

# HSBC Global Markets Indices

US Base Terms Module

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## CONTENTS

<b>Section</b>	<b>Page</b>
1. Introduction .....	1
2. Management responsibilities .....	2
3. Index calculations and data sources.....	4
4. Disruption Events .....	5
5. Index maintenance.....	7
6. Amendments to the Base Terms Module.....	7
7. Further information about the Indices .....	7
 <b>Appendix</b>	
1. Definitions .....	9
2. Risk factors .....	11
3. Disclaimer .....	16

## 1. Introduction

### (a) Overview

This document constitutes the US Base Terms Module, which applies to certain indices (each an "**Index**") which are sponsored, developed and promoted by the Index Sponsor and which are referenced by Investment Products issued in the United States of America. The provisions set out in the US Base Terms Module apply to each Index irrespective of the asset class (or assets classes) to which such Index relates. The Index Description for any Index consists of this US Base Terms Module and the Asset Terms Module(s) and the Index Terms Module applicable to such Index.

This document only applies to an Index if the relevant Asset Terms Module and Index Terms Module refer to this US Base Terms Module. This document is distinct from the "Base Terms Module", which applies to certain indices referenced by certain investment products issued outside the United States of America.

### (b) Structure of the Index Description

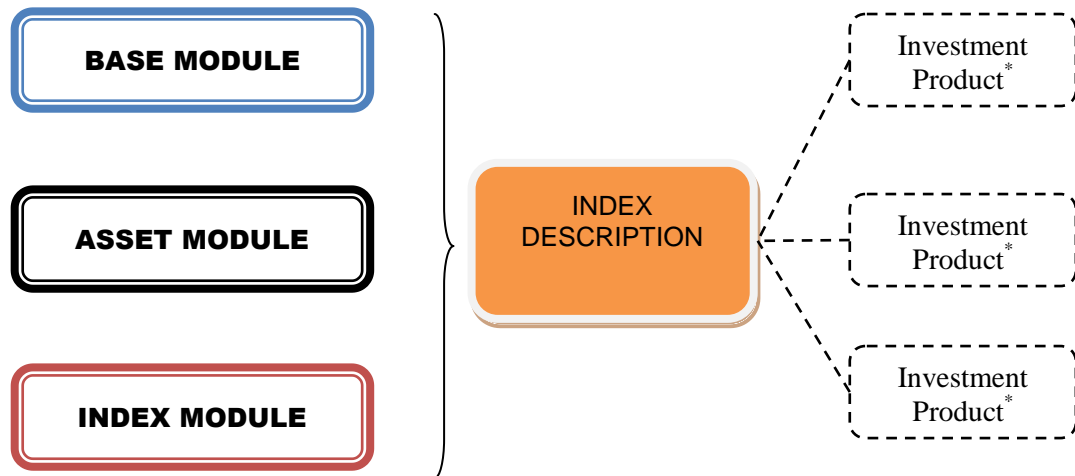
The Index Description of any Index is composed of three constituent parts, as follows:

- (i) US Base Terms Module: this document, setting out the rules and other details which apply to all Indices;
- (ii) Asset Terms Module: setting out the rules and other provisions which apply to the asset class or asset classes (such as equities or foreign exchange) referenced by a specific Index (each, an "**Asset Terms Module**"); and
- (iii) Index Terms Module: setting out the rules and other provisions which apply to a particular Index (each, an "**Index Terms Module**").

The Index Rules for any Index are contained in the Index Description for that Index. Each of the three Modules that make up an Index Description should be read together to provide a full description of the Index Rules for that Index. Each Module contains important information about each Index. None of the Modules should be read or interpreted separately from the other Modules that form part of the Index Description.

The Index Description of any Index may be amended, modified or supplemented from time to time pursuant to Section 5 (*Index maintenance*), and Section 6 (*Amendments to the US Base Terms Module*) below and otherwise as permitted by the Index Rules of that Index. The latest version of the Index Description of any Index will be made available by the Index Sponsor upon request. Users of any Index are responsible for obtaining the latest version of the Index Description.

The modular structure of each Index Description is illustrated in the following diagram:



\* Multiple Investment Products may reference the performance of a single Index

## 2. Management Responsibilities

### (a) Index Committee

The Index Sponsor has established the Index Committee to oversee the HSBC Global Markets Indices. Among other things, the Index Committee will be responsible for approving new Indices, approving certain amendments and modifications to existing Indices, determining the effects on the Indices of certain exceptional events and periodically reviewing each Index.

