or collateral posted or collected is in excess of the amount necessary to meet the Margin or Collateral Requirement, any excess is subject to the Expanded Embedded Loan Rule. If both cash and other property are posted to satisfy the Margin or Collateral Requirement, any excess of the non-periodic payment over the cash margin or collateral posted and collected is subject to the Expanded Embedded Loan Rule.

The Expanded Embedded Loan Rule will apply to an NPC Note that is entered into 180 days or more after the date on which the final U.S. Treasury Regulations adopting the Expanded Embedded Loan Rule are published in the Federal Register.

The application and interpretation of the rules governing non-periodic payments is complex and subject to change. U.S. Holders should consult their tax advisors.

Proposed Rules for Contingent Non-Periodic Payments

The IRS has proposed regulations providing for the accrual of income on NPC Notes that have contingent non-periodic payments (the “**Proposed NPC Regulations**”). The Proposed NPC Regulations contain complex rules that would require U.S. Holders (i) to project the expected amount of contingent payments, (ii) to take into account annually the appropriate portions of the projected contingent amounts, (iii) to re-project the contingent amounts annually and (iv) to reflect the differences between projected amounts and re-projected amounts through annual adjustments. Any such amounts would be U.S. source ordinary income.

It is not clear when, or if, the Proposed NPC Regulations will be finalised or what the terms of any final regulations may be. If the terms of the final regulations vary from the Proposed NPC Regulations, the timing, character, and source of a U.S. Holder’s items of income and deduction could differ substantially from the manner described here.

Sale or Retirement including Termination Payments

A U.S. Holder will recognise gain or loss on the sale or retirement of an NPC Note or receipt of a termination payment on an NPC Note equal to (i) the sum of the unamortised portion of any non-periodic payments received by the U.S. Holder and any swap termination payment it receives or is deemed to have received, less (ii) the sum of the unamortised portion of the initial amount paid by the U.S. Holder. Any gain or loss recognised on the sale or retirement of an NPC Note or receipt of a termination payment on an NPC Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the NPC Note exceeds one year.

Foreign Currency NPC Notes

The rules governing a notional principal contract whose payments are denominated in, or determined by reference to, foreign currencies will depend on its specific terms. In general, the timing of income and deductions would be determined under the principles described above, and any income, loss or deduction (including any gain or loss from a termination of a notional principal contract) would be characterised as foreign exchange gain or loss.

In the event the Issuer believes that an NPC Note will be subject to the foreign currency notional principal contract rules, the Issuer may include additional disclosure in the applicable Pricing Supplement.

Backup Withholding and Information Reporting

In general, payments of principal and interest and accruals of OID on, and the proceeds of a sale or redemption of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments, including payments of accrued OID, if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain foreign financial assets.

Reportable Transactions

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations, and to disclose its investment by filing Form 8886 with the IRS. A penalty generally is imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

PRC CURRENCY CONTROLS

Remittance of Renminbi into and outside the PRC

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a scheme pursuant to which Renminbi may be used for settlement of cross-border trade between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. In June 2010, August 2011 and February 2012 respectively, the PRC government promulgated the *Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades*, the *Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement* and the *Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods*, Circulars with regard to the expansion of designated cities and offshore jurisdictions implementing the pilot Renminbi settlement scheme for cross-border trades. Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts were expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore districts has been lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods, provided that the relevant provincial government has submitted to PBOC and five other PRC authorities (the “**Six Authorities**”) a list of key enterprises subject to supervision and the Six Authorities have verified and signed off such list (the “**Supervision List**”). On 12 June 2012, the PBOC issued a notice stating that the Six Authorities had jointly verified and announced a Supervision List and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports.

As new regulations, the circulars will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these circulars and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Settlement for capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities may grant approval for a foreign entity to make a capital contribution or a shareholder’s loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may be required to complete registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 7 April 2011, the State Administration of Foreign Exchange (“SAFE”) issued the *Notice on Relevant Issues regarding Streamlining the Business Operation of Cross-border RMB Capital Account Items*, which clarifies that the borrowing by an onshore entity (including a financial institution) of Renminbi loans from an offshore creditor shall in principle follow the current regulations on borrowing foreign debts and the provision by an onshore entity (including a financial institution) of external guarantees in Renminbi shall in principle follow the current regulations on the provision of external guarantees in foreign currencies.

