

BASE PROSPECTUS

STANDARD CHARTERED BANK

(incorporated with limited liability in England by Royal Charter 1853 with reference number ZC18)

STANDARD CHARTERED BANK (HONG KONG) LIMITED

(incorporated with limited liability in Hong Kong: number 875305)

Warrants Base Prospectus

Pursuant to the U.S.\$10,000,000,000 Structured Product Programme

This Base Prospectus comprises two base prospectuses in respect of Warrants (as defined below) issued under the Programme (as defined below) which constitutes one base prospectus for each of the two Issuers (as defined below) for the purposes of Article 5.4 of the Prospectus Directive (as defined below). Any Warrants issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions herein. This does not affect any Warrants issued prior to the date of this Base Prospectus.

Under the Structured Product Programme (the "**Programme**") as described in this Base Prospectus, each of Standard Chartered Bank ("**SCB**") and Standard Chartered Bank (Hong Kong) Limited ("**SCBHK**" and, together with SCB, the "**Issuers**" and each an "**Issuer**") may from time to time issue notes (the "**Notes**"), warrants (the "**Warrants**") and certificates (the "**Certificates**" and, together with Notes and Warrants, the "**Securities**"). Warrants may be issued in any currency determined by the relevant Issuer, on the terms set out herein and in the relevant Final Terms (as defined below).

Notice of the terms and conditions applicable to any Notes or Certificates that may be issued by the Issuers under the Programme will be set out in one or more separate prospectuses and/or final terms documents which do not form part of this Base Prospectus. Accordingly, this Base Prospectus does not comprise a base prospectus in respect of Notes or Certificates issued under the Programme for the purpose of the Prospectus Directive.

Each series of Warrants will be represented at all times by a global security and will be transferable only in accordance with the rules and procedures for the time being of the Clearing System(s). 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 relevant Issuer may appoint a manager or managers (each a "**Manager**") for any particular issue of Warrants issued by it.

This Base Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules (the "**Rules**") of the Dubai Financial Services Authority. This Base Prospectus is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. Warrants to which this Base Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of Warrants offered should conduct their own due diligence on such Warrants. If you do not understand the contents of this document you should consult an authorised financial adviser.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July, 2005 (the "**Prospectus Act**") on prospectuses for securities, for the approval of this document as a base prospectus in relation to the Warrants for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in a relevant Member State of the European Economic Area). The CSSF's approval does not confirm, and the CSSF assumes no responsibility as to, the economic and financial soundness of the transaction and the quality or solvency of the Issuers in accordance with Article 7(7) of the Prospectus Act. Application

has also been made to the Luxembourg Stock Exchange for Warrants issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

Notice of the number and type of Warrants, the Issue Date, the Expiration Date, the Settlement Date and the Settlement Amount and any other terms and conditions not contained herein, including any documents incorporated by reference herein, which are applicable to each Tranche (as defined under "*General Terms and Conditions of the Warrants*") of Warrants will be set out in a final terms document (the "**Final Terms**") which, with respect to the Warrants to be listed on the Official List, will be filed with the CSSF on or before the date of issue of Warrants of such Tranche.

The Issuers may issue Warrants under the Programme in a form not contemplated by the General Terms and Conditions of the Warrants herein, in which event (in the case of Warrants intended to be listed on the Official List) a product prospectus (a "**Product Prospectus**"), if appropriate, will be made available which will set out the relevant terms applicable to such Warrants.

The Programme provides that Warrants may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) as the relevant Issuer may agree with the Manager. Either Issuer may also issue unlisted Warrants and/or Warrants not admitted to trading on any market. The Final Terms in respect of an issue of Warrants will specify whether or not an application will be made for such Warrants to be listed on and admitted to trading on a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Issuers shall not be liable for, or otherwise be obliged to pay, any tax, duty, charge, withholding or other payment which may arise as a result of or in connection with the ownership, transfer, exercise, or enforcement of any Warrant by any person and all payments made by the relevant Issuer in respect of any Warrants shall be made subject to any such tax, duty, charge, withholding or other payment which may be required to be made, paid, withheld or deducted. The Issuers shall not be obliged to gross up or otherwise increase any such payment on the Warrants.

Prospective purchasers of Warrants should ensure that they understand the nature of the relevant Warrants and the extent of their exposure to risks and that they consider the suitability of the relevant Warrants as an investment in the light of their own circumstances and financial condition. Certain issues of Warrants 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 professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Warrants and are not relying on the advice of the relevant Issuer, any specified branch or any Manager in that regard. See "*Risk Factors*" commencing on page 13.

Restrictions have been imposed on offers and sales of the Warrants and on the distribution of documents relating thereto in the United States of America and the European Economic Area (including the United Kingdom). The distribution of this document and offers and sales of the Warrants in certain other jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the relevant Issuer to inform themselves about, and to observe, any such restrictions. See "*Subscription and Sale and Transfer and Selling Restrictions*" commencing on page 70.

The rating of certain Warrants to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Warrants will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") will be disclosed in the Final Terms. Please also refer to "*Credit Ratings may not reflect all risks*" in the Risk Factors section of this Base Prospectus.

27 June, 2012

Subject as set out below, each of SCB and SCBHK accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of SCB and SCBHK (who have 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.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

To the fullest extent permitted by law, no Manager accepts any responsibility for the contents of this Base Prospectus or for any statement made or purported to be made by any Manager or on its behalf in connection with the Issuers, or the issue or the offering of the Warrants. The Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Warrants in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Warrants. Accordingly any person making or intending to make an offer in that Relevant Member State of Warrants which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Warrants may only do so (i) in circumstances in which no obligation arises for the relevant Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuers nor any Manager have authorised, nor do they authorise, the making of any offer of Warrants in circumstances in which an obligation arises for the Issuers or any Manager to publish or supplement a prospectus for such offer.

No person is or has been authorised by the Issuers to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Warrants and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers or any Manager.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Warrants (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 an Issuer or any Manager that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Warrants should purchase any Warrants. Each investor contemplating purchasing any Warrants should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Warrants constitutes an offer or invitation by or on behalf of the relevant Issuer or any Manager to any person to subscribe for or to purchase any Warrants.

Save as further disclosed below, neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Warrants shall in any circumstances imply that the information contained herein concerning the Issuers 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. No Manager has, or will, undertake to review the financial condition or affairs of the relevant Issuer during the life of the Programme or to advise any investor in the Warrants of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Warrants. If at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Warrants and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer, and the rights attaching to the Warrants, the relevant Issuer shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Warrants.

The Warrants and, in the case of Warrants to be settled by physical delivery of securities, any such securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) nor any state securities law, nor may the Warrants be offered sold or delivered in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) unless, as specified in the Final Terms, the Warrants are registered under the Securities Act or an exemption from the registration requirements of the Securities Act and applicable state securities laws is available.

The Warrants and, in the case of Warrants to be settled by physical delivery of securities, any such securities have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States. The Warrants do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”) and trading in the Warrants has not been approved by the U.S. Commodity Futures Trading Commission under the Commodity Exchange Act. Furthermore, neither the sale of nor trading in Warrants which relate to currencies, commodity prices or indices has been approved by the United States Commodity Futures Trading Commission under the Commodity Exchange Act and no U.S. person may at any time purchase, trade or maintain a position in such Warrants unless otherwise specified in the applicable Final Terms. In order to receive payment of any amount or delivery of any underlying reference assets, Warrant holders may be required to certify (a) that Warrants are not being exercised by or on behalf of a U.S. person or a person within the United States or (b) in certain circumstances, if specified in the Final Terms, that the Warrants are being exercised by a QIB (as defined in “**U.S. Information**”).

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Warrants in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Warrants may be restricted by law in certain jurisdictions. None of SCB, SCBHK or any Manager represents that this Base Prospectus may be lawfully distributed, or that any Warrants 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 Issuers or any Manager which would permit a public offering of any Warrants or the distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Warrants may be offered or sold, directly or indirectly, and neither this Base Prospectus 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 Base Prospectus or any Warrants may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Warrants. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Warrants in the United States, Hong Kong, Japan, Singapore, Malaysia, Korea, the European Economic Area (including the United Kingdom), the United Arab Emirates, the Dubai International Finance Centre, Indonesia, Switzerland, South Africa, Jersey, Guernsey, Kingdom of Saudi Arabia, Kingdom of Bahrain and the Philippines (see “*Subscription and Sale and Transfer and Selling Restrictions*” below).

The Warrants of each issue may be sold by the relevant Issuer and/or any Manager at such times and at such prices as the relevant Issuer and/or the Manager(s) may select. There is no obligation on the relevant Issuer or any Manager to sell all of the Warrants of a Tranche. The Warrants 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 relevant Issuer. No representation or warranty or other assurance is given as to the number of Warrants of a Tranche issued or outstanding at any time.

All references in this document to “**U.S. dollars**” and “**U.S.\$**” refer to United States dollars, to “**HK\$**” refer to Hong Kong dollars and to “**S\$**” refer to Singapore dollars. References to “**euro**” 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.

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of qualified institutional buyers (“**QIBs**”) (as defined in Rule 144A under the Securities Act (“**Rule 144A**”)) for informational use solely in connection with the consideration of the purchase of Warrants being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Warrants may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Warrants is hereby notified that the offer and sale of any Warrants to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or pursuant to another exemption from the registration requirements of the Securities Act and one or more exemptions and/or exclusions from regulation under the Commodity Exchange Act.

In the event that the Final Terms specify that Warrants are eligible for sale in the United States to QIBs, the Warrants will be represented by one or more global securities (each a “**Unitary Global W&C Security**”) issued and deposited with a common depositary on behalf of Clearstream, Luxembourg or Euroclear. If the Final Terms do not so specify, the Warrants will be represented by one or more global securities (each a “**Regulation S Global W&C Security**”, together with the Unitary Global W&C Security, “**Global W&C Securities**”) issued and deposited with a common depositary on behalf of Clearstream, Luxembourg or Euroclear.

Each purchaser or holder of Warrants represented by the Global W&C Securities will be deemed, by its acceptance or purchase of any such Warrants, to have made certain representations and agreements intended to restrict the resale, other transfer or exercise of such Warrants as set out in “*Subscription and Sale and Transfer and Selling Restrictions*” and (if any) as set out in the applicable Final Terms.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Warrants that are “restricted securities” within the meaning of the Securities Act, SCB and SCBHK have each undertaken in a deed poll dated 2 September, 2009 (the “**W&C Deed Poll**”) to furnish, upon the request of a holder of such Warrants or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request any of the Warrants remain outstanding as “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act and the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED

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

KINGDOM OF SAUDI ARABIA NOTICE

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "Capital Market Authority"). The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of Warrants should conduct their own due diligence on the accuracy of the information relating to the Warrants. If a prospective purchaser does not understand the contents of this Base Prospectus he or she should consult an authorised financial adviser.

NOTICE TO BAHRAIN RESIDENTS

Any offer of Securities does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). The offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain ("CBB"). Accordingly, no Securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Securities, whether directly or indirectly, to persons in the Kingdom of Bahrain.

The CBB has not reviewed or approved the offering documents and it has not in any way considered the merits of the Securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document.

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SUMMARY OF THE PROGRAMME IN RELATION TO THE WARRANTS

This Summary must be read as an introduction to this Base Prospectus and any decision to invest in any Warrants should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in Conditions applicable to the Warrants, as applicable, shall have the same meanings in this Summary.

Description of the Issuers:

Standard Chartered Bank

SCB was incorporated in England with limited liability by Royal Charter in 1853. SCB's issued share capital comprises ordinary shares, all of which are owned by Standard Chartered Holdings Limited, a company incorporated in England and Wales and a wholly-owned subsidiary of Standard Chartered PLC ("**SCPLC**"), non-cumulative irredeemable preference shares of US\$0.01 each, all of which are owned by Standard Chartered Capital Investments LLC, a company incorporated in the United States, and non-cumulative redeemable preference shares of U.S.\$5.00 each, all of which are owned by SCPLC.

SCPLC together with its subsidiaries and subsidiary undertakings comprise an international banking and financial services group particularly focused on the markets of Asia, Africa and the Middle East.

Standard Chartered Bank (Hong Kong) Limited

SCBHK was incorporated in Hong Kong with limited liability on 12 December, 2003 under the Companies Ordinance (Cap. 32) of Hong Kong as a non-private company (registered number 875305). With effect from 1 July, 2004, the businesses of the Hong Kong branch of Standard Chartered Bank, Manhattan Card Company Limited, Standard Chartered Finance Limited, Standard Chartered International Trade Products Limited and Chartered Capital Corporation Limited were merged into SCBHK, principally by a private ordinance in Hong Kong.

SCBHK is a licensed bank in Hong Kong and operates two business divisions: Consumer Banking and Wholesale Banking.

Description of the Programme:

Structured Product Programme for the issue of Notes, Warrants and Certificates.

Programme Size in relation to the Notes:

Up to U.S. \$10,000,000,000 aggregate nominal amount of Notes outstanding at any time. The Issuers may increase the amount of the Programme.

Managers

As specified in the applicable Final Terms.

Calculation Agent: As specified in the applicable Final Terms.

Distribution: Warrants may be distributed on a syndicated or non-syndicated basis.

Description of the Warrants

The amounts payable in respect of Warrants may be linked to the performance or evolution of one or more indices, equity securities, funds, commodities (or related forward or futures contracts), currencies, formulae and/or other factors relating to assets or property (“**Reference Items**”).

Information Relating to Warrants

Warrants entitle the holder to payment of a Settlement Amount either following the Exercise Date (in the case of a European Style Warrant) or the relevant Actual Exercise Date or the Expiration Date (in the case of American Style Warrants or Bermudan Style Warrants). The Settlement Amount will be linked to the level or price of one or more Reference Items. They may only be terminated before the Exercise Date (in the case of a European Style Warrant) or the Expiration Date (in the case of American Style Warrants or Bermudan Style Warrants) following certain events in relation to the relevant Reference Items or hedging arrangements or the occurrence of a force majeure event.

Settlement: Settlement may be by way of cash payment or physical delivery as specified in the Final Terms. The terms of any physical delivery and settlement procedure and any settlement disruption events in relation to physical delivery Warrants will be set out in the applicable Final Terms.

Exercise: American Style Warrants may be exercisable on any day that is an Exercise Business Day during the Exercise Period. Bermudan Style Warrants may be exercisable on any Potential Exercise Date. European Style Warrants will be automatically exercisable at expiry. If specified in the applicable Final Terms, American Style Warrants and Bermudan Style Warrants will be automatically exercisable at expiry.

Form of Warrants: Each Series will be in book-entry form and represented by either a Regulation S Global W&C Security or a Unitary Global W&C Security, which, in either case, will be in registered form, will be held by a common depository for Euroclear and Clearstream, Luxembourg and will be registered in its name. Payments in respect of the Warrants represented thereby will be made by or on behalf of the Issuer to the common depository as registered holder. Any such payments will discharge the Issuer's obligations in respect thereof. No definitive securities will be issued.

Transfer and Exercise: Transfer may only be effected through an account at Euroclear, Clearstream, Luxembourg and/or any other clearing system, as specified in the Final Terms. Warrants represented by a Regulation S Global W&C Security (or interests therein) may not be transferred or exchanged for Warrants represented by a Unitary Global W&C Security (or interests therein), or vice versa. In order to receive payment of any amount or delivery of any underlying reference assets, Warrantholders may be required to certify that (a) Warrants are not being exercised by or on behalf of a U.S. person or a person within the United States or (b) in certain circumstances, that the Warrants are being exercised by a QIB.