The Index Committee is not responsible for assessing the suitability of Indices for Investment Products or for investors in those Investment Products.

The Index Committee comprises core representatives from various functions within HSBC Group. Additional representatives will be appointed in respect of each asset class represented by one or more Indices. Such representatives shall be entitled to vote only in respect of the Indices in the relevant asset class.

The Index Committee meets annually to periodically review the Indices. The Index Committee is also available to meet more frequently to consider new Indices or amendments and modifications to existing Indices. The Index Committee may meet to consider exceptional events that may have an effect on one or more Indices.

### (b) Index Sponsor

Each Index is sponsored, developed and promoted by the Index Sponsor and is a proprietary Index of the Index Sponsor.

In certain circumstances, the Index Sponsor may be entitled to make certain technical, minor or formal amendments or modifications to an Index or the terms of any Module. In making any such amendments or modifications, the Index Sponsor will, acting in good faith and a commercially reasonable

manner, ensure that such amendments or modifications will result in a methodology that, in the Index Sponsor's determination, is consistent in its intended commercial purpose with the methodology described in the relevant Index Description. Following the amendment or modification of the Index Rules, the Index Sponsor will make available on request a revised version of the Index Description for the related Index. Unless otherwise provided, all calculations and determinations made by the Index Sponsor and/or the Index Calculation Agent will be made by it by reference to such factors as the Index Sponsor and/or the Index Calculation Agent deem appropriate.

To the extent permitted by applicable law, the Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any direct, indirect, special, punitive, consequential or any other losses or damages incurred by such person that arise out of or in connection with error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein.

The Index Sponsor owns intellectual property rights in each Index and in any Index Description, or any part of an Index Description, which has been supplied by the Index Sponsor. No use or publication may be made of any Index or any related provision without the prior written approval of the Index Sponsor. None of the Index Sponsor, the Index Calculation Agent and any HSBC Group entity will have any responsibility for use of any Index without the express written consent of the Index Sponsor.

(c) **Index Calculation Agent**

The role of the Index Calculation Agent is to provide independent calculation of the periodic value of each Index and make various determinations and adjustments, in each case in accordance with the Index Rules, as set out in the relevant Index Description.

The Index Calculation Agent is responsible for obtaining information for inclusion or use in the calculation of the Indices. The Index Calculation Agent will not independently verify such information and does not guarantee the accuracy or completeness of any Index or any data included therein.

To the extent permitted by applicable law, the Index Calculation Agent shall not be liable (whether in negligence or otherwise) to any person for any direct, indirect, special, punitive, consequential or any other losses or damages incurred by such person that arise out of or in connection with error in the Index and the Index Calculation Agent is under no obligation to advise any person of any error therein.

The Index Calculation Agent in respect of an Index will be the entity specified in the relevant Index Terms Module. If the Index Calculation Agent is not specified in the relevant Index Terms Module for an Index, then the Index Calculation Agent for that Index is, as of 1 October 2013, Euromoney Trading Limited. Prior to this date, the role of the Default Index Calculation Agent was performed by a division of HSBC.

### 3. Index calculations and data sources

#### (a) Calculations and determinations

The level of each Index will be calculated by the Index Calculation Agent in accordance with the terms of the relevant Index Terms Module and will be published on the sources specified in the relevant Index Terms Module if any such sources are specified. Unless otherwise provided, all calculations and determinations made by the Index Sponsor and/or the Index Calculation Agent will be made by it in good faith and a commercially reasonable manner by reference to such factors as the Index Sponsor and/or the Index Calculation Agent deem appropriate. The Index Sponsor and the Index Calculation Agent will, as far as practicable, exercise any discretion to which it is entitled with the aim of preserving the intended commercial purpose of the index. Neither the Index Sponsor nor the Index Calculation Agent is required to consider the interest of any investor in Investment Products in exercising such discretion.

The calculations and determinations of each of the Index Sponsor and the Index Calculation Agent in relation to each Index and/or any Index Constituent shall be final and binding on all parties in the absence of manifest error.

The term "manifest error" as used in this document shall mean an error that is plain and obvious and can be identified from the results of the calculation or determination itself without: (i) recourse to any underlying data; or (ii) any application or re-application of any formulae.