On 13 October 2011, the PBOC issued the PBOC RMB FDI Measures which set out operating procedures for PRC banks to handle RMB settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore RMB loans. Prior to the PBOC RMB FDI Measures, cross-border RMB settlement for RMB FDI has required approvals on a case-by-case basis from the PBOC. The new rules replace the PBOC approval requirement with less onerous post-event registration and filing requirements. The PBOC RMB FDI Measures cover various aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as Renminbi denominated cross-border loans. Foreign invested enterprises, whether established or acquired by foreign investors, shall complete the corporate information registration after the completion of relevant RMB FDI transactions, and shall make post-event registration or filing with the PBOC of increases or decreases in registered capital, equity transfers or swaps, merger or acquisition or other changes to registered information.

On 19 November 2012, the SAFE promulgated the Circular on Further Improving and Adjusting the Foreign Exchange Administration Policies on Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知) (the “SAFE Circular on DI”), which became effective on 17 December 2012. According to the SAFE Circular on DI, the SAFE removes or adjusts certain administrative licensing items with regard to foreign exchange administration over direct investments to promote investment, including, but not limited to, the abrogation of SAFE approval for opening of and payment into foreign exchange accounts under direct investment accounts, the abrogation of SAFE approval for reinvestment with legal income generated within China of foreign investors, the simplification of the administration of foreign exchange reinvestments by foreign investment companies, and the abrogation of SAFE approval for purchase and external payment of foreign exchange under direct investment accounts. As new regulations, such notices will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules. If any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

On 3 December 2013, MOFCOM promulgated the MOFCOM Circular, which became effective on 1 January 2014, to further facilitate RMB FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each RMB FDI and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on RMB FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits RMB FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

On 13 February 2015, the SAFE promulgated the *Notice on Further Simplifying and Improving Foreign Exchange Administration Policy of Direct Investment* (關於進一步簡化和改進直接投資外匯管理政策的通知) (the “2015 SAFE Notice”), which became effective on and from 1 June 2015. Under the 2015 SAFE

Notice, SAFE delegates the authority of approval/registration for direct investment (inbound and outbound) related matters to commercial banks. However, the 2015 SAFE Notice only applies to direct investment activities in foreign currency, and whether and how it would affect the Renminbi direct investment regime is currently unknown.

On 26 January 2017, the SAFE issued the Notice on *Further Promoting Foreign Exchange Management Reform by Improving Real Compliance Audit* (進一步推進外匯管理改革完善真實合規性審核的通知) (the "**2017 SAFE Notice**") which seeks to further regulate the foreign exchange management in relation to trading. Domestic institutions should handle their currency conversion trade finance businesses and process export earnings timely in accordance with the principle of "who exports, who receives payment, who imports and who makes payment". The 2017 SAFE Notice is also part of the PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. For instance, the 2017 SAFE Notice states that in order for a domestic institution to carry out cross-border lending, the aggregate of the balance of domestic currency loans and foreign currency denominated loans shall not exceed 30 per cent. of the owner's equity as set out in the previous years' audited financial statements. However, there remain potential inconsistencies between these provisions and the existing PBOC rules, and it is currently unclear as to how regulators may address such inconsistencies in practice.

As some of the above measures and circulars are relatively new promulgations, they will be subject to interpretation and application by the relevant PRC authorities.

Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg or the CMU Service (together, the “**Clearing Systems**”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but does not take any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The Clearing Systems

Euroclear and Clearstream, Luxembourg

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

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

CMU Service

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service (“**CMU Members**”) of capital markets instruments (“**CMU Instruments**”) which are specified in the CMU Manual as capable of being held within the CMU Service.

The CMU Service is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association and “authorised institutions” under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European Clearing Systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members.