Principal Warrant Agent: Deutsche Bank AG, London Branch.
Issue Price: As specified in the applicable Final Terms.

General

Use of Proceeds: The net proceeds from each issue of Warrants will be applied by the relevant Issuer for general funding purposes.

Taxation: The Issuers shall not be liable for or otherwise be obliged to pay, any tax, duty, charge, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant. All payments made by the relevant Issuer in respect of any Warrants shall be made subject to any such tax, duty, charge, withholding or other payment which is required to be made, paid, withheld or deducted. The Issuers shall not be obliged to gross up or otherwise increase any such payments on the Warrants.

Status: The Warrants will constitute direct and unsecured obligations of the relevant Issuer and will at all times rank *pari passu* and without any preference among themselves. The obligations of the relevant Issuer under the Warrants 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 relevant Issuer, present and future.

Listing and Admission to Trading: Warrants issued under the Programme may be admitted to trading on the Regulated Market and listed on the Official List of the Luxembourg Stock Exchange. The Warrants may also be unlisted, or listed on such other or further stock exchange(s) as may be specified by the relevant Issuer in relation to each Series.

Governing Law: The Warrants and any non-contractual obligations arising out or in connection with them will be governed by, and construed in accordance with, English law.

Selling Restrictions: See the section titled “*Subscription and Sale and Transfer and Selling Restrictions*”.

Risk Factors: Certain factors that may affect the relevant Issuer’s ability to fulfil its obligations under the Warrants and that are material for the purposes of assessing the risks associated with investing in the Warrants are specified in the section titled “Risk Factors” in the Warrants Base Prospectus.

Risks Relating to Standard Chartered’s Business

Expansion Risk. Standard Chartered PLC together with its subsidiaries and subsidiary undertakings (the “**Group**”) is expanding its operations, both geographically and in the scope of its operations, and this growth may represent a risk if not managed effectively.

Credit Risk. The Group is exposed to potential credit-related losses that can occur due to changes in credit quality and the recoverability of loans and amounts due from counterparties

and such risks may have a material adverse effect on the Group's financial condition and results of operations and prospects.

Liquidity Risk. It is an inherent risk associated with banking operations and in relation to the Group means that the Group may not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or may access them only at excessive cost.

Capital Management Risk. Any future change that limits the Group's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms could have a material adverse effect on the Group's regulatory capital position, its financial condition, results of operations and prospects.

Legal and Regulatory Risk. The Group's businesses may be affected by legal and regulatory risks, for example, loss caused by changes in applicable laws or a failure to manage regulatory risk properly which could result in administrative actions, penalties or other proceedings involving the Group which may have a material adverse effect on the Group's business and reputation and ultimately the value of Securities.

Operational Risks. The Group is susceptible to the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. Any of these risks could result in a material adverse impact on the Group's ability to conduct business, its financial condition, results of operations and prospects.

External Risks

Macroeconomic risks. The prevailing economic conditions in each of the markets in which the Group operates could result in an adverse impact on the Group's financial condition, results of operations and prospects.

Political and economic risk. The Group operates in Asia, Africa and the Middle East and some of these markets are typically more volatile and less developed economically and politically than markets in Western Europe and North America and risks to the Group's business stem from this.

Competition Risk. The Group is subject to significant competition from local banks and many other international banks operating in the emerging markets described above and such competition may increase in some or all of the Group's principal markets and may have a material adverse effect on its financial condition, results of operations and prospects.

Systemic Risk. The default of any institution in the banking industry could lead to liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Such systemic risk could have a material adverse effect on the Group's ability to raise new funding and on the Group's business, financial condition, results of operations and prospects.

Market Risk. The Group may suffer loss of earnings or economic value due to adverse changes in financial market rates or prices. The Group's exposure to market risk arises principally from customer driven transactions. Failure to manage these risks effectively or the occurrence of unexpected events resulting in significant market dislocation could have a material adverse effect on the Group's financial condition, results of operations and prospects.

Risks relating to the Warrants

The following risks relate specifically to Warrants: risk that there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Settlement Amount relating to such exercise is determined; risk that if a Maximum Exercise Number or a Minimum Exercise Number is specified in the applicable Final Terms, there may be limitations on the Warrantholder in relation to the exercise of the Warrants; risk that there is no active trading market in the Warrants; the Settlement Amount of a Series of Warrants will be determined by reference to the price, value or performance of a Reference Item or other factors; interest rate risk; foreign exchange risk; time value risk; political risks; investors in Warrants could lose some or all their investment; risk that the issuer or sponsor of a reference item could take actions that may adversely affect a Warrant (e.g. merger or sale); risk that the Warrants are linked to a volatile index; risk that an index to which a Warrant is linked could change or become unavailable; risks relating to hedging, for example, the complexities involved and that hedging activities of the relevant Issuer could adversely affect the value of a Warrant; risks that a Market Disruption Event and/or Disrupted Day could have an adverse effect on the value of the Warrants; holders of Warrants have no right to any of the Issuer's hedging profits; a holder of Warrants has no rights with respect to the Reference Item; information about indices may not be indicative of future performance of the indices; the risk of Force Majeure Events; Warrantholders must pay all taxes, duties and/or expenses in relation to the Warrants; there will be no gross up of payments by the Issuer; and risks relating to modifications and (if provided for in the applicable Final Terms) the adjustment of the terms of the Warrants.

RISK FACTORS

The risk factors set out below should be read in addition to the risk factors set out on pages 3 to 13 of the SCB Registration Document and pages 3 to 13 of the SCBHK Registration Document, which are incorporated by reference into this Warrants Base Prospectus, and which may affect the relevant Issuer's ability to fulfil its obligations under Warrants issued under the Programme.

In addition, factors which are material for the purpose of assessing the market risks associated with Warrants issued under the Programme are also described below.

Each Issuer believes that the factors described in the relevant Registration Document and below represent the principal risks inherent in investing in Warrants issued under the Programme, but the inability of each Issuer to pay or deliver any amounts on or in connection with any Warrants may occur for other reasons which may not be considered significant risks by the Issuers based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Terms and expressions defined in the General Terms and Conditions, shall, save where the context otherwise requires, have the same meaning when used in this section.

Risks relating to the Warrants

Time lag after exercise

In the case of any exercise of Warrants, there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Settlement Amount relating to such exercise is determined. Any delay between the time of exercise and the determination of the Settlement Amount will be specified in the applicable Final Terms or the applicable Product Prospectus. However, a delay in such determination could be significantly longer than anticipated, particularly in the case of either a delay in the exercise of Warrants arising from any daily maximum exercise limitation or the occurrence of a Disrupted Day or a Market Disruption Event (if applicable and as defined in the applicable Final Terms or the applicable Product Prospectus) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Linked Warrants. Any such delay could significantly affect and could decrease the Settlement Amount of the Warrants being exercised from what it might otherwise have been and may result in such Settlement Amount being zero. Warrantholders who have exercised their Warrants will not be compensated in respect of any such delay and it will not be possible to withdraw Exercise Notices in respect of such Warrants.

On exercise of Physical Delivery Warrants, there will be a time lag between the time the Warrants are automatically exercised or a Warrantholder gives instructions to exercise and the time the applicable Asset Amount is delivered. Any delay between the time of exercise and such delivery will be specified in the applicable Final Terms or the applicable Product Prospectus. However, a delay in delivery could be significantly longer, particularly in the case of either a delay in the exercise of Warrants arising from any daily maximum exercise limitation or upon due determination by the Calculation Agent that a Settlement Disruption Event (as defined in the applicable Final Terms or the applicable Product Prospectus) occurred at any relevant time. The value of the assets comprising the Asset Amount (as defined in the applicable Final Terms or the applicable Product Prospectus) could increase or decrease during this period and could result in the value of the Asset Amount being less than the Strike Price or possibly zero. Warrantholders who have exercised their Warrants will not be compensated in respect of any such delay and it will not be possible to withdraw Exercise Notices in respect of such Warrants.

Limitation on exercise

Maximum Exercise Number

If a Maximum Exercise Number is specified in the applicable Final Terms, the relevant Issuer will have the option to limit the number of Warrants exercisable on any date (other than on the final exercise date) to the maximum number specified in the applicable Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the relevant Issuer elects to limit the number of Warrants exercisable on such date, a Warrantholder may not be able to exercise on such date all Warrants that such Warrantholder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the relevant Issuer or in any other manner specified in the applicable Final Terms.

Minimum Exercise Number

If a Minimum Exercise Number is specified in the applicable Final Terms, a Warrantholder must exercise, or, in the case of automatic exercise, hold, the specified minimum number of Warrants at any one time in order to exercise and, if specified in the applicable Final Terms, if exercising or holding a number at any one time greater than the Minimum Exercise Number, such number must be an integral multiple of the number specified in the applicable Final Terms in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants or not having the requisite integral multiple will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Settlement Amount (in the case of Cash Settled Warrants) or the Asset Amount (in the case of Physical Delivery Warrants) of such Warrants.

There is no active trading market for the Warrants

Warrants issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Warrants which is already issued). If the Warrants are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer. Although application has been made for the Warrants issued under the Programme to be admitted to listing on the Official List and to trading on the Regulated Market, there is no assurance that such applications will be accepted, that any particular Series or Tranche of Warrants will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Series or Tranche of Warrants.

Settlement Amounts are determined in relation to Reference Items

The Settlement Amount of a Series of Warrants will be determined by reference to the price, value or performance of a currency, commodity (or related forward or futures contract), equity security, fund, index, basket of any of the aforementioned items, formula, or other factors relating to assets or property (in each case, a “**Reference Item**”) and/or the creditworthiness of, or the performance of obligations by, or some other factor relating to, another entity or entities not affiliated with the relevant Issuer, as may be specified in the applicable Product Prospectus (if any), any supplement to this Base Prospectus or the applicable Final Terms.

An investment in Warrants presents significant risks not associated with other types of securities

An investment in Warrants presents certain significant risks not associated with conventional debt securities, the principal risks of conventional debt securities being that the relevant issuer will be unable to meet its obligations under such securities when due, the lack of an established trading

market and exchange rate and exchange control risks. If an Issuer issues Warrants, certain risks associated with any such particular Warrant will be described more fully in the applicable Product Prospectus (if any) and the applicable Final Terms.

A Series of Warrants may involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Prospective purchasers of Warrants should recognise that their Warrants, other than any Warrants having a minimum expiration value, may expire worthless. Purchasers should be prepared to sustain a total loss of the purchase price of their Warrants, except, if so indicated in the applicable Final Terms, to the extent of any minimum expiration value attributable to such Warrants. This risk reflects the nature of a Warrant as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires (except to the extent of any minimum value). Prospective purchasers of Warrants should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Warrants and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Warrants in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Warrants and the particular Reference Item(s) to which the value of the relevant Warrants may relate, as specified in the applicable Final Terms.

The risk of the loss of some or all of the purchase price of a Warrant upon exercise or expiration means that, in order to recover and realise a return upon his or her investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Item(s) specified in the applicable Final Terms. Assuming all other factors are held constant, the more a Warrant is “out-of-the-money” and the shorter its remaining term to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment. With respect to European Style Warrants, the only means through which a Warrantholder can realise value from the Warrant prior to the Exercise Date in relation to such Warrant is to sell it at its then market price in an available secondary market. See “*Liquidity Risks*” below.

The treatment of Warrants for tax purposes may be unclear due to the absence of any authority specifically addressing the issues presented by any particular Warrant. Accordingly, a Warrantholder, or its tax adviser, should, in general, be capable of independently evaluating the tax consequences of purchasing a Warrant applicable in its particular circumstances.

Investors in Warrants could lose some or all of their investment

The Settlement Amount payable upon exercise of the Warrant and the cash value or physical settlement value of a physically settled Warrant will be determined by reference to one or more of the following:

- currencies, including baskets or indices of currencies;
- commodities, including baskets or indices of commodities (or related forward or futures contracts);
- securities, including baskets or indices of securities and funds; or
- any other index or financial measure, including the occurrence or non-occurrence of any event or circumstance.

The direction and magnitude of the change in the value of the relevant Reference Item(s) will determine the Settlement Amount payable upon exercise of the Warrant and the cash value or physical settlement value of a physically settled Warrant. Accordingly, a Warrantholder may lose all or a portion of the amount invested in such Warrant.

General risks and risks relating to Warrants

Warrants will represent an investment linked to the economic performance of the relevant Reference Item(s) and prospective investors should note that the return (if any) on their investment in such Warrants will depend upon the performance of such Reference Item(s). Potential investors should also note that while the market value of such Warrants is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Warrants represent the right to receive payment or delivery, as the case may be, of the Settlement Amount or the Asset Amount, as the case may be, as well as interim payments (if specified in the applicable Final Terms in respect of Warrants), all or some of which and the value of which will be determined by reference to the performance of the relevant Reference Item(s).

Fluctuations in the value and/or volatility of the relevant Reference Item(s) will affect the value of the relevant Warrants. Other factors which may influence the market value of Warrants include interest rates, potential dividend or distributions (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the relevant Reference Item(s) from time to time and market expectations regarding the future performance of the relevant Reference Item(s), its composition and such Warrants.

Each Issuer may issue several issues of Warrants relating to a particular Reference Item. However, no assurance can be given that either Issuer will issue any such Warrants other than the Warrants to which particular Final Terms relate. At any given time, the number of Warrants outstanding may be substantial. Warrants provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the relevant Reference Item(s).

Market price of Warrants may be influenced by many unpredictable factors

Either (1) the Settlement Amount (in the case of Cash Settled Warrants) or (2) the Asset Amount (in the case of Physical Delivery Warrants) at any time prior to expiration is typically expected to be less than the trading price of such Warrants at that time. The difference between the trading price and the Settlement Amount or the Asset Amount, as the case may be, will reflect, among other things, the "time value" of the Warrants. The "time value" of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the equity security (or basket of equity securities), index (or basket of indices), currency (or basket of currencies), commodity or related forward or futures contract (or basket of commodities or related forward or futures contracts) or formulae or other factors relating to assets or property as specified in the applicable Final Terms. Warrants offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Warrants varies with the price, level or value of the Reference Item(s) as specified in the applicable Final Terms, as well as due to a number of other interrelated factors, including those specified herein.

When selling Warrants prior to their expiration, Warrantholders should carefully consider, among other things, (i) the trading price of the Warrants, (ii) the value and volatility of the Reference Item(s) specified in the applicable Final Terms, (iii) the time remaining to expiration, (iv) in the case of Cash Settled Warrants, the probable range of Settlement Amounts, (v) any change(s) in interim interest rates and dividend yield, if applicable, (vi) any change(s) in currency exchange rates, (vii) economic, financial, political, regulatory or judicial events that affect markets generally and which may affect the market price of the Reference Item(s), (viii) the depth of the market or liquidity of the Reference Item(s) specified in the applicable Final Terms and (ix) any related transaction costs.

The issuer or sponsor of a Reference Item could take actions that may adversely affect a Warrant

The issuer or sponsor of a Reference Item or an asset comprising part of a Reference Item for a Warrant will, unless otherwise provided in the applicable Final Terms, have no involvement in the offer and sale of the Warrant and no obligation to any Warrantholder in relation to the relevant Warrant. Such issuer or sponsor may take actions, such as a merger or sale of assets, without regard to the interests of the holders of the relevant Warrants. Any of these actions could adversely affect the value of a Warrant linked to the relevant Reference Item.