#### (b) Index calculation and maintenance of data sources

As necessary, the Index Calculation Agent may obtain prices or quotes used for both calculation and maintenance of the level of an Index on any day from the sources and at the times specified in the relevant Index Terms Module. The Index Calculation Agent may supplement data from such sources with other sources as it determines appropriate. The Index Calculation Agent does not guarantee the accuracy of the data from its data vendors nor independently verify such data.

#### (c) Data error

If, in respect of any information which is used by the Index Calculation Agent to make any determination or calculation relevant to an Index, the Index Calculation Agent determines at any time subsequent to such determination or calculation that the source of such information has issued a correction, or has otherwise amended or modified the relevant information in a way that would have materially affected the relevant determination or calculation, the Index Calculation Agent may in its discretion make such redetermination or recalculation in respect of the relevant Index and retrospectively adjust the level of such Index in respect of the period from the original determination or calculation to the time of such redetermination or recalculation to take account of such redetermination or recalculation.

#### (d) Data disruption

In the event of a Data Disruption, the Index Calculation Agent shall use reasonable endeavours to source data from alternative sources with the aim

of publishing the level of an Index as soon as reasonably practicable. The Index Calculation Agent will not publish the level of an Index until the relevant Data Disruption is over or until it acquires the required data from an alternative source.

(e) **Construction**

The provisions of each Index Description (including any non-contractual obligations arising in connection therewith) shall be governed by and construed in accordance with English law.

## 4. Disruption Events

Each Index Description specifies various Disruption Events that, depending on the terms of any specific Investment Product issued with respect to the Index, may permit the Index Sponsor to terminate such Investment Product. Such provisions may be set out in the Asset Terms Module or the Index Terms Module of the relevant Index and are supplemental to the provisions set out in Section 5 (*Index maintenance*), below. The provisions set out in Section 5 (*Index maintenance*) below may also be amended, modified or supplemented for any Index by the provisions of the applicable Asset Terms Module or Index Terms Module.

## 5. Index maintenance

(a) **Amendments and modifications to the Index Rules**

The Index Sponsor may make such amendments or modifications to the Index Rules of any Index in order:

- (i) to preserve the intended commercial purpose of any Index, or to ensure the continuation of an Index following the Index Calculation Agent ceasing, or advising that it will cease, for any reason, to calculate the relevant Index, where such amendment or modification is of a formal, minor or technical nature; or
- (ii) to correct any manifest or proven error, or to cure, correct or supplement any ambiguity or defective provision contained in the relevant Index Description.

Following the amendment or modification of the Index Rules, the Index Sponsor will prepare a revised version of the Index Description for the related Index and such revised version will be made available by the Index Sponsor upon request.

(b) **Suspension and termination of an Index**

The publication and maintenance of each Index is discretionary. The Index Sponsor may suspend or terminate the publication of an Index at any time including, without limitation, in accordance with the terms of the relevant Asset Terms Module or Index Terms Module. In the event that an Index is suspended or terminated, the Index Sponsor accepts no responsibility for any losses incurred by any party whether incidental or consequential which arise out of any reliance on the continued existence and publication of that Index.

(c) **Regulatory Disruption Event**

If the Index Sponsor determines that a Regulatory Disruption Event has occurred, and that the circumstance described in clause (i), (ii) or (iii) of the definition thereof is material, the Index Sponsor may terminate the publication of the Index.

In determining what is "material", the Index Sponsor may have regard to such circumstances as it deems appropriate including, but not limited to, how the relevant circumstance described in (i), (ii) or (iii) of the definition of Regulatory Disruption Event which has occurred would impair or have an impact on the ability of HSBC and/or any of HSBC Group entities to enter into hedging transactions in relation to any Investment Product, if any such entity were to do so.

## 6. Amendments to the US Base Terms Module

In addition to the provisions of Section 5 (*Index maintenance*) above and any additional provisions set out in the Index Terms Module for a particular Index, the Index Sponsor anticipates that this US Base Terms Module may be amended or modified from time to time to, among other things:

- (a) reflect formal, minor or technical amendments or modifications made in respect of the Indices;
- (b) clarify the role of the Index Committee to ensure that the Index Rules comply with policies and procedures of the Index Sponsor and appropriately manage conflicts of interests within the HSBC Group; and
- (c) clarify the mode of publication and communication of the Index Rules and any amendment of and communication in relation to the Index Rules.

Following any amendment or modification of the US Base Terms Module, the Index Sponsor will prepare a revised version of the US Base Terms Module and such revised version will be made available by the Index Sponsor upon request.