The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU Service will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

Book-Entry Ownership

Bearer Notes

The Issuer may make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through the CMU Service. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depository for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU Service. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of Euroclear, Clearstream, Luxembourg or the CMU Service.

Registered Notes

The Issuer may make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. The Issuer may also apply to the HKMA to have Notes represented by a Global Certificate accepted for clearance through the CMU Service. Each Global Certificate will have an International Securities Identification Number (ISIN) and a Common Code or, if lodged with a sub-custodian for the CMU Service, will have a CMU Instrument Number.

Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream, Luxembourg or the CMU Service.

SELLING RESTRICTIONS

The Issuer may, but will not be obliged to, appoint one or more entities to act as Dealers under one or more dealer agreements. As at the date of this Offering Circular, China International Capital Corporation Hong Kong Securities Limited has been appointed by the Issuer as a Dealer under the Programme.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Reg S Registered Notes and Bearer Notes

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and U.S. Treasury regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes of any Series (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to the Notes of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify each such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of Notes of which such Notes are a part, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in this section have the meanings given to them by Regulation S.

Unitary Registered Notes

The Issuer may offer, sell or deliver Unitary Registered Notes only (a) in reliance on Rule 144A under the Securities Act to, or for the account of or benefit of, U.S. persons that are QIBs within the meaning of Rule 144A and which are also QPs as defined in Section 2(a)(51) of the Investment Company Act purchasing for their own account or for the account or benefit of QIBs who are also QPs or (b) outside the United States to, or for the account or benefit of, a purchaser that is not a U.S. person in an offshore transaction in compliance with Regulation S.

Each Dealer appointed under the Programme has agreed, that:

- (i) the Notes have not been and will not be registered under the Securities Act or the securities laws of any State in the United States;
- (ii) it will not offer, sell or deliver the Notes at any time, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons except U.S. Persons who qualify as QIBs and also as QPs; and

- (iii) at or prior to confirmation of the sale of any Notes, each dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from the Issuer will be sent a written confirmation or other notice containing language substantially the same as the foregoing.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

The Dealers may through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes in the United States only to QIB/QPs in accordance with Rule 144A. In connection with each such sale of Notes pursuant to Rule 144A, such Dealer will deliver an Offering Circular to each QIB/QP purchasing a Note or Notes from it pursuant to Rule 144A.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA and UK Retail Investors

Each Dealer represents, undertakes and agrees that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and

- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

People’s Republic of China

The Notes are not being offered or sold and may not be offered or sold, and each Dealer has represented and warranted, and each further Dealer appointed under the Programme will be required to represent and warrant that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan) (“**PRC**”), except:

- (i) to a Qualified Domestic Institutional Investor pursuant to the relevant rules and/or regulations issued by the PRC financial regulatory authorities and foreign exchange authority from time to time;
- (ii) pursuant to the rules and/or regulations in respect of the China (Shanghai) Free Trade Pilot Zone; or
- (iii) as otherwise permitted by the laws, administrative regulations and rules of the PRC.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”), other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**Companies (WUMP) Ordinance**”) or which do not constitute an offer to the public within the meaning of the Companies (WUMP) Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Taiwan

The Notes may not be sold, issued or publicly offered in Taiwan and may only be made available to Taiwan investors on a private placement basis outside Taiwan or to professional investors (as defined under Taiwan law) via a Taiwan licensed intermediary in accordance with the Regulation Governing Offshore Structured Products and other applicable Taiwan law.

General

With regard to each issue of Notes, any Dealer will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor the Guarantor nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Arranger or any Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, any Dealer will be required to comply with such other restrictions as shall be set out in the applicable Pricing Supplement.

It is expected that delivery of the Notes will be made against payment therefor on or about a date which will occur more than three business days after the date of pricing of the Notes. Pursuant to Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing of the Notes will be required, by virtue of the fact that the Notes may initially settle on or about a date which will occur more than three business days after the date of pricing of the Notes, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisor.