The issuer or sponsor of a Reference Item is not involved in the offering of the Warrants in any way and has no obligation to consider the interest of a Warrantholder in a Warrant in taking any corporate or other action that might affect the value of the Warrants.

A Warrant may be linked to a volatile Index, which could adversely affect a Warrantholder's investment

Certain indices are highly volatile, which means that their value may change significantly, up or down, over a short period of time. The expected Settlement Amount payable upon exercise of a Warrant, and the cash value or physical settlement value of a physically settled Warrant based on a volatile index may vary substantially from time to time. Because the amount payable on a Warrant is generally calculated based on the value of the relevant index on a specified date or over a limited period of time, volatility in the index increases the risk that the return on the Warrants may be adversely affected by a fluctuation in the level of the relevant index.

The volatility of an index may be affected by political or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these could adversely affect the value of a Warrant.

An index to which a Warrant is linked could be changed or become unavailable

Certain indices reference several different currencies, commodities, securities or other financial instruments. The compiler or sponsor of such an Index typically reserves the right to alter the composition of the index and the manner in which the value of the index is calculated. Such an alteration may result in a decrease in the value of or return on a Warrant which is linked to such index.

An index may become unavailable due to such factors as war, natural disasters, cessation of publication of the index, or suspension of or disruption in trading in the currency or currencies, commodity or commodities, security or securities or other financial instrument or instruments comprising or underlying such index. If an index becomes unavailable, the determination of the amount payable on a Warrant may be delayed or an alternative method may be used to determine the value of the unavailable index or another index may be substituted for the relevant index. Alternative methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant index. However, it is unlikely that such alternative methods of valuation will produce values identical to those which would be produced were the relevant index to be used. An alternative method of valuation or a substitution may result in a decrease in the value of or return on a Warrant.

Certain Warrants are linked to indices that are not commonly utilised or have been recently developed. The lack of historic index levels may make it difficult to anticipate the volatility or other risks to which such a Warrant is subject. In addition, there may be less trading in such indices or instruments underlying such indices, which could increase the volatility of such indices and decrease the value of or return on Warrants relating to them.

A holder of Warrants has no rights with respect to the Reference Item

As an owner of one or more Warrants, a Warrantholder will not have voting rights or the right to receive dividends or other distributions or any other rights with respect to any Reference Item.

Certain considerations regarding hedging

Prospective purchasers intending to purchase Warrants to hedge against the market risk associated with investing in any Reference Item as specified in the applicable Final Terms, should recognise the complexities of utilising Warrants in this manner. For example, the value of the Warrants may not exactly correlate with the value of the relevant Reference Item. Due to fluctuating supply and demand for the Warrants, there is no assurance that their value will correlate with movements of the relevant Reference Item. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant Reference Item.

In the case of Warrants relating to a share (or basket of shares), the relevant Issuer and/or any of its affiliates or agents may from time to time hedge the relevant Issuer's obligations under such Warrants (and under other instruments and over-the-counter-derivative contracts issued by or entered into from time to time by the relevant Issuer and/or any of its affiliates or agents) by taking positions, directly or indirectly, in such share (or basket of shares). Although the relevant Issuer has no reason to believe that such hedging activities will have a material impact on the price of any share, there can be no assurance that such hedging activities will not adversely affect the value of the Warrants.

An Issuer may engage in hedging activities that could adversely affect the value of a Warrant

In the ordinary course of its business including, without limitation, in connection with its market-making activities, the relevant Issuer and/or any of its 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 Warrants, the relevant Issuer and/or any of its 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 relevant Issuer and/or any of its affiliates, the relevant Issuer and/or any of its affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the Warrants and which could be deemed to be adverse to the interests of the relevant Warrantholders.

Holders of Warrants have no right to any of the relevant Issuer's hedging profits

An Issuer may engage in activities to hedge its exposure under a Warrant. It may have profits or losses from these hedging activities. It is possible that it could achieve substantial profits from its hedging transactions while the value of the Warrant may decline. Holders of a Warrant will have no right to any such profit.

Information about Reference Item(s) may not be indicative of future performance

If an Issuer issues a Warrant, it may include details on the past and future performance and volatility of Reference Item(s) in the applicable Final Terms. Any information about such Reference Item(s) that may be provided will be furnished as a matter of information only, and Warrantholders should not regard the information as indicative of the range of, or trends in, fluctuations in the relevant Reference Item that may occur in the future. A Warrantholder cannot predict the future performance of a Reference Item or a Warrant based on its historical performance.

Market Disruption Event and Disrupted Day

If an issue of Warrants includes provisions dealing with the occurrence of a market disruption event or a failure of an exchange or related exchange to open on a Valuation Date or an Averaging Date (in each case, as defined in the applicable Product Prospectus or the applicable Final Terms) and the Calculation Agent determines a market disruption event or such failure has occurred or exists on a Valuation Date or an Averaging Date any consequential postponement of the Valuation Date or Averaging Date or any alternative provisions for valuation provided in any Warrants may have an adverse effect on the value of such Warrants and the Warrantholder may lose all or a portion of the amount invested in such Warrant.

Force Majeure

Force Majeure Events (as defined in the applicable Product Prospectus or the applicable Final Terms) include, inter alia, events, including legal and regulatory changes, which make it impracticable, illegal or impossible to convert, remit abroad or determine a rate in respect of the relevant local or settlement currency relating to the Warrants or for the Issuer to perform or to hedge effectively its obligations under the Warrants.

If the relevant Issuer determines that a Force Majeure Event has occurred, the relevant Issuer may suspend and/or terminate such Warrants and upon termination, if permitted by applicable law, pay the holder of each such Warrant an amount determined by the relevant Issuer to be its fair market value (which may be nil) and which in certain circumstances may be made in the Local Currency

notwithstanding such Force Majeure Event less the cost to the relevant Issuer of unwinding any underlying related hedging arrangements. It is possible that suspension could continue after the Expiration Date or Exercise Date (as applicable) until the relevant Issuer exercises its right to terminate such Warrants or until the date falling 10 days after such Force Majeure Event ceases to exist.

Modification, waivers and substitution

The General Terms and Conditions of the Warrants contain provisions for calling meetings of Warrantheolders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Warrantheolders, including Warrantheolders who did not attend and vote at the relevant meeting and Warrantheolders who voted in a manner contrary to the majority.

The General Terms and Conditions of the Warrants also provide that the relevant Issuer may modify any terms and conditions of the Warrant and the Warrants and Certificates Agency Agreement without the consent of the Warrantheolders provided that such modification (i) does not adversely affect the interest of Warrantheolders in any material respect or (ii) is of a formal, minor or technical nature or (iii) is to correct a manifest error or to cure, correct or supplement any defective provision.

Exercise Expenses

A holder of Warrants must pay all Exercise Expenses relating to the Warrants. As used in the General Terms and Conditions, "**Exercise Expenses**" means all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or taxes or duties arising in connection with the exercise of the Warrants.

Creditworthiness of the relevant Issuer

The Warrants constitute direct and unsecured obligations of the relevant Issuer. The obligations of the relevant Issuer under the Warrant 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 relevant Issuer, present and future.

The Warrantheolders will be exposed to the general credit risk of the relevant Issuer, including the risk that the relevant Issuer becomes insolvent or defaults on its obligations (including payment obligations) under the Warrants.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction (further defined in the Directive as a "Paying Agent") to an individual resident or to certain other persons established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to any law implementing or complying with, or introduced in order to conform to, the Directive, neither the relevant Issuer, nor any Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Warrants as a result of the imposition of such withholding tax. However, the relevant Issuer commits to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to any such law.

Potential purchasers of Warrants should note that the European Commission has announced proposals to amend the Directive which may, if implemented amend or broaden the scope of the requirements described above.

Change of law

The conditions of the Warrants are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Taxation and no gross up of payments by the Issuer

The Issuers shall not be liable for, or otherwise be obliged to pay, any tax, duty, charge, withholding or other payment which may arise as a result of or in connection with the ownership, transfer, exercise, or enforcement of any Warrant by any person and all payments made by the relevant Issuer in respect of any Warrants shall be made subject to any such tax, duty, charge, withholding or other payment which may be required to be made, paid, withheld or deducted.

The relevant Issuer is not obliged to gross up or otherwise increase any payment made in respect of any Warrants where such payment is subject to any tax, duty, charge, withholding or other payment. Therefore, should any such tax, duty, charge, withholding or other payment be or become applicable to any such payment by the relevant Issuer in respect of any Warrants, then the actual amount received by the Warrantholder may be less than it would have been in the absence of such tax, duty, charge, withholding or other payment and the Warrantholder may not be able to recover any amount or credit in respect of such tax, duty, charge, withholding or other payment.

Adjustment Provisions

The Final Terms or the Product Prospectus (if any) applicable to the Warrants may permit the adjustment of the terms of the Warrants upon the occurrence of certain adjustment or disruption events pursuant to the provisions of the applicable Final Terms or such Product Prospectus as they may be amended in the applicable Final Terms. Any such adjustment may result in a change in a method of calculation as set out in the applicable Product Prospectus and/or the applicable Final Terms and/or a change in or substitution of a Reference Item and/or any of the other terms and conditions of such Warrants. In addition, the occurrence of any such events may permit the relevant Issuer to cancel the Warrants. If the relevant Issuer cancels the Warrants, then such Issuer will (if so specified in the applicable Final Terms) pay an amount equal to the fair market value of such Warrants less (in relation to certain events) the costs to such Issuer and/or any of its affiliates of unwinding any underlying or related hedging arrangements. Such adjustment or cancellation may have an adverse effect on the value of such Warrants and may result in an increased risk of the Warrantholders losing all or part of their investment or a delay in the Warrantholders receiving payment under the Warrants.

Emerging Markets

Where the Warrants relate to Reference Items which involve emerging market countries, investors should note that the risk of the occurrence and the severity of the consequences of the matters described herein may be greater than they would otherwise be in relation to more developed countries.

Potential conflicts of interest

The Issuers and/or any of their affiliates may have conflicts of interest with respect to some Warrants. These entities may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management, in Warrants or a Reference Item or derivative instruments referencing or based on one or more Reference Items. These trading activities could adversely affect the value of Warrants. The Issuers and/or any of their affiliates may also issue securities or derivative instruments that are linked to the same Reference Item as one or more Warrants. By introducing competing products into the marketplace in this manner, such entity could adversely affect the value of a Warrant.

To the extent that an Issuer and/or any of its affiliates calculates or compiles a particular index or serves as Calculation Agent with respect to a Warrant, it may have considerable discretion in

performing the calculation or compilation. Exercising discretion in this manner could adversely affect the value of or the rate of return on the relevant Warrant.

The relevant Issuer, any specified branch of that Issuer and any Manager 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 Warrants and may or may not be publicly available to Warrantheolders. There is no obligation on the relevant Issuer, any specified branch or any Manager to disclose to Warrantheolders any such information.

The relevant Issuer and/or any of its affiliates may have existing or future business relationships with any Reference Item or, if applicable, any of their subsidiaries or affiliates or any other person or entity having obligations relating to any Reference Item (including, but not limited to, dealing, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deem(s) necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Warrantheolder regardless of whether any such action might have an adverse effect (including, without limitation, any action which might constitute or give rise to any breach, event of default, credit event or termination event) on any Reference Item or any investor in Warrants.

However, the relevant Issuer has, and will take reasonable steps to, put in place and maintain internal policies and procedures in accordance with the applicable rules and regulations to minimise and manage such conflicts of interest.

Liquidity Risks

The Warrants may not have an established trading market when issued. There can be no assurance of a secondary market for the Warrants or the continued liquidity of such market if one develops. The secondary market for the Warrants will be affected by a number of factors independent of the creditworthiness of the relevant Issuer and the value of any applicable Reference Item(s), which may include the complexity and volatility of such Reference Item(s), the time remaining to the expiration of such Warrants, the outstanding amount of such Warrants, any exercise features of such Warrants and the level, direction and volatility of market interest rates generally. Such factors will also affect the market value of the Warrants.

In addition, certain Warrants may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities. Warrantheolders may not be able to sell Warrants readily or at prices that will enable Warrantheolders to realise their anticipated yield. No investor should purchase Warrants unless such investor understands and is able to bear the risk that certain Warrants may not be readily saleable, that the value of Warrants will fluctuate over time and that such fluctuations may be significant.

Factors which are material for the purpose of assessing the market risks associated with Warrants issued under the Programme

Current Market

Investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Warrants. Such lack of liquidity may result in investors suffering losses on the Warrants in secondary resales even if there is no decline in the performance of the assets of the Issuers and the Group. The Issuers cannot predict when these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Warrants at that time.

The Warrants may not be a suitable investment for all investors

Each potential investor in the Warrants must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Warrants, the merits and risks of investing in the Warrants and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to the Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Warrants and the impact the Warrants will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Warrants, including where the Settlement Currency is different from the currency in which such investor's principal financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Warrants and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Warrants are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Warrants unless it has the expertise (either alone or with a financial adviser) to evaluate how the Warrants will perform under changing conditions, the resulting effects on the value of the Warrants and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Warrants are legal investments for it, (2) Warrants can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Warrants. In addition, certain jurisdictions may impose restrictions on investments in Warrants but there is no guarantee that any issue of Warrants will satisfy any relevant investment criteria or would be considered by the relevant regulator as qualifying for any particular investment purpose. Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Warrants under any applicable risk-based capital or similar rules.

Suitability of Investment

This Base Prospectus identifies in a general way some of the information that a prospective investor should consider prior to making an investment in any Warrants. However, this Base Prospectus does not purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in Warrants. 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 Warrants. Any evaluation of whether an investment in Warrants is suitable depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of any Warrants. This Base Prospectus is not, and does not purport to be, investment advice. A prospective investor should make an investment in any Warrants only after it has determined that such investment is suitable for its financial investment objectives. Determining whether an investment in the Warrants 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 any Warrants.

Exchange rate risks and exchange controls

In the case of Cash Settled Warrants, the relevant Issuer will pay the Settlement Amount in respect of the Warrants in the Settlement Currency specified in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settlement Currency would decrease (i) the Investor's Currency equivalent yield on the Warrants, (ii) the Investor's Currency equivalent value of the Cash Settlement Amount in respect of the Warrants and (iii) the Investor's Currency equivalent market value of the Warrants.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, the Settlement Amount that investors may receive may be less than expected or zero.

Effect of credit rating reduction

The value of the Warrants is expected to be affected, in part, by investors' general appraisal of the relevant Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the relevant Issuer's outstanding securities by standard statistical rating services, such as Moody's Investors Service Inc. and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings Ltd. A reduction in the rating, if any, accorded to outstanding securities of the Issuer, by one of these rating agencies could result in a reduction in the trading value of the Warrants.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Warrants. The credit rating agencies may have different rating methodologies, criteria, models and requirements from one another. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Warrants. A credit rating is not a recommendation to buy, sell or hold securities and may be reduced, withdrawn or qualified by its assigning rating agency at any time. Additionally, global financial sector regulation is undergoing significant change. In the U.S., the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Financial Reform Act**"), among other things, expands regulatory oversight of the credit rating agencies. It is not clear how this expanded regulatory oversight will impact the ratings on the Warrants or the ratings of the Issuer.