Any permissible amendments or modifications set forth herein to the US Base Terms Module that have been approved by the Index Sponsor shall be deemed to be incorporated into the Index Rules for each of the Indices and Investment Products which reference one or more Index shall continue to reference such Index subject to such amendments or modifications to the US Base Terms Module.

## 7. Further information about the Indices

Further information about the Indices can be obtained from HSBC upon request. HSBC will make available upon request the following information for each Index:

- (a) the Index Rules;
- (b) amendments or modifications to the Index Rules;
- (c) the level of each Index;
- (d) announcements related to an Index; and



- (e) the relevant Index Constituents, solely to the extent that it is reasonably practicable for HSBC to make such information available;
- (f) relevant additional information about an Index, solely to the extent that it is reasonably practicable for HSBC to make such information available.

Such information can be obtained from HSBC Bank plc at 8 Canada Square, London E14 5HQ, United Kingdom through one of the following contacts:

Equity Indices

Email: [equity.indices@hsbcib.com](mailto:equity.indices@hsbcib.com)

Structured Interest Rate Indices

Email: [rates.structuring@hsbc.com](mailto:rates.structuring@hsbc.com)

FX Indices

Email: [fx.indices@hsbcib.com](mailto:fx.indices@hsbcib.com)

## Appendix 1: Definitions

Except where the context otherwise requires, the following terms used in this US Base Terms Module and in each other Module have the following meanings:

**"Asset Terms Module"** has the meaning set out in Section 1(b)(ii) (*Structure of the Index Description*) of this US Base Terms Module.

**"Data Disruption"** means any disruption relating to the manner that the Index Calculation Agent receives or otherwise acquires information which is necessary to make any determination or calculation relevant to an Index, including, without limitation, a failure of electronic data delivery by data providers which normally send such data to the Index Calculation Agent, unavailability of electronic or internet access to data obtained from an online source, or a disruption of any of the Index Calculation Agent's data systems rendering data inaccessible to processes which are required to calculate the level of any Index or otherwise make any relevant determinations.

**"Default Index Calculation Agent"** means, as of 1 October 2013, Euromoney Trading Limited. Prior to this date, the role of the Default Index Calculation Agent was performed by a division of HSBC.

**"HSBC"** means HSBC Bank plc.

**"HSBC Group"** means HSBC Holdings plc and any entity (i) in which HSBC Holdings plc, or one of HSBC Holdings plc's direct or indirect subsidiaries, owns directly or indirectly at least 50% or more of the shares; or (ii) over which HSBC Holdings plc, or one of HSBC Holdings plc's direct or indirect subsidiaries, exercises management control even though it owns less than 50% of the shares; or (iii) in respect of which HSBC Holdings plc, or one of HSBC Holdings plc's direct or indirect subsidiaries has entered into a strategic alliance.

**"HSBC Global Markets"** means the HSBC Global Markets businesses of HSBC.

**"HSBC Global Research"** means the Global Research division of the HSBC Global Banking and Markets businesses of HSBC.

**"Index"** means any index to which this US Base Terms Module relates.

**"Index Calculation Agent"** means, in respect of an Index, the Index Calculation Agent specified in the relevant Index Terms Module or, if no such Index Calculation Agent is so specified, the Default Index Calculation Agent.

**"Index Committee"** means the HSBC Global Markets Indices and Strategies Governance Committee, a committee established by HSBC Global Markets.

**"Index Constituent"** means any constituent of an Index specified or described in the relevant Asset Terms Module or Index Terms Module for such Index, which may include, without limitation, any relevant share, security, index, rate, commodity, currency or any other asset, price, value, reference or indicator that may be used to determine the level of the relevant Index.

**"Index Description"** means, in respect of an Index, the US Base Terms Module, the Asset Terms Module and the Index Terms Module relevant to such Index.

**"Index Rules"** means, in respect of an Index, the rules defining calculation maintenance, governance and publication of such Index, as set out in the relevant Index Description.

**"Index Sponsor"** means HSBC Global Markets.

**"Index Terms Module"** has the meaning set out in Section 1(b)(iii) (*Structure of the Index Description*) of this US Base Terms Module.

**"Investment Products"** means financial products, including derivatives, notes, other instruments or funds, the return on which is linked in whole or in part to the performance of an Index.