TRANSFER RESTRICTIONS

Reg S Registered Notes and Bearer Notes

Each purchaser of Notes or an interest therein outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes or an interest therein, by accepting delivery of this Offering Circular and/or such Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (ii) It understands that such Notes and the Guarantee have not been and will not be registered under the Securities Act and that prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S in accordance with any applicable securities laws of the United States or of any other jurisdiction.
- (iii) It understands that each Certificate representing such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

“THE NOTES REPRESENTED BY THIS CERTIFICATE AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940 (THE “**INVESTMENT COMPANY ACT**”).

THE NOTES REPRESENTED BY THIS CERTIFICATE AND ANY INTEREST THEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”

- (iv) It understands that the Issuer, the Registrar, the Dealer and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (v) It understands that the Notes offered in reliance on Regulation S will be represented by the Reg S Global Certificate.

A transferor who transfers an interest in a Note sold in reliance on Regulation S to a transferee who will hold the interest in the same form is not required to make any representation or certification.

Unitary Registered Notes

Each purchaser of Unitary Registered Notes or an interest therein and each subsequent purchaser of such Notes or an interest therein, by accepting delivery of this Offering Circular and/or such Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) In the case of exchange or transfer of a Note in the United States or to, or for the account or benefit of, a U.S. person who takes delivery in the form of Notes represented by a Unitary Global Certificate, such exchange or transfer is being effected to or through the Issuer or an Affiliate of the Issuer, and the purchaser either:
 - (A) (a) is a QIB/QP, (b) is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers, (c) is not a participant-directed employee plan, such as a 401(k) plan, (d) was not formed for purposes of investing in the Issuer, (e) is acquiring such Notes or interest for its own account or for the account of a QIB/QP as to which it exercises sole investment discretion, (f) is not a (i) partnership, (ii) common trust fund, (iii) special trust, pension fund or retirement plan or (iv) other entity in

which the partners, beneficiaries, beneficial owners or participants, as the case may be, may designate the particular investments to be made or the allocation thereof; (g) if an investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or Section 3(c)(7) thereof with respect to its U.S. holders) and formed on or before April 30, 1996, it has received the consent of those of its beneficial owners who acquired their interests on or before April 30, 1996 with respect to its treatment as a qualified purchaser in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules thereunder; (h) will provide notice of the transfer restrictions applicable to such Notes to any subsequent transferee (which transferee shall be deemed to make the same representations herein) and (i) is aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes or an interest therein to it is being made in reliance on Rule 144A; or

- (B) is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (ii) It understands that such Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB/QP purchasing for its own account or for the account of a QIB/QP that (I) is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers, (II) is not a participant-directed employee plan, such as a 401(k) plan, (III) was not formed for purposes of investing in the Issuer, (IV) is acquiring such Notes or interest for its own account or for the account of a QIB/QP as to which it exercises sole investment discretion, (V) will provide notice of the transfer restrictions applicable to such Notes to any subsequent transferee (which transferee shall be deemed to make the same representations herein) and (VI) is aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes or an interest therein to it is being made in reliance on Rule 144A, or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States and any other applicable jurisdiction, in either case only upon submission to Citibank, N.A., London Branch of a duly completed transferee letter substantially in the form of the Master Purchaser Certificate set out as the Appendix attached to the Conditions set out in the Offering Circular. It understands that the Issuer has not been registered under the Investment Company Act and that the Issuer does not have any obligation to register any of the Notes under the Securities Act or to comply with the requirements for any exemption from the registration requirements of the Securities Act (other than to supply information specified in Rule 144A(d)(4) of the Securities Act). It will provide notice of the transfer restrictions applicable to the Notes to any subsequent transferee.
- (iii) that, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, only to the Issuer, or any affiliate thereof;
- (iv) that it will, and will require any subsequent Noteholder from it to, notify any purchaser from that Noteholder of the Notes of the resale restrictions referred to in paragraph (ii) above, if then applicable;
- (v) that Notes initially offered to QIBs who are also QPs or to, or for the account or benefit of, U.S. persons who are QIBs and also QPs and concurrently outside the United States in reliance on Regulation S will be represented by one or more Unitary Global Certificates;

- (vi) It understands that each Certificate representing such Notes and each Unitary Global Certificate, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

“THE NOTES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”), OR ANY OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN VIOLATION OF THE SECURITIES ACT OR SUCH OTHER SECURITIES LAWS.