The European Parliament in tandem with the European Commission continue to review the regulation of and the role played by Credit Rating Agencies ("**CRAs**") in the European Union. Under Regulation (EC) No 1060/2009, CRAs are now required to comply with rigorous rules of conduct and an amendment to Regulation (EU) No 513/2011 established the European Securities and Markets Authority ("**ESMA**") as the supervisory with responsibility for CRAs. A number of open items remain, including the drive to enhance the regulatory framework, to take measures to reduce the risk of overreliance on ratings and to look at measures to stimulate competition in the sector. It is not clear how the outcome of this review will impact the ratings on any Warrants or the ratings of the relevant Issuer.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be,

has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

Risks related to Implementation of Regulatory Reform

Implementation of recently-enacted US federal financial reform legislation may affect the value of Reference Items (as defined below), which may ultimately affect the value, trading price and viability of Warrants. For example, the Financial Reform Act would, upon implementation, impose limits on the maximum position that could be held by a single trader in certain of the Reference Items and may subject certain transactions to new forms of regulation that could create barriers to some types of hedging activity by an Issuer or any of its affiliates. Other provisions of the Financial Reform Act could require certain Reference Items or hedging transactions to be cleared, traded on a regulated exchange and reported to regulators, central data repositories and, in some cases, the public. The Financial Reform Act will also expand entity registration requirements and impose business conduct requirements on persons active in the swaps market (including new capital and margin requirements), which may affect the value of Reference Items or value and/or cost of hedging transactions. Such regulation may affect the value, trading price and viability of Warrants. The implementation of the Financial Reform Act and future rulemaking thereunder could potentially limit or completely restrict the ability of an Issuer to hedge its exposure on Warrants, increase the costs of hedging or make hedging strategies less effective.

US Foreign Accounts Reporting

The relevant Issuer may be subject to U.S. withholding tax if it fails to enter into an agreement with the IRS to report certain information about the holders of certain Warrants or a holder of certain Warrants may become subject to U.S. withholding if it fails to provide requested information to such Issuer.

The Hiring Incentives to Restore Employment Act, which was enacted in early 2010 and contains provisions from the former Foreign Account Tax Compliance Act of 2009 ("FATCA"), imposes a 30% withholding tax on certain payments to certain non-US financial institutions (including entities such as the relevant Issuer) who do not enter into and comply with an agreement with the IRS to provide certain information on its United States account holders.

The relevant rules have not yet been fully developed and the future application of FATCA to the Issuers and the holders of Warrants is uncertain. It is currently the intention of the Issuers to enter into such agreement with the IRS, and as a result of such agreement, holders of certain Warrants may be required to provide certain information or otherwise comply with FATCA or be subject to withholding on certain payments made to them. If such a holder does not provide the necessary information or otherwise comply with FATCA and is subject to withholding there will be no "gross up" (or any other additional amount) payable by way of compensation to the holder for the deducted amount. See "Taxation—United States Taxation—FATCA Withholding" for a further discussion of FATCA, including a discussion of the timing of any withholding.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF WARRANTS SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

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

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be incorporated in, and form part of, this Base Prospectus:

- (a) the Registration Document dated 27 June, 2012, relating to SCB (the “**SCB Registration Document**”) including any document incorporated by reference therein; and
- (b) the Registration Document dated 27 June, 2012, relating to SCBHK (the “**SCBHK Registration Document**”) and together with the SCB Registration Document, the “**Registration Documents**”) including any document incorporated by reference therein.

Notwithstanding the fact that each of the documents listed above is incorporated by reference in its entirety (save as mentioned above) into this Base Prospectus, the following non-exhaustive cross-reference lists are included in order to enable investors to easily identify where the specific items of information listed appear in the relevant document incorporated by reference.

Copies of documents incorporated by reference in this Base Prospectus are available on the Luxembourg stock exchange’s website (www.bourse.lu).

The table below sets out the relevant page references for the SCB Registration Document:

SCB Registration Document	Page reference
Responsible persons	1
Risk Factors	3 – 13
Description of SCB, including: (a) place of registration and registration number, (b) date of incorporation, (c) domicile and legal form of SCB, (d) principal activities, (e) principal markets, (f) description of the group, (g) the directors, (h) confirmation of no conflict of interest and (i) direct and indirect owners of SCB	14 – 15
Documents Incorporated by Reference: the Directors’ Report and Financial Statements of SCB for the financial years ended 31 December, 2011 and 2010 (including the audit report thereon) and the Standard Chartered PLC Annual Report 2011	16
Capitalisation and Indebtedness of SCB	17 – 18
Statutory auditors	19

The table below sets out the relevant page references for the SCBHK Registration Document:

SCBHK Registration Document	Page reference
Responsible persons	1
Risk Factors	3 – 13
Description of SCBHK, including: (a) place of registration and registration number, (b) date of incorporation, (c) domicile and legal form of SCBHK, (d) principal activities, (e) significant new products/activities, (f) principal markets, (g) description of the group, (h) the directors, (i) confirmation of no conflict of interest, (j) details of audit committee, (k) compliance with corporate governance regime and (l) direct and indirect owners of SCBHK	14 – 16
Selected Consolidated Financial Information relating to SCBHK	17
Documents Incorporated by Reference: the Directors' Report and Consolidated Financial Statements of the SCBHK for the financial years ended 31 December, 2011 and 2010 (including the audit report thereon) and the Standard Chartered PLC Annual Report 2011	18 – 19
Capitalisation and Indebtedness of SCBHK	20
Statutory auditors	21

Any other information not listed in the cross-reference lists above but included in the documents incorporated by reference is given for information purposes only.

Following the publication of this Base Prospectus, a supplement to this Base Prospectus may be prepared by the Issuers and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement to the Base Prospectus (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the principal place of business of SCB, from the registered office of SCBHK and from the specified offices of the Warrant Agents for the time being in London and Luxembourg.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Securities denominated or payable in any currency, subject as set out herein. A general description of the general terms and conditions of the Programme and the Securities appears below. The applicable terms of any Warrants will be agreed by the relevant Issuer prior to the issue of such Warrants and will be set out in the General Terms and Conditions of the Warrants attached to or incorporated by reference into, the Warrants, as modified and supplemented by any applicable Product Prospectus and/or by the applicable Final Terms attached to or incorporated by reference into, such Warrants. The applicable terms of any Certificates or Notes issued under the Programme will be agreed by the relevant Issuer prior to the issue of such Certificates or Notes and will be set out in the relevant terms and conditions of the Certificates or Notes, as specified in the relevant base prospectus applicable to the Certificates or Notes.

This Base Prospectus and any supplement to the Base Prospectus will only be valid for the listing of Securities on the Official List during the period of 12 months from the date of this Base Prospectus and, in respect of Notes only, limited to an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme and 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 Final Terms of the relevant Notes) shall be determined, at the discretion of the relevant 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 London, in each case on the basis of the spot rate for the sale of U.S. dollars against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the U.S. dollar equivalent of any Structured Notes (as defined below) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Structured Notes; and
- (c) the U.S. dollar equivalent of Zero Coupon 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 relevant Issuer for the relevant issue.

For the purposes of this section "*General Description of the Programme*", "**Structured Notes**" means any Notes for which the premium, interest and/or principal payable in relation to such Notes may, if so specified in the applicable base prospectus or applicable Final Terms, be determined by reference to the price, value or performance of a currency, commodity (or related forward or futures contract), equity security, fund, index, basket of any of the aforementioned items, formula, or any other factor relating to assets or property and/or the creditworthiness of, or the performance of obligations by, or some other factor relating to, another entity or entities not affiliated with the relevant Issuer.

FORM OF FINAL TERMS OF THE WARRANTS

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

Final Terms dated [Date]

[Standard Chartered Bank/Standard Chartered Bank (Hong Kong) Limited]¹

Issue of [Aggregate Number of Tranche] [Title of Warrants]
under the U.S.\$10,000,000,000
Structured Product Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the Warrants set forth in the Warrants Base Prospectus dated 27 June, 2012 (the "**Warrants Base Prospectus**"), which comprises two base prospectuses in respect of the Warrants, constituting one base prospectus for each of Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited, for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in the relevant Member State of the European Economic Area), as supplemented by [a] supplement[s] dated []]. This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Warrants Base Prospectus. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Warrants Base Prospectus. The Warrants Base Prospectus is available for viewing at [address] and [website] and copies may be obtained from [address].]

[Include the next two paragraphs and delete the previous paragraph if the Final Terms are drafted for Warrants that are not to be listed on an EEA regulated market and are not to be offered to the public in the EEA.]

[Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the Warrants set forth in the Warrants Base Prospectus dated 27 June, 2012, as supplemented at the date hereof (the "**Warrants Base Prospectus**").

These Final Terms do not constitute final terms for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in the relevant Member State of the European Economic Area). The Issuer is not offering the Warrants in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Directive. Nor is any person authorised to make such an offer of the Warrants on behalf of the Issuer in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing of the Warrants on any stock exchange. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Warrant Base Prospectus.]

The terms and conditions applicable to the Warrants are the General Terms and Conditions of the Warrants set out in the Warrants Base Prospectus, as completed by these Final Terms and any applicable Product Terms. [These Final Terms are available [on the web-site of the Luxembourg Stock Exchange (www.bourse.lu)/specify other].]

[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 Final Terms.]

¹ Delete as applicable

[When adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Warrants Base Prospectus under Article 16 of the Prospectus Directive.]

1. [(i)] Issuer: [Standard Chartered Bank[, acting through its principal office in London]/[acting through its Specified Branch]/ Standard Chartered Bank (Hong Kong) Limited]¹
- (ii) [Specified Branch: []]
2. (i) Series Number: []
- (ii) Tranche Number: []
- (If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible)*
3. Specified Currency or Currencies: []
4. Description of Warrants: [Commodity Linked/Currency Linked/Equity Linked/Index Linked]
5. Exercise Style of Warrants: [American Style/Bermudan Style/European Style]
6. Type of Warrants: [Put/Call/specify other]
7. Number of Warrants being issued:
 - Series: []
 - [Tranche: []]
8. Issue Price: [] per [Warrant/Unit]
9. [Unit: Warrants must be exercised in Units. Each Unit consists of [] Warrants. *(N.B. This is in addition to any requirements relating to “Minimum Exercise Number” or “Maximum Exercise Number” set out below.)*
10. Issue Date: []
11. Minimum Transferable Number: [Not Applicable]
 - [Integral multiples of []]
12. [Date [Board] approval for issuance of Warrants obtained: []
 - (N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Warrants)]*
13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO SETTLEMENT

14. (i) Settlement Amount: [Not Applicable/*please specify*] (*Applicable only if different from the General Terms and Conditions*)
- (ii) Reference Price: []
- (iii) Averaging: Averaging [applies/does not apply] to the Warrants. [The Averaging Dates are []]
- (iv) Valuation Date: [Actual Exercise Date]/[]
- (v) Valuation Time: []
- (vi) Strike Price: []
15. Settlement Currency [The Specified Currency/(*specify other*)]
16. Settlement Date: [In relation to each Actual Exercise Date (*N.B. Insert for American Style Warrants or Bermudan Style Warrants*)], [the [fifth] Business Day following the [final] Valuation Date.] (*Applicable if Averaging is not specified in these Final Terms*) / [The [fifth] Business Day following the last occurring Averaging Date] (*Applicable if Averaging is specified in these Final Terms*) / [*specify other*]
17. Exercise Date: [Not Applicable/*give details*:] [[], provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day.] (*Applicable only in the case of European Style Warrants*)
18. (i) Exercise Period: [Not Applicable/*give details*:] [The Exercise Period in respect of the Warrants is from and including [] to and including [] [, or if [] is not an Exercise Business Day], the immediately succeeding Exercise Business Day]] (*Applicable only in the case of American Style Warrants*)
- (ii) Potential Exercise Date(s): [Not Applicable/*give details*:] [] [, or if [any] such date is not an Exercise Business Day, the immediately succeeding Exercise Business Day.] (*Applicable only in the case of Bermudan Style Warrants*)
19. Actual Exercise provisions: [Condition 3(a)(i) applies/Condition 3(a)(ii) applies/*Otherwise, give details*] (*Applicable only in the case of American Style Warrants, if different from Condition 3(a)(i) or in the case of Bermudan Style Warrants, if different from Condition 3(a)(ii)*)
20. Automatic Exercise: [Applicable/Not Applicable] (*Applicable only in the case of American Style Warrants or Bermudan Style Warrants*)

21. Minimum Exercise Number: [] [and Warrants may only be exercised in integral multiples of [] Warrants in excess thereof.] *(Applicable only in the case of American Style Warrants or Bermudan Style Warrants)*
22. Maximum Exercise Number: [] *(Applicable only in the case of American Style Warrants or Bermudan Style Warrants)*

UNDERLYING ASSETS

[The provisions of the Product Terms set out in Part B.11 shall apply.]

[Include provisions relating to the underlying asset(s) referenced by the Settlement Amount.]

23. Scheduled Trading Day []/[Not Applicable]
24. Force Majeure Events: [Applicable/Not Applicable]
(If Applicable, specify Relevant Jurisdiction)
[Relevant Jurisdiction: []]
[Local Currency: []]
25. Market Disruption Event: []/[Not Applicable]
26. Physical Delivery: [Applicable/Not Applicable]
(If Applicable, specify Asset Amount and other relevant provisions)
[Asset Amount: []]
[Settlement Disruption Event(s): [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 the terms and conditions and/or this Final Terms is not practicable] / [specify other]]
27. Adjustment Events: *[specify adjustment rules with relation to events concerning the underlying]*

PAYMENTS

28. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment.)