**"Module"** means each of the US Base Terms Module, any Asset Terms Module and any Index Terms Module.

**"Regulatory Disruption Event"** means, if either HSBC and/or any HSBC Group entity in respect of an Index Constituent (whether or not as a holder of such Index Constituent) or an Index, either:

- (i) is or becomes or would become, as the case may be, subject to any legal and/or regulatory reporting and/or disclosure requirements and/or any legal and/or regulatory restrictions; or
- (ii) is or becomes or would become, as the case may be, subject to the imposition of any taxes, duty, withholding, deduction or other charge; or
- (iii) is or becomes or would become, as the case may be, at any time and in the absence of any available exemptions, restricted from dealing in such Index Constituent pursuant to regulatory or legal obligations or internal policies which policies are designed to comply with regulatory or legal obligations applicable to HSBC and/or any of HSBC Group entities.

**"US Base Terms Module"** means this document, setting out the rules and other details which apply to all Indices.

## Appendix 2: Risk factors

Prior to making an investment decision in respect of any Investment Product, prospective investors should carefully consider all of the information set out in this US Base Terms Module, including these risk factors. This Appendix 2 is intended to describe various risk factors associated with an Investment Product which the Index Sponsor believes represent the principal risks relating to an Index. There may be other risks that a prospective investor should consider that are relevant to its particular circumstances, the terms of the Investment Product itself or generally whether arising from market factors or otherwise. Additional risk factors relating to an Index may be set out in the relevant Asset Terms Module(s) or Index Terms Module for that Index and should be carefully considered in conjunction with the risk factors set out below.

### **(a) General**

When considering any Investment Product, prospective investors should be aware that the level of an Index (as determined pursuant to the provisions of the relevant Asset Terms Module(s) and Index Terms Module) can go down as well as up and that the performance of an Index in any future period may not track its past performance. Investment Products may include financial products which take a short position in the relevant Index, in which case the return and/or value of such Investment Products may be adversely affected by increases in the level of the relevant Index. In making any determination in respect of an Index, neither the Index Sponsor nor the Index Calculation Agent are required to take into account the long or short exposure that investors in Investment Products may have to such Index.

Without limiting any of the foregoing and without prejudice to their respective obligations under applicable law and/or under the regulatory system to which they are subject, in no event shall the Index Committee, Index Sponsor or Index Calculation Agent be liable (whether directly or indirectly, in contract, in tort, or otherwise) to any person for any direct, indirect, special, punitive, consequential or any other losses or damages incurred by such person that arise out of or in connection with an Index, including in relation to the performance by the Index Sponsor or the Index Calculation Agent of any part of their respective roles as Index Sponsor or the Index Calculation Agent under the Index Rules even if notified of the possibility of such damages. Notwithstanding the foregoing, nothing shall relieve the Index Sponsor or the Index Calculation Agent from any liability arising by reason of acts or omissions constituting fraudulent misrepresentation.

### **(b) Research**

Research teams within HSBC may issue research reports on any Index Constituent. These reports are entirely independent of the Index Sponsor's obligations hereunder and are issued without regard to the potential impact on the level of an Index or on any Investment Product.

### **(c) Discretions**

The terms of each Index as set out in the relevant Index Description confer on each of the Index Sponsor and the Index Calculation Agent a degree of discretion in making determinations and, in the case of the Index Sponsor, in changing the methodology of calculations. Whilst the Index Sponsor and the Index Calculation Agent are required to act in good faith and a commercially reasonable manner by reference to such factors as they deem appropriate in exercising their respective discretions with the aim of preserving the intended commercial purpose of the index,

there can be no assurance that the exercise (or the absence of exercise, as the case may be) of any such discretion will not have an impact on the level of any Index. Neither the Index Sponsor nor the Index Calculation Agent is required to consider the interest of any investor in Investment Products in exercising its discretion.

The discretions conferred on the Index Sponsor include permitting it to make amendments to and/or to modify the methodology for calculating the level of each Index, as described in Section 5 (*Index maintenance*) of this US Base Terms Module and in the relevant Asset Terms Module(s) and Index Terms Module for an Index.

As a consequence, save as expressly provided in the relevant Index Description, there can be no assurance as to what the Index Constituents will be or the composition of an Index in respect of any future period or their suitability for the investment requirements of any prospective investor in an Investment Product. Changes to the Index Constituents may operate to reduce or increase the level of an Index in respect of any period, which may have an adverse effect on the value or return on an Investment Product.