THE NOTES REPRESENTED BY THIS CERTIFICATE MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FISCAL AGENCY AGREEMENT REFERRED TO HEREIN AND OTHER THAN PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM NOTES REPRESENTED BY THIS CERTIFICATE ARE TRANSFERRED.

THE HOLDER OF ANY NOTES AND THE HOLDER OF ANY BENEFICIAL INTEREST IN THE NOTES REPRESENTED BY THIS CERTIFICATE, AGREES BY ITS ACQUISITION HEREOF FOR THE BENEFIT OF THE ISSUER THAT ANY BENEFICIAL INTEREST IN THE NOTES REPRESENTED BY THIS CERTIFICATE MAY BE RESOLD OR OTHERWISE TRANSFERRED ONLY (1) TO OR THROUGH THE ISSUER TO A PERSON THAT IS NOT A “U.S. PERSON” (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) AND THAT IS ACQUIRING THE NOTES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT; OR (2) TO OR THROUGH THE ISSUER TO A PERSON (A) THAT IS A “QUALIFIED INSTITUTIONAL BUYER” (A “**QIB**”) AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND A “QUALIFIED PURCHASER” (A “**QP**”) AS DEFINED IN SECTION 2(a)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940 (THE “**INVESTMENT COMPANY ACT**”); (B) THAT IS NOT (i) A DEALER DESCRIBED IN RULE 144A(a)(1)(ii) THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED WITH THE DEALER, (ii) A PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND, RETIREMENT PLAN OR OTHER ENTITY IN WHICH THE PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE OR THE ALLOCATION THEREOF, OR (iii) AN INVESTMENT COMPANY EXCEPTED FROM THE INVESTMENT COMPANY ACT PURSUANT TO SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF WITH RESPECT TO ITS U.S. HOLDERS) AND FORMED ON OR PRIOR TO APRIL 30, 1996, THAT HAS NOT RECEIVED THE CONSENT OF EACH OF ITS BENEFICIAL OWNERS WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES THEREUNDER; (C) THAT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE NOTES OR OTHER SECURITIES OF THE ISSUER UNLESS EACH OF ITS BENEFICIAL OWNERS IS BOTH A QIB AND A QP WHO WAS NOT SO FORMED; (D) THAT WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE; (E) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL OF THE REQUIREMENTS OF CLAUSES (A) THROUGH (E); AND (3) THAT AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER ANY INTEREST IN THE NOTES REPRESENTED BY THIS CERTIFICATE TO ANY PERSON EXCEPT TO OR THROUGH THE ISSUER TO A PERSON THAT MEETS ALL OF THE REQUIREMENTS OF EITHER CLAUSE (1) OR (2) AND THAT AGREES NOT TO SUBSEQUENTLY TRANSFER ANY INTEREST IN THE NOTES REPRESENTED BY THIS CERTIFICATE EXCEPT IN ACCORDANCE WITH THIS CLAUSE (3). EACH HOLDER OF A BENEFICIAL INTEREST IN THE NOTES REPRESENTED BY THIS CERTIFICATE SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF

AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH SUCH ACCOUNT SATISFIES THE REQUIREMENTS SET FORTH IN THE PRECEDING SENTENCE AND ANY RESALE OR OTHER TRANSFER OF ITS INTEREST IN SUCH NOTES MAY ONLY BE MADE TO A PERSON SATISFYING THE REQUIREMENTS IN THE PRECEDING SENTENCE AND WILL REQUIRE THE SUBMISSION TO CITIBANK, N.A., LONDON BRANCH (THE “**AGENT**”) OF A DULY COMPLETED TRANSFEREE LETTER SUBSTANTIALLY IN THE FORM OF THE MASTER PURCHASER CERTIFICATE SET OUT AS THE APPENDIX ATTACHED TO THE TERMS AND CONDITIONS OF THE NOTES. IF AT ANY TIME THE AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE HOLDER OF ANY INTEREST IN THE NOTES REPRESENTED BY THIS CERTIFICATE WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT SET FORTH HEREIN OR IN ANY LETTER DELIVERED TO THE ISSUER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID *AB INITIO* AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A “**DISQUALIFIED TRANSFEREE**”) AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER; ALTERNATIVELY, THE ISSUER MAY REQUIRE ANY DISQUALIFIED TRANSFEREE TO SELL SUCH INTEREST TO THE ISSUER OR AN ENTITY DESIGNATED BY THE ISSUER THAT WOULD NOT BE A DISQUALIFIED TRANSFEREE.