GENERAL PROVISIONS APPLICABLE TO THE WARRANTS

29. Form of Warrants: Registered Form: [Regulation S Global W&C Security/Unitary Global W&C Security]
30. Calculation Agent: [Standard Chartered Bank of 1 Aldermanbury Square, London EC2V 7SB, United Kingdom]

31. Additional Warrant Agents (if any): []
32. Business Centre(s): []
33. Newspaper for the purposes of notices to Warranholders pursuant to Condition 10(a): []
34. Notices to the Issuer: *[Insert notice details for delivery of notices to the Issuer if specific notice details are required and Condition 10(b) applies]*
35. Other Final Terms or special conditions: *[Not Applicable/give details]*
- (When adding any other final terms, consideration should be given as to whether such terms constitute a "significant new factor" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)*

DISTRIBUTION

36. Names of any Managers: *[Not Applicable/give names]*
37. Date of Purchase Agreement: *[Not Applicable/insert date]*
38. Additional selling restrictions: *[Not applicable/give details, including any additional, supplemental or amended U.S. selling restrictions, transfer restrictions and certifications that may be required in light of specific terms of the securities, including any certification as to non-U.S. ownership required upon exercise of warrants]*
39. Additional U.S. federal income tax consequences *[Not Applicable/give details]*

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and admission to trading on the *[specify relevant regulated market]*] of the Warrants described herein pursuant to the U.S.\$10,000,000,000 Structured Product Programme of Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]*

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING AND LISTING

- (i) Admission to trading and listing: [Application has been made by the Issuer (or on its behalf) for the Warrants to be admitted to trading on *[specify relevant regulated market]* with effect from []]
- [Application is expected to be made by the Issuer (or on its behalf) for the Warrants to be admitted to trading on *[specify relevant regulated market]* with effect from []]
- [Application has been made by the Issuer (or on its behalf) for the Warrants to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange with effect from []]
- [Application is expected to be made by the Issuer (or on its behalf) for the Warrants to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange with effect from []]
- [Warrants of the same class have been admitted to trading on *[specify relevant regulated market or equivalent]* from []]
- [Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

[Add if applicable][Not Applicable]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such *[insert the legal name of the relevant credit rating agency entity]* is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant non-EU credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union and is registered under the CRA Regulation (and, as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation), disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*]. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the EU by relevant market participants for a transitional period ending on 30 April 2012. Furthermore, on 15 March 2012, ESMA announced its intention that market participants may continue to use for regulatory purposes credit ratings issued in [the United States, Canada, Hong Kong, Singapore] after 30 April 2012]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). The ratings [[have been]/[are expected to be]] endorsed by [*insert the legal name of the relevant EU-registered credit rating agency entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU-registered credit rating agency entity*] is established in the European Union and registered under the CRA Regulation. As such [*insert the legal name of the relevant EU credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”), but it [is]/[has applied to be] certified in accordance with the CRA Regulation [EITHER: and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [OR: although notification of the corresponding certification decision has not yet been provided by

the relevant competent authority and [insert the legal name of the relevant non-EU credit rating agency entity] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation]

3. ISSUE SPECIFIC RISK FACTORS

[Only add issue specific risk factors here if applicable][Not Applicable]

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

[Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the offer - Amend as appropriate if there are other interests (When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)]

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

(i) [Reasons for the offer: []

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

(ii) [Estimated net proceeds:] []

(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding)

(iii) [Estimated total expenses:] []

(Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses"))

6. PERFORMANCE OF [THE COMMODITY/BASKET OF COMMODITIES/COMMODITY INDEX/BASKET OF COMMODITY INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING [THE COMMODITY/BASKET OF COMMODITIES/COMMODITY INDEX/BASKET OF COMMODITY INDICES] (COMMODITY LINKED WARRANTS ONLY)

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include details of [the/each] [commodity/commodity index], where pricing information about [the/each] [commodity/commodity index] is available, the relevant weighting of each [commodity/commodity index] within a basket of [commodities/commodity indices] (if relevant) and where past and future performance and volatility of [the/each] [commodity/commodity index] can be obtained. Include a description of any index composed by the Issuer and if an index is not composed by the Issuer, include details of where information about such index can be obtained. Include other information concerning [the/each] [commodity/commodity

index] required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation (including a description of any market disruption events, settlement disruption events or adjustment rules affecting or concerning [the/each] [commodity/commodity index].)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

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

7. PERFORMANCE OF [EQUITY SECURITIES/BASKET OF EQUITY SECURITIES/FUND/BASKET OF FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE [EQUITY SECURITIES/BASKET OF EQUITY SECURITIES/ FUND/BASKET OF FUNDS] (EQUITY LINKED WARRANTS ONLY)

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include details of [the/each] company issuing the [equity securities/funds], any security identification number of [the/each] [equity security/fund], where pricing information about [the/each] [equity security/fund] is available, the relevant weighting of each [equity security/fund] within a basket of [equity securities/funds] (if relevant) and where past and future performance and volatility of [the/each] [equity security/fund] can be obtained. Include other information concerning [the/each] [equity security/fund] required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation (including a description of any market disruption events, settlement disruption events or adjustment rules affecting or concerning [the/each] [equity security/fund]).] / [Need to include details of [the/each] index, where pricing information about [the /each] index is available, the relevant weighting of each index within a basket of indices (if relevant) and where past and future performance and volatility of [the/each] index can be obtained. Include a description of any index composed by the Issuer and if an index is not composed by the Issuer, include details of where information about such index can be obtained. Include other information concerning [the/each] index required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation (including a description of any market disruption events, settlement disruption events or adjustment rules affecting or concerning [the/each] index).]

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

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

8. PERFORMANCE OF [RATE(S) OF EXCHANGE/CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING [THE [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES] (CURRENCY LINKED WARRANTS ONLY)

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include details of [the/each] currency, where pricing information about [the/each] currency is available, the relevant weighting of each currency within the basket of currencies (if relevant) and where past and future performance and volatility of [the/each] currency can be obtained. Include other information concerning [the/each] currency required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation (including a description of any market

disruption events, settlement disruption events or adjustment rules affecting or concerning [the/each] currency).]

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

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

9. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (INDEX LINKED WARRANTS ONLY)

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include details of [the/each] [index/formula/other variable], where pricing information about [the /each] [index/formula/other variable] is available, the relevant weighting of each [index/formula/other variable] within a basket of [indices/formulae] (if relevant) and where past and future performance and volatility of [the/each] [index/formula/other variable] can be obtained. Include a description of any index composed by the Issuer and if an index is not composed by the Issuer, include details of where information about such index can be obtained. Need to include equivalent information for formulae or other variable. Include other information concerning [the/each] [index/formula/other variable] required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation (including a description of any market disruption events, settlement disruption events or adjustment rules affecting or concerning [the/each] [index/formula/other variable]).]

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

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

10. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Applicable code under any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme: []
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (v) Cut-off Time for any clearing system(s) other than [Not Applicable/give time and applicable time zone]

Euroclear Bank S.A./N.V.
and Clearstream Banking,
société anonyme:

- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of initial Warrant Agent(s): []
- (viii) Names and addresses of additional Warrant Agent(s) (if any): []

11. [PRODUCT TERMS]

[Include any applicable additional terms and conditions relating to the underlying assets]

GENERAL TERMS AND CONDITIONS OF THE WARRANTS

The following is the text of the general terms and conditions that, subject to the provisions of the relevant Product Terms, the relevant Final Terms and, if applicable, the additional terms set out in any relevant supplement to this Base Prospectus, shall be applicable to the Warrants. References in the Conditions to “Warrants” are to the Warrants of one series only, not to all Warrants that may be issued under the Programme. Reference should be made to “Form of Final Terms of the Warrants” for a description of the contents of Final Terms which will specify which of such terms are to apply in relation to the relevant Warrants.

This Warrant is one of a Series (as defined below) of Warrants (“**Warrants**”) issued by (i) Standard Chartered Bank (“**SCB**”), acting through its principal office in London or, as the case may be, acting through the branch specified as being the Specified Branch in the applicable Final Terms (as defined below) or (ii) Standard Chartered Bank (Hong Kong) Limited (“**SCBHK**”), as specified in the applicable Final Terms, pursuant to the Warrants and Certificates Agency Agreement (as defined below). References to the “Issuer” are to SCB or SCBHK, as applicable, as the relevant Issuer of the Warrants specified in the applicable Final Terms.

The Warrants have the benefit of a Warrants and Certificates Agency Agreement (such Warrants and Certificates Agency Agreement as amended and/or supplemented and/or restated from time to time, the “**Warrants and Certificates Agency Agreement**”) dated 11 October, 2011 and made between, among others, SCB, SCBHK and Deutsche Bank AG, London Branch as principal warrant agent (the “**Principal Warrant Agent**”, which expression shall include any successor agent), Deutsche Bank Luxembourg S.A. (the “**Luxembourg Warrant Agent**”) and the other warrant agents named therein (together with the Principal Warrant Agent and the Luxembourg Warrant Agent, the “**Warrant Agents**”, which expression shall include any additional or successor warrant agents). The Warrants will be in book-entry form and represented by a global security and substantially in the form set forth in the Warrants and Certificates Agency Agreement (“**Global W&C Security**”), which will either be designated as a “Regulation S Global W&C Security” or a “Unitary Global W&C Security”, all of which shall become valid obligations of the Issuer when the applicable Final Terms are attached to the relevant Global W&C Security.

The Final Terms for this Warrant (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Warrant which supplements these General Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Terms and Conditions, replace or modify these General Terms and Conditions for the purposes of this Warrant. References to the “**applicable Final Terms**” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Warrant. References to “**applicable Product Terms**” are to the relevant additional terms and conditions attached to or endorsed on this Warrant.

Any reference to “**Warrantholders**” or “**holders**” in relation to any Warrants shall mean the persons who are for the time being shown in the records of the Clearing System(s) as the holders of the Warrants.

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

The Warrantholders are entitled to the benefit of the Deed of Covenant made by SCB in respect of Warrants and Certificates issued by SCB (the “**SCB W&C Deed of Covenant**”) and the Deed of Covenant made by SCBHK in respect of Warrants and Certificates issued by SCBHK (the “**SCBHK W&C Deed of Covenant**”) and, together with the SCB W&C Deed of Covenant, the “**W&C Deeds of Covenant**”), each dated 2 September, 2009. The originals of the W&C Deeds of Covenant are held by the common depository for Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Warrants and Certificates Agency Agreement, a deed poll dated 2 September, 2009 (“**W&C Deed Poll** ”) the SCB W&C Deed of Covenant and the SCBHK W&C Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Warrant Agents. Copies of the applicable Final Terms are obtainable during normal business hours at the specified offices of the Warrant Agents, save that the applicable Final Terms will only be obtainable by a Warrantholder holding one or more unlisted Warrants of that Series and such Warrantholder must produce evidence satisfactory to the Issuer and the relevant Warrant Agent as to its holding of such Warrants and identity. The Warrantholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Warrants and Certificates Agency Agreement, the W&C Deeds of Covenant and the applicable Final Terms which are applicable to them. The statements in these General Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Warrants and Certificates Agency Agreement.

Words and expressions defined in the Warrants and Certificates Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these General Terms and Conditions, unless the context otherwise requires or unless otherwise stated, and provided that, in the event of inconsistency between the Warrants and Certificates Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these General Terms and Conditions, the following definitions shall apply:

“**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.

“**Actual Exercise Date**” means (i) in the case of a European Style Warrant, the Exercise Date or (ii) in the case of an American Style Warrant or a Bermudan Style Warrant, the date during the Exercise Period on which the Warrant is actually exercised or is deemed to be exercised (as is more fully set out in, and subject to, Condition 3(a)).

“**American Style Warrants**” means Warrants designated in the applicable Final Terms as “American Style”.

“**Averaging Date**” means, in respect of a Warrant, its Actual Exercise Date and each date specified as an Averaging Date in the applicable Final Terms subject to the provisions relating to non-Business Days, Disrupted Days (if applicable), Market Disruption Events (if applicable) and other adjustments set out in the applicable Product Terms and/or applicable Final Terms.

“**Bermudan Style Warrants**” means Warrants designated in the applicable Final Terms as “Bermudan Style”.

“**Business Day**” means a day which is both:

- (a) a day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Business Centre specified in the applicable Final Terms and (ii) on which each Clearing System is open for business; and
- (b) either:
 - (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); or

(ii) in relation to any sum payable in euro, a day on which the TARGET System is open.

“Clearing System(s)” means Euroclear, Clearstream, Luxembourg and/or any other clearing system (as may be specified in the applicable Final Terms).

“Clearstream, Luxembourg” means Clearstream Banking, société anonyme of 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

“Cut-off Time” means, in respect of Euroclear and/or Clearstream, Luxembourg, 10.00am Brussels or Luxembourg time or, in respect of any other clearing system, such other time as is specified in the applicable Final Terms in respect of that Clearing System.

“Euroclear” means Euroclear Bank S.A./N.V. of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

“European Style Warrants” means Warrants designated in the applicable Final Terms as “European Style”.

“Exercise Business Day” means a day which is a Business Day and, in the case of an Index Linked Warrant or Equity Linked Warrant, a Scheduled Trading Day (as defined in the applicable Product Terms).

“Exercise Date” shall have the meaning in the applicable Final Terms.

“Exercise Expenses” shall have the meaning specified in Condition 4(c)(viii).

“Exercise Notice” shall have the meaning specified in Condition 4(a)(ii).

“Exercise Period” means (i) in respect of American Style Warrants, the period during which such Warrants can be exercised as specified in the applicable Final Terms and (ii) in respect of Bermudan Style Warrants, the period which consists of each Potential Exercise Date.

“Expiration Date” shall have the meaning specified in Condition 3(a).

“Financial Centre” means each of the places so specified in the Final Terms.

“In-The-Money” means, on any date:

- (a) in the case of a Cash Settled Warrant, the Settlement Amount in respect of such Warrant is greater than zero; and
- (b) in the case of a Physical Delivery Warrant, the value of the Asset Amount on such date for such Warrant is greater than the Strike Price.

“Issue Date” shall have the meaning specified in the applicable Final Terms.

“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.

“Maximum Exercise Number” means, in relation to American Style Warrants or Bermudan Style Warrants, the maximum number of Warrants that may be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert) as specified in the applicable Final Terms.

“Minimum Exercise Number” means, in relation to American Style Warrants or Bermudan Style Warrants, the minimum number of Warrants that may be exercised on any day by any Warrantholder as specified in the applicable Final Terms.

“Payment Day” means any day which is:

- (a) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET System is open; and
- (b) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Financial Centre specified in the applicable Final Terms.

“Potential Exercise Date” means, in respect of a Bermudan Style Warrant, each date specified as such in the applicable Final Terms or, if that date is not an Exercise Business Day, the next following date that is an Exercise Business Day.

“QIB” means a “qualified institutional buyer” within the meaning of Rule 144A.

“Reference Price” shall have the meaning specified in the applicable Final Terms.

“Regulation S” means Regulation S under the Securities Act.

“Regulation S Global W&C Security” means a Global W&C Security representing Warrants sold outside the United States in reliance on Regulation S.

“Rule 144A” means Rule 144A under the Securities Act.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Settlement Amount” means the amount to which the Warrantholder is entitled in the Settlement Currency, as specified in the applicable Final Terms, in relation to each Warrant or Unit (as specified in the applicable Final Terms) and determined by the Calculation Agent pursuant to Condition 3(b) or, if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

- (i) where Averaging is not specified in the applicable Final Terms:
 - (a) if such Warrants are Call Warrants,
(Reference Price less Strike Price);
 - (b) if such Warrants are Put Warrants,
(Strike Price less Reference Price); and
 - (c) If such Warrants are neither Call Warrants nor Put Warrants, the Settlement Amount will be as specified in the applicable Final Terms; or
- (ii) where Averaging is specified in the applicable Final Terms:
 - (a) if such Warrants are Call Warrants,
(the arithmetic mean of the Reference Prices for all the Averaging Dates - Strike Price);

- (b) if such Warrants are Put Warrants,

(Strike Price less the arithmetic mean of the Reference Prices for all the Averaging Dates); and
- (c) if such Warrants are neither Call Warrants nor Put Warrants, the Settlement Amount will be as specified in the applicable Final Terms,

provided always that the Settlement Amount shall in no event be less than zero. The Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Settlement Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards, with Warrants or Units exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Settlement Amounts payable in respect of such Warrants or Units.

“**Settlement Currency**” means the settlement currency for the payment of the Settlement Amount as specified in the applicable Final Terms.

“**Settlement Date**” shall have the meaning specified in the applicable Final Terms.

“**Strike Price**” shall have the meaning specified in the applicable Final Terms.

“**TARGET System**” means the Trans-European Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November, 2007, or any successor thereto.

“**Tax Jurisdiction**” means (i) (where SCB is the Issuer) the United Kingdom or, where a Specified Branch is specified in the applicable Final Terms, both the United Kingdom and the jurisdiction in which such Specified Branch is located and, in either case, any authority thereof or therein having power to tax and (ii) (where SCBHK is the Issuer) Hong Kong and any authority thereof or therein having power to tax.

“**Unitary Global W&C Security**” means a Global W&C Security representing Warrants sold in the United States to QIBs pursuant to Rule 144A or another exemption from registration under the Securities Act and outside the United States in reliance on Regulation S.