**(d) Reliance on information and data sources**

Although the Index Calculation Agent will obtain information and data for inclusion in or for use in the calculation of each Index from sources which the Index Calculation Agent considers reliable, the Index Calculation Agent will not independently verify such information and data and does not guarantee the accuracy or the completeness of an Index or any data included therein.

While any inaccuracy in such sources may have an adverse effect on the level of any Index, neither the Index Sponsor nor the Index Calculation Agent accepts any liability for loss or damage of any kind arising from the use of such information in any such calculation or determination.

**(e) Adjustments and cancellation of an Index**

Prospective investors should note carefully the provisions of Section 5 (*Index maintenance*) of this US Base Terms Module and the provisions of the relevant Asset Terms Module or Index Terms Module of an Index. Pursuant to these provisions, amongst others, an Index Constituent may be affected or replaced and/or other determinations and/or adjustments may be made as the Index Sponsor considers appropriate and the method of determining the level of an Index may be amended or modified as a result. Adjustments to the provisions of an Index may operate to reduce or increase the level of an Index in respect of any period, which may have an adverse effect on the value or return on an Investment Product.

If either HSBC and/or any of HSBC Group entities becomes subject to legal or regulatory restrictions, the imposition of tax or any restrictions on dealing in respect of any Index Constituent then the Index Sponsor may determine that that affected Index is cancelled.

In addition, pursuant to Section 5 (*Index maintenance*) of this US Base Terms Module or any relevant provisions of the relevant Asset Terms Module(s) or Index Terms Module, the Index Sponsor or the Index Calculation Agent may determine that a disruption event has occurred and, in such circumstances, the Index Sponsor or the Index Calculation Agent may determine that the level of an Index shall not be determined and published on such day, or that an Index shall be cancelled altogether.

**(f) Change in methodology of an Index**

The Index Sponsor may make amendments or modifications to the terms of an Index and/or the method of calculating the level of an Index in any manner that it may deem necessary or desirable to correct any manifest error or proven error or to cure, correct or supplement any ambiguity or defective provision contained in the relevant Index Description. The Index Sponsor may also from time to time amend or modify the US Base Terms Module to reflect amendments and modifications to the methodology by which determinations may be made in respect of all of the Indices. In particular, the role of the Index Committee shall be reviewed periodically to ensure that the Index Rules comply with policies and procedures of the Index Sponsor and appropriately manage conflicts of interests within the HSBC Group.

The Index Sponsor will, acting in good faith and a commercially reasonable manner, ensure that such amendments and modifications will result in a methodology that, in the Index Sponsor's sole determination, is consistent in its intended commercial purpose with the methodology described in the relevant Index Description. However, no assurance is given that such amendments and modifications will not have an effect on the level of the relevant Index.

**(g) Conflicts of interest**

Conflicts of interest may exist or arise between the Index Sponsor and HSBC Group entities acting in other capacities, including as issuer, obligor, dealer, sponsor or calculation agent of Investment Products linked to an Index and/or one or more of any of the Index Constituents, or performing research roles including roles similar to that described in any Index Description. Each relevant HSBC Group entity will pursue actions and take steps that it deems appropriate to protect its interests without regard to the consequences for investors in any Investment Products or otherwise. HSBC Group entities may be in possession at any time of information in relation to one or more Index Constituents which may not be available to investors in any Investment Products. There is no obligation on any HSBC Group entity to disclose to any investor in any Investment Products any such information except as provided by law or regulation.

HSBC Group entities shall be entitled to receive fees or other payments pursuant to Investment Products or otherwise and to exercise all rights, including rights of termination or resignation, which they may have, even though so doing may have a detrimental effect on investors in any Investment Products.

Any research carried out by the Index Sponsor or the Index Calculation Agent for the purposes of developing an Index and calculating its levels may or may not be considered by HSBC when HSBC is deciding to buy or sell proprietary positions. These, or other transactions in which HSBC engages for its account, may be conducted in a manner inconsistent with the research and the administration of an Index and/or any Index Constituent.

The Index Sponsor and/or any member of the HSBC Group may, as an issuer of, or counterparty to, Investment Products or otherwise, engage in hedging activities that may impact, directly or indirectly, the level of an Index Constituent (and consequently the terms of an Index) on any day meaning such level may be different from the level which it would otherwise have been. While the Index Sponsor believes that such activity will not have a material impact on the level of an Index Constituent or an Index on any day, no assurance can be given that market, financial or other

circumstances will not arise which result in the level of an Index Constituent or an Index being negatively impacted.