EXCEPT AS OTHERWISE SET FORTH IN THE PRICING SUPPLEMENT, BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT AND IS NOT PURCHASING NOTES OR ANY INTEREST THEREIN ON BEHALF OF ANY EMPLOYEE BENEFIT PLAN OR OTHER PLAN SUBJECT TO THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”) OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**U.S. CODE**”), OR ANY ENTITY OR ARRANGEMENT WHOSE UNDERLYING ASSETS ARE TREATED FOR PURPOSES OF SUCH PROVISIONS AS “PLAN ASSETS” OF SUCH PLANS, OR ANY GOVERNMENTAL, CHURCH OR NON-U.S. BENEFIT PLAN WHICH IS NOT SUBJECT TO SUCH PROVISIONS OF LAW BUT ARE SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE U.S. CODE (“**SIMILAR LAW**”), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THE NOTES OR ANY INTEREST THEREIN WOULD NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE U.S. CODE, OR A VIOLATION OF ANY SIMILAR LAW, AND THAT SUCH REPRESENTATIONS SHALL BE DEEMED TO BE MADE EACH DAY FROM THE DATE ON WHICH THE PURCHASER PURCHASES THROUGH AND INCLUDING THE DATE ON WHICH THE PURCHASER DISPOSES OF THE NOTES AND ALL INTERESTS THEREIN.

IF REQUESTED BY THE ISSUER OR BY AN AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS NOTE IS PERMISSIBLE UNDER THE SECURITIES ACT.

THE NOTES AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THE NOTES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.”

- (vii) It will, along with each account for which it is purchasing, hold and transfer such Notes or interests therein in an aggregate principal amount that is not less than the minimum denomination specified in the Pricing Supplement relating to the Notes. In addition, it

- understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories.
- (viii) In connection with the purchase of such Notes or any interest therein: (a) none of the Issuer, the Guarantor, the Arranger, the Dealer, any agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof) is acting as a fiduciary or financial or portfolio manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Guarantor, the Arranger, the Dealer, any agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof) other than in the Offering Circular and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Guarantor, the Arranger, the Dealer, any agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof) has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Guarantor, the Arranger, the Dealer, any agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof); (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) the purchaser is a sophisticated investor. The purchaser has received, and has had an adequate opportunity to review the contents of, this Offering Circular. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as such purchaser has deemed necessary to make its own independent decision to purchase Notes, including the opportunity, at a reasonable time prior to such purchaser's purchase of Notes, to ask questions and receive answers concerning the Issuer and the terms and conditions of the offering of the Notes.
- (ix) It understands that such Notes will be represented by the Unitary Global Certificate.
- (x) Either (a) it is not and is not purchasing Notes or any interest therein on behalf of any employee benefit plan or other plan subject to ERISA or Section 4975 of the U.S. Code, or any entity or arrangement whose underlying assets are treated for purposes of such provisions as "plan assets" of such plans, or any governmental, church or non-U.S. benefit plan which is not subject to such provisions of law but are subject to Similar Law, or (b) its acquisition, holding and disposition of the Notes or any interest therein would not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the U.S. Code, or a violation of any Similar Law, and that such representations shall be deemed to be made each day from the date on which the purchaser purchases through and including the date on which the purchaser disposes of the Notes and all interests therein.
- (xi) It understands that the Issuer has the right to compel any Noteholder or beneficial owner to sell its Notes or interest therein, or may sell such Notes or interest therein on behalf of such person, where such person does not satisfy the requirements set out in paragraphs (i) or (x) above. Any such sale shall be made at the lowest of (x) the purchase price paid therefor by the Noteholder or beneficial owner, as the case may be, (y) 100 per cent. of the principal price thereof, and (z) the fair market value thereof.
- (xii) It agrees that in the event that at any time the Issuing and Paying Agent determines or is notified by the Issuer or any of its Affiliates that (a) it is in breach at the given time of any representation