1. FORM, TITLE AND TRANSFER

The Warrants are in registered form and shall be represented at all times by the Global W&C Security deposited outside of the United Kingdom with a common depository for the Clearing System. Warrants in definitive form shall not be issued.

This Warrant may be a Commodity Linked Warrant, a Currency Linked Warrant, an Equity Linked Warrant, an Index Linked Warrant or a combination of any of the foregoing, as may be specified in the applicable Final Terms. The applicable Final Terms will indicate whether the Warrants are American Style Warrants, Bermudan Style Warrants or European Style Warrants or such other type as may be specified in the applicable Final Terms, whether automatic exercise (“**Automatic Exercise**”) applies to the Warrants, whether settlement shall be by way of cash payment (“**Cash Settled Warrants**”) and/or (if the applicable provisions are in the relevant Product Terms) physical delivery (“**Physical Delivery Warrants**”), whether the Warrants are call Warrants (“**Call Warrants**”) or put Warrants (“**Put Warrants**”), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in Units and whether Averaging (“**Averaging**”) will apply. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect. If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates.

For so long as any Global W&C Security is held on behalf of the Clearing System(s), each person (other than the Clearing System(s)) who is for the time being shown in the records of the Clearing System(s) as the holder of a particular number of such Warrants (in which regard

any certificate or other document issued by the Clearing System(s) as to the number of such Warrants 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 and the Warrant Agents as the holder of such number of such Warrants for all purposes, and the expressions “**Warrantholder**” and “**holder of Warrants**” and related expressions shall be construed accordingly.

Warrants which are represented by a Global W&C Security will be transferable only in accordance with the rules and procedures for the time being of the Clearing System(s).

Transfers of Warrants may be effected only in integral multiples of the Minimum Transferable Number of Warrants and through the relevant Clearing System(s). Title will pass upon registration of the transfer in the books of such relevant Clearing System(s).

In the event that the Final Terms specify that Warrants are eligible for sale in the United States to QIBs, the Warrants will be represented by one or more Unitary Global W&C Securities. In all other cases, the Warrants will be represented by one or more Regulation S Global W&C Securities.

The Warrants represented by a Regulation S Global W&C Security and a Unitary Global W&C Security may be sold or otherwise transferred in the manner provided in the Warrants and Certificates Agency Agreement and herein. Warrants represented by a Regulation S Global W&C Security (or interests therein) may not be transferred or exchanged for Warrants represented by a Unitary Global W&C Security (or interests therein), or *vice versa*.

2. STATUS

The Warrants 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 Warrants 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.

3. EXERCISE RIGHTS

(a) Exercise Period

(i) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period. If, on any Exercise Business Day during the Exercise Period, an Exercise Notice is delivered at or prior to the relevant Cut-off Time to the Clearing System(s), and a copy thereof is delivered at or prior to the relevant Cut-off Time to the Principal Warrant Agent, such day shall be deemed to be the day of delivery of the Exercise Notice (the “**Actual Exercise Date**”). If any such Exercise Notice is delivered to the Clearing System(s), or if the copy thereof is delivered to the Principal Warrant Agent, after the relevant Cut-off Time on any Exercise Business Day, such Exercise Notice will be deemed to have been delivered on the next day that is a Business Day, which day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 4 by the relevant Cut-off Time on the last day that is a Business Day of the Exercise Period (the “**Expiration Date**”) and has not been automatically exercised in the manner set out in Condition 4(b) (if applicable) shall expire immediately without value thereafter and all rights of the Warrantholders and obligations of the Issuer with respect to such Warrants shall cease.

(ii) Bermudan Style Warrants

Bermudan Style Warrants are exercisable on any Potential Exercise Date. If, on any Potential Exercise Date, an Exercise Notice is delivered at or prior to the relevant Cut-off Time to the Clearing System(s), and a copy thereof is delivered at or prior to the relevant Cut-off Time to the Principal Warrant Agent, such day shall be deemed to be the day of delivery of the Exercise Notice (the “**Actual Exercise Date**”). If any such Exercise Notice is delivered to the Clearing System(s), or if the copy thereof is delivered to the Principal Warrant Agent, after the relevant Cut-off Time on any Potential Exercise Date, such Exercise Notice will be deemed to be ineffective. Any Bermudan Style Warrants in respect of which no Exercise Notice has been delivered in the manner set out in Condition 4 by the relevant Cut-off Time on the last Potential Exercise Date (the “**Expiration Date**”) and which have not been automatically exercised in the manner set out in Condition 4(b) (if applicable) shall expire immediately without value thereafter and all rights of the Warranholders and obligations of the Issuer with respect to such Warrants shall cease.

(iii) European Style Warrants

European Style Warrants will be automatically exercised in the manner set out in Condition 4(b). Any European Style Warrants which have not been automatically exercised in the manner set out in Condition 4(b) shall expire immediately without value thereafter and all rights of the Warranholders and obligations of the Issuer with respect to such Warrants shall cease.

(b) **Settlement Amount**

A Warranholder, upon due exercise, will receive from the Issuer on the Settlement Date, in respect of each Warrant, a Settlement Amount calculated by the Calculation Agent.

4. **EXERCISE PROCEDURE**

(a) **Automatic or Exercise Notice**

Warrants shall be exercisable, as specified in the applicable Final Terms:

- (i) by way of Automatic Exercise in accordance with Condition 4(b) (“**Automatic Exercise**”); or
- (ii) by the delivery, or the sending by tested telex (confirmed in writing) (or, if the Warrants are held in Euroclear, by the Euroclear Information Distribution System (“**Euclid**”) and, if the Warrants are held in Clearstream, Luxembourg, by the Cedel Communication System (“**Cedcom**”)), or such other method as is acceptable to the relevant Clearing System, of a duly completed exercise notice in the form and with the content prescribed by the Clearing System(s) through which the relevant Warranholder exercises its Warrants (an “**Exercise Notice**”) or such other form as the Issuer shall determine (copies of which form may be obtained from the Clearing System(s)) to the Clearing System(s), with a copy to the Principal Warrant Agent in accordance with the provisions set out in Condition 3 and this Condition 4.

(b) **Automatic Exercise**

All European Style Warrants will be automatically exercised on the Exercise Date if the Warrants are In-The-Money to the Warranholder.

In case of American Style Warrants or Bermuda Style Warrants, where Automatic Exercise is specified in the applicable Final Terms, any such American Style Warrants or Bermuda Style Warrants that remain unexercised after the Cut-off Time on the Expiration Date will be automatically exercised on the Expiration Date if such Warrants are In-The-Money to the Warrantholder.

(c) **Exercise Notice**

In the case of American Style Warrants or Bermudan Style Warrants, the Exercise Notice shall:

- (i) specify the name(s) of the Warrantholder(s) exercising the Warrants;
- (ii) specify the address(es) of the Warrantholder(s) exercising the Warrants;
- (iii) specify the series number of the Warrants being exercised;
- (iv) specify the number of Warrants being exercised (which shall not be less than the Minimum Exercise Number);
- (v) specify the number of the Warrantholder's account at the Clearing System(s), as the case may be, from which to debit the Warrants being exercised;
- (vi) irrevocably instruct the Clearing System(s), as the case may be, to debit, on or before the Settlement Date, from the Warrantholder's account, the Warrants being exercised;
- (vii) specify the number of the Warrantholder's account at the Clearing System(s), to be credited with the Settlement Amount (if any) less Exercise Expenses (if any) for each Warrant being exercised relating to each Warrant being exercised, or if Physical Settlement is applicable as specified in the Final Terms, specify the number of the Warrantholder's account at the Clearing System(s), to be debited with the aggregate of the Strike Price for each Warrant being exercised;
- (viii) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Exercise Expenses**") and an authority to the Clearing System(s), to deduct an amount in respect thereof from any Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at the Clearing System(s), as the case may be, in respect thereof and to pay such Exercise Expenses to the Issuer or as it may direct;
- (ix) include an undertaking to indemnify the Issuer and the Warrant Agents in respect of their respective losses in respect of any transfer or attempt to transfer such Warrants following exercise, as described in Condition 4(g);
- (x) include an undertaking to provide such various forms of certification in respect of selling and transfer restrictions under the securities, commodities and other laws of the United States of America or other jurisdictions as indicated and set out in the applicable Final Terms (including that the Warrants are not being exercised by or on behalf of a person located in the United States or a U.S. person) and an authorisation for the production of such certification (and the Exercise Notice itself) in any applicable administrative or legal proceedings; and
- (xi) if Physical Settlement is applicable as specified in the Final Terms, include such details as are required for delivery of the Asset Amount which may

include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered.

(d) **Exercise Notice — Verification of the Warrantholder**

Upon receipt of an Exercise Notice, the Clearing System(s) shall verify that the person exercising the Warrants is the holder thereof according to the records of the Clearing System(s). Subject thereto, and by one hour after the relevant Cut-off Time on the same day, the Clearing System(s) will confirm by tested telex (or such other method as may be agreed from time to time) to the Principal Warrant Agent the number of Warrants being exercised and the account details, if applicable, for the payment of the Settlement Amount of each Warrant being exercised. The Principal Warrant Agent will inform the Issuer that it has received such confirmation.

On the Settlement Date, the Clearing System(s) will debit the Warrants being exercised from the account of the relevant Warrantholder. If the Warrants are American Style Warrants or Bermudan Style Warrants, upon exercise of less than all the Warrants constituted by the Global W&C Security, the Principal Warrant Agent shall note such exercise on the Schedule to such Global W&C Security and the number of Warrants so constituted shall be reduced pro tanto by the cancellation of the Warrants so exercised.

(e) **Settlement**

The Issuer shall, on the Settlement Date, pay or cause to be paid the Settlement Amount (if any) less any Exercise Expenses (if any) for each duly exercised Warrant to, in the case of Automatic Exercise, the Warrantholder's account with the Clearing System(s) or in the case of exercise by way of Exercise Notice, the account with the Clearing System(s) specified in the relevant Exercise Notice, for value on the Settlement Date.

(f) **Determinations**

Any determination as to whether an Exercise Notice is duly completed and in proper form, and at what time the Exercise Notice is received by the Clearing System(s), shall be made by the operator of the Clearing System(s) in consultation with the Principal Warrant Agent and shall be conclusive and binding on the Issuer, the Warrant Agents and the relevant Warrantholder. **Subject as set out below, if the number of Warrants specified in an Exercise Notice exceeds the number of Warrants held, or if the Exercise Notice is incomplete or not in proper form, or is not copied to the Principal Warrant Agent immediately after being delivered or sent to the Clearing System(s), as provided in Condition 4(a)(ii), such Exercise Notice shall be null and void.**

If such Exercise Notice is subsequently corrected by the Warrantholder to the satisfaction of the Clearing System(s), in consultation with the Principal Warrant Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the Clearing System(s) and the Principal Warrant Agent or such time as the Exercise Notice is copied to the Principal Warrant Agent, as the case may be.

The Clearing System(s) shall use their best efforts promptly to notify the Warrantholder submitting an Exercise Notice if, in consultation with the Principal Warrant Agent, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Warrant Agents and the Clearing System(s) shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Warrantholder.

(g) **Delivery of an Exercise Notice**

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Warrantholder may not transfer such Warrants.

- (h) If any Warrantholder does so transfer or attempt to transfer such Warrants, such Warrantholder will be liable to the Issuer and the Warrant Agents for any losses, costs and expenses suffered or incurred by the Issuer, including, without limitation, those suffered or incurred as a consequence of it having terminated any related hedging transactions in reliance on the relevant Exercise Notice and subsequently (i) entering into replacement hedging transactions in respect of such Warrants or (ii) paying any amount on the subsequent exercise of such Warrants without having entered into any replacement hedging transactions. **Exercise Risk**

Exercise of the Warrants (whether Automatic Exercise or by Exercise Notice) is subject to all applicable laws, regulations and practices in force on the relevant Actual Exercise Date or Expiration Date, as applicable, and neither the Issuer nor the Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor any Manager nor the Warrant Agents shall under any circumstances be liable for any acts or defaults of the Clearing System(s) in relation to the performance of their duties in relation to the Warrants.

(i) **Restrictions**

If indicated in the Final Terms for the relevant Warrants, the exercise of those Warrants will be conditional upon the person exercising the Warrants providing to the Principal Warrant Agent, or such other person as may be specified, a certification in the form set out in such Final Terms.

5. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

(a) **Number of Warrants Exercisable**

Subject to Condition 5(d) below, the number of American Style Warrants or Bermudan Style Warrants exercisable by any Warrantholder on any Actual Exercise Date must be not less than the Minimum Exercise Number and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

(b) **American Style Warrants**

If the Issuer determines that the number of American Style Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (the number equal to the Maximum Exercise Number being the “**Quota**”) as specified in the applicable Final Terms, the Issuer may deem the Actual Exercise Date for the first Quota of such American Style Warrants, selected at the discretion of the Issuer, to be such day, and the deemed Actual Exercise Date for each additional Quota of such American Style Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such American Style Warrants have been attributed with an Actual Exercise Date; provided, however, that the deemed Actual Exercise Date for any such American Style Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where the aggregate number of American Style Warrants exercised on the same day by two or

more Warranholders exceeds the Quota, the order of settlement in respect of such American Style Warrants shall be at the sole discretion of the Issuer.

(c) **Bermudan Style Warrants**

If the Issuer determines that the number of Bermudan Style Warrants being exercised on any Actual Exercise Date by any Warranholder or a group of Warranholders (whether or not acting in concert) exceeds the Maximum Exercise Number as specified in the applicable Final Terms, the Issuer may deem such exercise to be limited to an exercise of the number of Bermudan Style Warrants equal to the Maximum Exercise Number (the number of Bermudan Style Warrants exceeding the Maximum Exercise Number being deemed to remain unexercised). In any case where the aggregate number of Bermudan Style Warrants exercised on the same day by two or more Warranholders exceeds the Maximum Exercise Number, the number of Bermudan Style Warrants deemed to be exercised by each of such Warranholders shall be determined by the Issuer on a pro rata basis between such Warranholders.

(d) **Permitted Exercise**

Notwithstanding the foregoing, a Warranholder may, on any Actual Exercise Date, exercise any number of Warrants that does not exceed the Maximum Exercise Number if it exercises all Warrants remaining unexercised. On the Expiration Date, a Warranholder may exercise any number of Warrants remaining unexercised.

6. PAYMENTS

(a) **General provisions applicable to payments**

Payments in respect of Warrants will be made to the relevant Clearing System(s) for credit to the Warranholders' accounts. Payment by the Issuer of any amount payable in respect of a Warrant will be subject in all cases to all applicable fiscal and other laws, regulations and directives and the rules and procedures of the relevant Clearing System(s). Neither the Issuer nor any Warrant Agent shall under any circumstances be liable for any acts or defaults of any Clearing System in the performance of its duties in relation to the Warrants.

(b) **Payment Days**

If any date for payment in respect of any Warrant is not a Payment Day, Warranholders shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled.