**(h) Investment Products linked to an Index**

The Index Sponsor is not obliged to enter into or promote Investment Products that are linked to an Index or any Index Constituent and the Index Sponsor makes no express or implied representations or warranties as to: (i) the advisability of purchasing or assuming any risk in connection with any such transaction; (ii) the levels at which any Index stands at any particular time on any particular date; (iii) the results to be obtained by the issuer of any security or any counterparty or any such issuer's security holders or customers or any such counterparty's counterparties or customers or any other person or entity from the use of an Index or any data used or published in connection with that Index.

**(i) Fiduciary duties**

Subject always to the regulatory obligations of any member of the HSBC Group in performing each or any of the roles of issuer, obligor, dealer, sponsor or calculation agent of Investment Products linked to an Index and/or one or more of any of the Index Constituents or performing research roles including roles similar to that described in any Index Description, members of the HSBC Group do not act on behalf of, or accept any duty of care or any fiduciary duty to any investors in any Investment Product or any other person.

**(j) Currency risks**

Each Index is calculated in the currency specified in the relevant Index Terms Module for an Index by converting where necessary the prices of the relevant Index Constituents into that currency.

Where the currency of an Index Constituent is not the same as the currency specified in the relevant Index Terms Module, the rate of exchange at which the price of an Index Constituent is converted into the relevant currency will likely change from time to time. This may affect the level of the relevant Index. Accordingly, any investment linked to an Index may involve exchange rate risks.

**(k) Past performance**

No historic performance data may be available for certain newly-created indices. Back-tested data may be available but does not represent actual performance nor is it an indication of future performance.

The methodology of each Index and the strategy for each Index were developed with the advantage of hindsight. In reality, it is not possible to invest with the advantage of hindsight and therefore any comparison is purely theoretical. Past performance is not indicative of future returns.

## Appendix 3: Disclaimer

This document is issued by HSBC Bank plc. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority and is a member of the HSBC Group.

The Index is sponsored, developed and promoted by HSBC Bank plc (the "Index Sponsor") and it is calculated by the Index Calculation Agent. The Index Sponsor has no responsibility for the calculation of the Index and does not guarantee or represent or warrant the accuracy or completeness of the Index or the data comprised therein.

Except in the case of fraudulent misrepresentation and without prejudice to its obligations under applicable law and/or the regulatory system to which it is subject, no liability (whether directly or indirectly, in contract, in tort, or otherwise) is accepted by: (a) the Index Sponsor, (b) any other member, division, affiliate or agent of the HSBC Group, (c) the Index Calculation Agent, or (d) any division, affiliate or agent of the Index Calculation Agent, whatsoever for any direct, indirect, special, punitive, consequential or any other losses or damages incurred by such person that arise out of or in connection with any Index, including in relation to the performance by the Index Sponsor or the Index Calculation Agent in their respective roles under the Index Rules for any such Index.

Neither the Index Sponsor nor the Index Calculation Agent makes any representation, warranty or guarantee whatsoever as to the performance of any Index. Any investment products referencing an Index ("Investment Products") can fluctuate in price or value and prices, values or income may fall against an investor's interests. Changes in rates of exchange and rates of interest may have an adverse effect on the level of an Index and the value, price or income of any Investment Product.

You are solely responsible for making your own independent appraisal of, and investigation into, any Index referred to in this document and its components and you should not rely on any information in this document as constituting investment advice. None of the Index Sponsor, the Index Calculation Agent or any of their respective affiliates is responsible for providing you with legal, tax or other specialist advice and you should make your own arrangements in respect of this accordingly. Neither the Index Sponsor nor the Index Calculation Agent can be held responsible for any errors, intentional or unintentional on the part of external data providers, nor for any delays in publishing any Index.

This document is intended solely for professional clients and eligible counterparties (as defined in the rules of the FCA) and is not intended for the use of retail clients (as defined in the rules of the FCA). No opinions are expressed as to the merits or suitability of any Index or any Investment Products. Investments in Investment Products may not be suitable for all requirements and if you have any doubts, seek advice from your investment adviser.

The Index Calculation Agent, the Index Sponsor and any of their respective affiliates, together with their respective directors, officers and employees may have traded for their own account as principal, or together with its officers, directors and employees may have a long or short position in any related instrument mentioned in this material.

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