or agreement set forth in any certificate or transferee letter or any deemed representation or agreement delivered or deemed to be made by such purchaser, or (b) any purported transfer in violation of paragraphs (i), (ii), (iii), (iv), (vii), (x) or (xi) of these transfer restrictions the purported transfer shall be null and void *ab initio* and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the Issuer or any intermediary.

- (xiii) It understands that the Issuer, the Registrar, the Dealer and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIB/QPs it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and the exemption from registration requirements of the Investment Company Act by Section 3(c)(7).

GENERAL INFORMATION

Listing

Application has been made for Notes to be issued under the Programme to be listed on the Official List and traded on the Euro MTF.

Authorisation of the Issuer

The Issuer has obtained all necessary consents, approvals, and authorisations in Hong Kong in connection with the establishment of the Programme. The establishment of the Programme was authorised by resolutions of the board of directors of the Issuer passed on 4 September 2014. The increase in the aggregate nominal amount of the Programme to U.S.\$10,000,000,000 was authorised by resolution of the board of directors of the Issuer passed on 9 September 2015. The Issuer has obtained or will obtain all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes issued by it.

Clearing Systems

The Notes have been or arrangements will be made so that the Notes will be accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The Issuer may also apply to have Bearer Notes or Registered Notes accepted for clearance through the CMU Service. The relevant CMU Instrument Number will be set out in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

Documents available at specified offices of the Luxembourg Listing Agent

Copies of this Offering Circular (together with any supplement to this Offering Circular or further Offering Circular), the Memorandum and Articles of Association of the Issuer, the Memorandum and Articles of Association of the Guarantor, the Deed of Guarantee and the Fiscal Agency Agreement, incorporating the form of the Master Global Certificate and the Master Global Notes will be available free of charge during usual business hours on any day (except Saturdays, Sundays and legal holidays) at the specified office of the Luxembourg Listing Agent. Copies of the most recent annual financial statements as well as all documents incorporated by reference (when they become available) will also be available free of charge at such times at the specified office of the Luxembourg Listing Agent.

Bearer Notes

Each Bearer Note treated as debt for U.S. federal income tax purposes having a maturity of more than one year, and accompanying Coupons, Talons and Receipts will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

Financial Statements

The Issuer's auditor is KPMG LLP. The Issuer's financial statements for the year ended 31 December 2018 and 31 December 2019 were audited without qualification by KPMG LLP. No interim financial statement is prepared by the Issuer.

The Guarantor's auditor is KPMG LLP. The Guarantor's financial statements for the year ended 31 December 2018 and 31 December 2019 were audited without qualification by KPMG LLP. No interim financial statement is prepared by the Guarantor.

Each of the Issuer's and the Guarantor's financial statements were prepared in accordance with Hong Kong Financial Reporting Standard (“**HKFRS**”). In the Issuer's opinion, there is no material difference between HKFRS and the International Financial Reporting Standards.

In the event of any material adverse change in the financial condition of the Issuer or the Guarantor which is not reflected in this Offering Circular, a further supplement to this Offering Circular will be prepared or a new Offering Circular for use in connection with any subsequent issue of Notes to be listed on the Euro MTF of the Luxembourg Stock Exchange will be published.

Available Information

The Issuer and the Guarantor have agreed that, for so long as any Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

REGISTERED OFFICE OF THE ISSUER

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ARRANGER

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DEALER

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FISCAL AGENT

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ISSUING AND PAYING AGENT, REGISTRAR AND TRANSFER AGENT

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CALCULATION AGENT

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LUXEMBOURG LISTING AGENT

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LEGAL ADVISERS

To the Issuer and to the Guarantor as to Hong Kong law

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