7. TAXATION

The Issuer is not liable for or otherwise obliged to pay, and the relevant Warranholder shall pay, any tax, duty, charges, withholding or other payment which may arise as a result of, or in connection with, the ownership, transfer, exercise or enforcement of any Warrant, including, without limitation, the payment of any Settlement Amount. The Issuer shall have the right, but not the duty, to withhold or deduct from any amount payable to the Warranholder, such amount as is necessary (i) for the payment of any such taxes, duties, charges, withholdings or other payments or (ii) for effecting reimbursement to the Issuer for any payment by it of any tax, duty, charge, withholding or other payment referred to in this Condition 7. To the extent that the Settlement Amount exceeds the Issue Price, the excess represents a commercial rate of return in compensation for the use of the Issue Price in full recognition of the risks and specific features of the associated underlying assets.

8. PURCHASES BY THE ISSUER

The Issuer and any subsidiary of the Issuer may at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

9. WARRANT AGENTS AND CALCULATION AGENT

- (a) The names of the Principal Warrant Agent and the other initial Warrant Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Warrant Agent and/or appoint additional or other Warrant Agents and/or approve any change in the specified office through which any Warrant Agent acts, provided that there will at all times be a Principal Warrant Agent and a Warrant Agent, which may be the Principal Warrant Agent.

In acting under the Warrants and Certificates Agency Agreement, the Warrant Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with any Warranholders. The Warrants and Certificates Agency Agreement contains provisions permitting any entity into which any Warrant Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor warrant agent.

- (b) In relation to each issue of Warrants where there is a Calculation Agent (whether it be the Issuer or a third party), it acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with the Warranholders.

All calculations and determinations made by the Calculation Agent shall (save in the case of manifest error) be made in its sole and absolute discretion and shall be final, conclusive and binding on the Issuer, the Warrant Agents and the Noteholders. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

10. NOTICES

- (a) All notices to Warranholders shall be valid if delivered to the Clearing System(s), for communication by them to the Warranholders. Notices to the Warranholders may also be given by publication in the newspaper specified in the Final Terms or such other leading newspaper of general circulation as the Issuer may determine. Any such notice shall be deemed to have been given on the weekday following such delivery or, where notices are so published, on the date of such publication or, if published more than once or on different dates, on the date of the first such publication.
- (b) If Notice to the Issuer is specified as applying in the applicable Final Terms, notices to be given by any Warranholder to the Issuer regarding the Warrants will be validly given if delivered in writing to the Issuer as specified in the applicable Final Terms. 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. The relevant Warranholder must provide satisfactory evidence to the Issuer of its holding of Warrants which is expected to be in the form of certification from the Clearing System(s).

11. MEETINGS OF WARRANTHOLDERS, MODIFICATION AND WAIVER

(a) Meetings

The Warrants and Certificates Agency Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrants and Certificates Agency Agreement) of a modification of these General Terms and Conditions or the Warrants and Certificates Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the date, time and place of the meeting shall be given to Warrantholders in accordance with Condition 10. Such a meeting may be convened by the Issuer or Warrantholders holding not less than 10 per cent. (by number) of the Warrants for the time being remaining unexercised. The quorum at a meeting of the Warrantholders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 10 per cent. (by number) of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons holding Warrants or representing Warrantholders, whatever the number of Warrants so held or represented. The quorum at a meeting of Warrantholders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. (by number) of the Warrants for the time being remaining unexercised or at any adjourned meeting two or more persons holding or representing not less than 10 per cent. (by number) of the Warrants for the time being remaining unexercised. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-fourths of the votes cast by Warrantholders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders, whether or not they are present at the meeting, save for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 4 prior to the date of the meeting. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 4 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Warrantholders. Resolutions can be passed in writing if passed unanimously.

(b) Modifications

The Issuer may, without the consent of the Warrantholders, modify these General Terms and Conditions and/or the Warrants and Certificates Agency Agreement in any manner which the Issuer may deem necessary or desirable provided that such modification (i) does not, in the reasonable opinion of the Issuer, adversely affect the interests of the Warrantholders in any material respect or (ii) is of a formal, minor or technical nature or (iii) is to correct a manifest error or to cure, correct or supplement any defective provision contained herein and/or therein. The Issuer may modify these General Terms and Conditions and/or the Warrants and Certificates Agency Agreement in any other manner with the prior consent of the requisite majority of Warrantholders as specified in the Warrants and Certificates Agency Agreement.

Notice of any such modification will be given to the Warrantholders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification. In connection with such right of modification, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for any particular Warrantholder resulting from that Warrantholder being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Warrantholder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax or other consequence of any such modification.

12. FURTHER ISSUES

The Issuer shall be at liberty from time to time, without the consent of the Warrantheolders, to create and issue further warrants having terms and conditions the same as the Warrants and so that the same shall be consolidated and form a single Series with the outstanding Warrants.

13. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Warrant, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

14. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) Governing Law

The Warrants and Certificates Agency Agreement, the SCB W&C Deed of Covenant, the SCBHK W&C Deed of Covenant, the Warrants and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Submission to Jurisdiction

Where the relevant Issuer is SCBHK, SCBHK agrees, for the exclusive benefit of the Warrantheolders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Warrants and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Warrants may be brought in such courts.

Where the relevant Issuer is SCBHK, SCBHK hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition 14 shall limit any right to take Proceedings against the Issuer 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) Appointment of Process Agent

Where the relevant Issuer is SCBHK, SCBHK appoints SCB’s principal office in London at 1 Aldermanbury Square, London EC2V 7SB as its agent for service of process, and undertakes that, in the event of its principal office in London ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve Proceedings in any other manner permitted by law.

(d) Other documents

Where the relevant Issuer is SCBHK, SCBHK has in the Warrants and Certificates Agency Agreement and the SCBHK W&C Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Warrants will be applied by the relevant Issuer for general funding purposes.

TAXATION

General

The following comments are intended only as a general guide to certain limited United States, United Kingdom, Luxembourg, Hong Kong, Singapore, Philippines, United Arab Emirates (“UAE”) and Dubai International Financial Centre (“DIFC”) tax considerations and do not purport to be a complete analysis of all potential tax consequences relating to the Warrants in those jurisdictions. Some aspects may not apply to certain classes of persons (such as managers, dealers or persons connected with the Issuer) to whom special rules may apply. The comments are based on current law and on what is understood to be current practice, both of which may change, possibly with retroactive effect. These comments are intended to be for information purposes only and are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of Warrantholders for each issue will depend on the terms of a particular Warrant, as specified in the General Terms and Conditions of the Warrants as amended and supplemented by the applicable Final Terms. Further statements regarding the tax treatment of particular classes of Warrantholder may be contained in the Final Terms. Prospective Warrantholders should obtain their own professional tax advice in all relevant jurisdictions about their particular tax treatment in relation to such Warrant.

Potential purchasers of Warrants should carefully consider Condition 7 which provides that the Issuer of the relevant Warrants shall not be required to gross up or otherwise increase any payment made on or in respect of the Warrants which is required to be made subject to any tax, duty, deduction, withholding or other payment.

No obligation to gross-up payments

Potential purchasers of Warrants should be aware that neither SCB nor SCBHK is obliged to gross up or otherwise increase any payment in respect of any Warrant which is subject to deduction or withholding in any jurisdiction. Accordingly, should any such deduction or withholding be or become applicable to any such payment by SCB or SCBHK in respect of any Warrant, then the actual amount received by the Warrantholder may be less than it would have been in the absence of such deduction or withholding. Pursuant to the terms of any applicable double taxation treaty or domestic legislation, a Warrantholder who receives a payment which has been subject to a deduction or withholding, may be able to claim repayment of or a credit in respect of the amount withheld or deducted.

Any provisions relating to payment of Exercise Expenses by the relevant Warrantholder in connection with the exercise of the Warrants set out in this Prospectus, any supplement to this Prospectus, the relevant Product Terms or the relevant Final Terms should be considered carefully by all potential purchasers of Warrants.

1. UNITED STATES TAXATION

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUERS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUERS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Warrants by: in the case of Part A, a U.S. Holder (as defined below); in the case of Part B, a Non-U.S. Holder (as defined below); and in the case of Part C, all holders. This summary does not address the material U.S. federal income tax consequences of every type of Warrant which may be issued under the Programme, and the relevant Product Prospectus or

Final Terms will contain an additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Warrant as appropriate. This summary deals only with purchasers of Warrants that will hold the Warrants 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 Warrants by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not 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, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Warrants as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term “**U.S. Holder**” means a beneficial owner of Warrants 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 or any State thereof, (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 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 a partnership that holds Warrants will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Warrants by the partnership.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the “**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.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE WARRANTS, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Part A – U.S. Holders

U.S. Federal Income Tax Characterisation of the Warrants

The characterisation of a Series or Tranche of Warrants may be uncertain and will depend on the terms of those Warrants. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the characterisation of some of the types of Warrants that are anticipated to be issued under the Programme or of instruments similar to such Warrants.

Although the matter is not free from doubt, and there is no controlling authority, the Issuers intend to take the position that the Warrants will be treated for U.S. federal income tax purposes as an “open transaction” for U.S. federal income tax purposes. The Issuers and, by a U.S. Holder’s purchasing a Warrant or an interest therein, the U.S. Holder agree to treat the Warrants as an “open transaction”, and the discussion below assumes this to be the case.

If the Warrants were not treated as “open transactions” for U.S. federal income tax purposes, the timing, character, and source of a U.S. Holder’s items of income and deduction could differ substantially from the manner herein described. For example, the United States Internal Revenue Service (“**IRS**”) or a court might characterise the arrangement as a notional principal contract, a contingent payment debt instrument or some other type of financial contract. Additional alternative

characterisations may also be possible. Further possible characterisations, if applicable, may be discussed in the relevant Product Prospectus or Final Terms.

There is a risk that certain Warrants (particularly Warrants issued “deep in the money”) might be recharacterised as other financial instruments subject to treatment under Section 1260 of the Code as “constructive ownership transactions”, resulting in adverse U.S. federal income tax consequences to U.S. Holders. To the extent that a Warrant is treated as a constructive ownership transaction, 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 Warrant was held. Prospective purchasers should consult their tax advisers regarding the application of the constructive ownership transaction rules to ownership of the Warrants.

No rulings will be sought from the IRS regarding the characterisation of the Warrants issued hereunder for U.S. federal income tax purposes. Each holder should consult its own tax adviser about the proper characterisation of the Warrants for U.S. federal income tax purposes and consequences to such holder of acquiring, owning or disposing of the Warrants.

U.S. Federal Income Tax Treatment of Warrants Treated as an “Open Transaction”

Except as otherwise provided in the relevant Product Prospectus or Final Terms, a Warrant should be treated as a single financial contract that is an “open transaction” for U.S. federal income tax purposes. Assuming this characterization of a Warrant is respected, the following U.S. federal income tax consequences should result.

Treatment Prior to Settlement

A U.S. Holder should not be required to recognize taxable income over the term of a Warrant prior to settlement, other than pursuant to a sale or exchange as described below.

Tax Basis

A U.S. Holder’s tax basis in a Warrant should equal the amount paid by the U.S. Holder to acquire the Warrant.

Sale, Exchange, Lapse or Cash Settlement of a Warrant

Upon a sale or exchange of a Warrant, or upon the lapse or cash settlement of a Warrant, a U.S. Holder will recognise capital gain or loss equal to the difference between the amount realized, if any, on the sale, exchange, lapse or cash settlement and the U.S. Holder’s tax basis in the Warrants sold, exchanged, lapsed or settled. Any gain or loss recognised upon sale, exchange, lapse or settlement of the Warrants will be long-term capital gain or loss if the U.S. Holder has held the Warrants for more than one year at that time.

Physical Settlement of a Warrant

A U.S. Holder will not recognise any gain or loss in respect of the receipt of the underlying property upon physical settlement of a Warrant. A U.S. Holder’s tax basis in the underlying property received upon physical settlement of a Warrant will be equal to the U.S. Holder’s tax basis in the warrant plus the strike price paid by the holder upon exercise of the Warrant. The U.S. Holder’s holding period in the underlying property received upon settlement of a Warrant begins one day after the receipt of the underlying property.

Interim Payment Amounts There is no direct authority addressing the treatment of any interim payments (the “**Interim Payments**”) that may be made to U.S. Holders with respect to the Warrants under current law, and the applicable treatment is unclear. The Interim Payments will not constitute interest income for U.S. federal income tax purposes, but may constitute other periodic income payments that must be reported as ordinary income by a U.S. Holder when received or accrued, in accordance with the U.S. Holder’s method of tax accounting. Interim payments will not qualify for the dividends-received deduction generally allowed to corporations with respect to certain dividends or the reduced tax rate applicable to dividends received by individuals and certain other investors.

Additional alternative characterisations may also be possible. The Interim Payments may be treated as a purchase price adjustment, rather than being includible in income on a current basis. The treatment of the Interim Payments could affect a U.S. Holder's tax basis in the Warrants, or its amount realised upon the sale or disposition of the Warrants or upon settlement of the Warrants. U.S. Holders should consult their tax advisers about the proper characterisation of the Interim Payments for U.S. federal income tax purposes and the consequences of receiving Interim Payments on the Warrants.

Proposed Legislation on Prepaid Forward Contracts

In Notice 2008-2, the IRS and the U.S. Department of Treasury announced they were considering whether the holder of a prepaid forward contract or similar instrument should be required to accrue ordinary income on a current basis, whether additional gain or loss from such instruments should be treated as ordinary or capital, whether non-U.S. holders of such instruments should be subject to withholding tax on any deemed income accruals, and whether the special "constructive ownership rules" of Section 1260 of the Code might be applied to such instruments. Legislation has also been proposed in Congress that would require the holders of certain prepaid forward contracts to accrue income during the term of the transaction. It is not possible to predict the final form of legislative or regulatory changes that might affect holders of these instruments, if any, but it is possible that any such changes could be applied retroactively. U.S. Holders are urged to consult their tax advisors concerning the significance, and the potential impact, of the above considerations. The Issuers intend to treat the Warrants for U.S. federal income tax purposes in accordance with the treatment described above unless and until such time as Congress, the Treasury, and/or the IRS determine that some alternative treatment is more appropriate.

Backup Withholding and Information Reporting

In general, the proceeds of a sale or other disposition of the Warrants 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 if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all payments required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Foreign Financial Asset Reporting

Recently enacted legislation imposes new reporting requirements on the holding of certain foreign financial assets, including securities and other financial instruments or contracts issued by foreign entities, if the aggregate value of all of these assets exceeds \$50,000. The Warrants are expected to constitute foreign financial assets subject to these requirements unless the Warrants are regularly traded on an established securities market and held in an account at a domestic financial institution. U.S. Holders should consult their tax advisors regarding the application of this legislation.

Part B – Non-U.S. Holders

For purposes of this discussion, a "Non-U.S. Holder" means a beneficial owner of the Warrants that is not a U.S. Holder.

Withholding on Dividend Equivalent Payments

Recently enacted U.S. legislation imposes a 30% U.S. withholding tax on payments that are directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity (a "**Dividend Equivalent Payment**"). The type of payments that constitute Dividend Equivalent Payments subject to this withholding tax is not entirely clear. Payments on Warrants with equity in U.S. entities, or indices that include equity in U.S. entities, or that reference dividend payments made by U.S. entities, could become subject to this withholding tax. Non-U.S. Holders may not be able to claim the benefits of a double tax treaty to reduce this withholding. The relevant Issuer will not pay any additional amounts to the Non-U.S. Holders in respect of any U.S. withholding tax imposed on any Dividend Equivalent Payment. The application and interpretation of the rules governing U.S.

withholding tax on Dividend Equivalent Payments is subject to change. Non-U.S. Holders should consult their tax advisers about the possibility of U.S. withholding tax on payments made on Warrants.

Part C – All holders

FATCA Withholding

On 18 March, 2010, the Hiring Incentives to Restore Employment Act was enacted, containing provisions from the former Foreign Account Tax Compliance Act of 2009 (“**FATCA**”). FATCA imposes a withholding tax of 30% on certain U.S. source payments and proceeds from the sale of certain assets that give rise to U.S. source payments, as well as a portion of certain payments by non-U.S. entities, to persons that fail to meet requirements under FATCA. This withholding tax may be imposed on (i) payments to the relevant Issuer if it does not enter into and comply with an agreement with the IRS (an “**IRS Agreement**”) to obtain and report information about the holders of certain Warrants, or (ii) a portion of payments to holders or beneficial owners of certain Warrants, if the relevant Issuer does enter into an IRS Agreement and (a) is unable to obtain the necessary information from such holders or beneficial owners or (b) certain holders fail to meet requirements under FATCA. Withholding would be imposed from (x) 1 January, 2014 in respect of certain U.S. source payments made on or after that date, and (y) 1 January, 2015 in respect of proceeds from the sale of certain assets that give rise to U.S. source payments, and (z) 1 January, 2017 in respect of payments to financial institutions that have not entered an agreement with the IRS regarding compliance with (or otherwise established an exemption from) FATCA. Withholding should not be required with respect to payments on Warrants that are issued before 1 January, 2013, unless such Warrants are treated as equity for U.S. tax purposes, have a perpetual maturity or are materially modified on or after 1 January, 2013.

The future application of FATCA to the relevant Issuer and the holders of Warrants is uncertain, and it is not clear at this time what actions, if any, will be required to minimise any adverse impact of FATCA on the Issuer and the holders of Warrants. It is currently the intention of the relevant Issuer to enter into an IRS Agreement. However, if the relevant Issuer does not enter into the IRS Agreement or fails to comply with the IRS Agreement, and is therefore subject to the 30% withholding tax, the relevant Issuer may have less cash to make interest and principal payments on the Warrants.

Each holder of Warrants should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

2. UNITED KINGDOM TAXATION

The following provides certain limited information in relation to the anticipated United Kingdom tax treatment in relation to the payments on the Warrants, is based on the taxation law and practice in force at the date of this Base Prospectus and does not constitute legal or tax advice, and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Warrants and the receipt of any payments of interim amounts with respect to such Warrants under the laws of the jurisdictions in which they may be liable to taxation.

Withholding Tax

Warrants issued by SCB or SCBHK

No UK income tax should be required to be deducted or withheld by SCB or SCB HK from any payments made on the issue, exercise or disposition of the Warrants.

Stamp duty / Stamp duty reserve tax (“SDRT”)

Cash Settled Warrants

On the basis of the Issuer’s understanding of current unpublished HMRC practice, Cash Settled Warrants should not generally be subject to United Kingdom stamp duty on issue or exercise.

No UK stamp duty should be required to be paid on the transfer of a Cash Settled Warrant, provided that no instrument of transfer is used in order to complete the sale.

On the basis that Cash Settled Warrants are not issued in bearer form, the issue of Cash Settled Warrants should not give rise to a charge to bearer instrument duty.

No SDRT should be payable on the issue of any Cash Settled Warrants or in relation to any agreement to transfer Cash Settled Warrants or on the exercise of a Cash Settled Warrant, on the basis that the Cash Settled Warrants do not give the holder an interest in, or rights arising out of, or the option to acquire stock, shares or loan capital.

Physical Delivery Warrants

Even if the issue of an instrument which constitutes Physical Delivery Warrants was technically subject to UK stamp duty, there may be no practical necessity to pay that stamp duty as stamp duty is not an assessable tax, although, an unstamped document cannot be used for certain purposes in the UK: for example, it will not be admissible in evidence in civil court or arbitration proceedings in the UK.

On the basis that Physical delivery Warrants are not issued in bearer form, the issue of Physical Delivery Warrants should not give rise to a charge to bearer instrument duty.

No UK stamp duty should be required to be paid on the transfer of a Physical Delivery Warrant provided that no instrument of transfer is used in order to complete the transfer.

No SDRT will be payable in relation to the issue into Euroclear or Clearstream, Luxembourg of a Physical Delivery Warrant or on any agreement for its subsequent transfer, in each case, provided that the Physical Delivery Warrants do not give the holder an interest in, or rights arising out of, or the option to acquire stock, shares or loan capital.

In the case of Physical Delivery Warrants issued by SCB, SDRT may, as a matter of UK domestic law, be payable at the rate of 1.5% of the issue price in relation to the issue into Euroclear or Clearstream, Luxembourg of a Physical Delivery Warrant which gives the holder the right on exercise to acquire stock, shares or loan capital (the "**Season Ticket charge**") subject to certain exemptions, including where:-

- (a) such stock, shares or loan capital qualify as "exempt securities" for the purpose of UK tax law (by virtue of them being exempt from all UK stamp duties); or
- (b) Euroclear or Clearstream, Luxembourg (as the case may be) has made an election under which the alternative system of charge (as provided for in section 97A of the Finance Act 1986) applies to the Physical Delivery Warrants.

In the case of *HSBC Holdings plc v Commissioners of Her Majesty's Revenue & Customs Case C-569/07*, the Season Ticket Charge was found to be contrary to EU law, at least in certain circumstances. The case related to shares rather than warrants and the principles in this case may not extend to warrants.

SDRT will not generally be payable in relation to an agreement to transfer such Physical Delivery Warrants within Euroclear or Clearstream, Luxembourg provided no election has been made under which the alternative system of charge (as provided for in section 97A of the Finance Act 1986) applies to the Physical Delivery Warrants.

In the case of Physical Delivery Warrants issued by SCBHK, no SDRT should be payable in relation to the issue of such Physical Delivery Warrants into Euroclear or Clearstream, Luxembourg or on any agreement for its subsequent transfer within Euroclear or Clearstream, Luxembourg, even if the Physical Delivery Warrants give the holder an interest in, or rights arising out of, or the option to acquire stock, shares or loan capital.

UK stamp duty or SDRT may be required to be paid in relation to the transfer of an asset (such as stock or marketable securities) following the exercise of a Physical Delivery Warrant.

If the Warrants are Physical Delivery Warrants, additional tax considerations may be set out in the relevant Product Prospectus or supplemental prospectus.

3. LUXEMBOURG TAXATION

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Warrants should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.

Withholding tax

Taxation of Luxembourg non-residents

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June, 2005, as amended (the "**Laws**"), there is no withholding tax on payments in respect of the Warrants made to non-resident holders of Warrants.

Under the Laws implementing the European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent.

Responsibility for the withholding of the tax will be assumed by the Luxembourg warrant agent. Payments under the Warrants coming within the scope of the Laws will be subject to a withholding tax at a rate of 35%.

Taxation of Luxembourg residents

Under Luxembourg general tax laws currently in force and subject to the Law, there is no withholding tax on payments in respect of the Warrants made to Luxembourg resident holders of Warrants.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg warrant agent. Payments under the Warrants coming within the scope of the Laws will be subject to a withholding tax at a rate of 10%.

4. HONG KONG TAXATION

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments in Hong Kong in respect of the Warrants.

Capital Gains Tax

No capital gains tax is payable in Hong Kong on any capital gains arising from resale of the Warrants.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Hong Kong profits tax may be charged on profits arising on the sale, disposal or exercise of Warrants where the sale, disposal or exercise is or forms part of a trade, profession or business carried on in Hong Kong.

Stamp Duty

No stamp duty is payable on issue of the Warrants. Stamp duty may be payable on any transfer of the Warrants if the relevant transfer is required to be registered in Hong Kong. Any stamp duty payable on the issuance of a series of Warrants will be specified in the applicable Final Terms.

5. SINGAPORE TAXATION

The statements below are of a general nature and are based on certain aspects of current tax laws in Singapore in force as at the date of this Base Prospectus and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws, or guidelines, occurring after such date, which changes could be made on a retrospective basis.

The statements relate to the position of persons who are the absolute beneficial owners of the Warrants and may not apply equally to all persons. Neither these statements nor any other statements in this Base Prospectus are to be regarded as advice on the Singapore income tax position of any holder of the Warrants or of any person acquiring, selling or otherwise dealing with the Warrants or on any Singapore income tax implications arising from the acquisition, sale or other dealings in respect of the Warrants. The statements do not purport to be a comprehensive description of all the Singapore income tax considerations that may be relevant to a decision to purchase, own or dispose of the Warrants and there may be additional taxation issues arising from particular types of Warrants which have not been addressed in the statements. The statements also do not purport to deal with the Singapore income tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. The statements also do not consider any specific facts or circumstances that may apply to any particular purchaser. Holders or prospective holders of the Warrants who are in doubt about their respective tax positions or any tax implications of the purchase, ownership or transfer of Warrants or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

General

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore. An individual is tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accrued in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore from outside Singapore.

However, foreign-sourced income in the form of, amongst certain other things, dividends received or deemed to be received in Singapore by Singapore tax residents on or after 1 June, 2003 will be exempt from income tax if certain prescribed conditions are met. The conditions for the exemption of foreign-sourced dividends include that the recipient must receive such income directly from a jurisdiction with a headline (or highest published) corporate rate of income tax on gains or profits from

a trade or business of at least 15 per cent. and the foreign-sourced dividends (or the underlying income out of which the dividends were paid) must have been subject to tax in the foreign jurisdiction.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore (“IRAS”) with respect to the above conditions.

Non-resident corporate taxpayers are subject to income tax on income accrued in or derived from Singapore, and on foreign-sourced income received in Singapore, subject to certain exceptions.

The corporate tax rate in Singapore is 17 per cent. with effect from the year of assessment 2010.

In addition, three-quarters of up to the first S\$10,000 of a company’s chargeable income, and one-half of up to the next S\$290,000 is exempt from corporate tax with effect from the year of assessment 2008. The remaining chargeable income (after the tax exemption) will be taxed at the prevailing corporate tax rate. New and existing “start-up” companies will, subject to certain conditions, be eligible for full tax exemption on their normal chargeable income of up to S\$100,000 and one-half of up to the next S\$200,000 of chargeable income a year for each of the company’s first three years of assessment. The remaining chargeable income (after the tax exemption) will be taxed at the applicable corporate tax rate. Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accrued in or derived from Singapore except for certain specified investment income.

All foreign-sourced income received (except for income received through a partnership in Singapore) in Singapore on or after 1 January, 2004 by Singapore tax resident individuals will be exempt from income tax if the Comptroller is satisfied that the tax exemption would be beneficial to the individual.

Non-resident individuals, subject to certain exceptions, are subject to income tax on income accrued in or derived from Singapore.

The rate of tax for Singapore resident individuals is tiered, subject to a maximum rate of 20 per cent. with effect from the year of assessment 2007. Non-Singapore resident individuals are generally subject to tax at a rate equivalent to the top individual marginal tax rate, subject to certain exceptions.

Dividends paid by Singapore tax resident companies

With effect from 1 January, 2008, all Singapore-resident companies are under the one-tier corporate tax system. Under this system, the tax on corporate profits is final and dividends paid by a Singapore resident company will be tax exempt in Singapore in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Capital gains

Singapore imposes a tax on income but does not impose tax on gains which are considered non-income (i.e., gains which are considered to be capital in nature). There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital. In the case of a trader who carries on his trade or business in Singapore, gains from transactions in the Warrants, including any gain upon the closing out of cash-settled Warrants, would generally be subject to tax. However, the question of whether a gain is income or capital ultimately remains a matter of fact based on the Warrantholder’s personal circumstances. Warrantholders should therefore consult their own tax advisers if they are in any doubt as to the treatment that would be applicable to them.

Income Tax Implications Arising from the adoption of Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement (“FRS 39”)

Singapore registered companies with annual periods beginning on or after 1 January 2005 are generally required to comply with FRS 39 for accounting purposes. According to an IRAS Circular on “Income Tax Implications arising from the Adoption of FRS 39” (“**FRS 39 Circular**”), for financial assets on revenue account classified as:

- (a) "fair value through profit or loss", gains or losses recognised in the profit and loss account will be taxed or allowed as a deduction even though they are unrealised;
- (b) "available-for-sale", only the cumulative gains or losses (which had been recognised in equity) that are transferred to the profit and loss account upon derecognition will be taxed or allowed as a deduction; or
- (c) "held-to-maturity" and loans, the interest income based on the amount shown in the accounts, which is calculated using the effective interest method under FRS 39, will be taxed.

For financial assets on capital account, the unrealised and realised gains or losses will not be taxed or allowed as a deduction until such time that the circumstances have changed or evidence shows that the financial assets are on revenue account.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Income Tax Act, Chapter 134 of Singapore has since been amended to give effect to the FRS 39 Circular. Holders of the Warrants in Singapore who apply, or who are required to apply, FRS 39 for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale, exercise or disposal of the Warrants is made.

Purchasers and holders of the Warrants who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding, disposal, exercise, non-exercise or the cancellation of the Warrants.

Goods and Services Tax

Under the Goods and Services Tax Act, Chapter 117A of Singapore ("**GST Act**"), the following are examples of exempt supplies not subject to Goods and Services Tax ("**GST**") under the Fourth Schedule to the GST Act:-

- (a) The exchange or grant of an option for the exchange of currency (whether effected by exchange of bank notes, currency notes or coin, by crediting or debiting accounts, or otherwise) other than the supply of a note or a coin as a collector's item, investment article or item of numismatic interest;
- (b) the issue, allotment or transfer of ownership of an equity security (i.e. any interest in or right to a share in the capital of a body corporate or any option to acquire any such interest or right);
- (c) the issue, allotment, transfer of ownership, drawing, acceptance or endorsements of a debt security (i.e. any interest in or right to be paid money that is, or is to be, owing by any person or any option to acquire any such interest or right but excludes a contract of insurance and an estate or interest in land, other than an estate or interest as mortgagee or chargeholder); or
- (d) the renewal or variation of an equity security or debt security.

The GST Act does not, however, contain any specific provision relating to the GST treatment of all kinds of warrants (e.g. warrants relating to a basket of securities or an index rather than a particular security or cash-settled warrants). Nonetheless, the issue, allotment, transfer of ownership, renewal or variation of most Instruments has in practice not been treated as subject to GST. Holders of the Warrants should, however, consult their own professional tax advisers regarding the Singapore GST consequences of their acquisition, holding, conversion or disposal of the Instruments.

Stamp Duty

Stamp duty is generally not imposed on the issue or redemption for cash of Warrants. Where an instrument of transfer of stocks or shares (including funded debt) is executed in Singapore, or is executed outside Singapore but is brought into Singapore, the transfer instrument would be subject to

stamp duty of up to 0.2% of the amount or value of the consideration, or the value of the stocks or shares transferred, whichever is higher. Transfers of securities on a scripless basis through the Central Depository (Pte) Limited are not subject to stamp duty. Transfers of stocks or shares by way of sale or gift of any stock issued by a company, corporation or body of persons incorporated, formed or established outside Singapore (other than stock registered in register kept in Singapore) are also exempt from stamp duty.

Any stamp duty payable on the issuance of a series of Warrants will be specified in the applicable Final Terms.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February, 2008.

6. UNITED ARAB EMIRATES AND DUBAI INTERNATIONAL FINANCIAL CENTRE TAXATION

The following summary of the anticipated tax treatment in the UAE and the DIFC in relation to the payments on the Warrants is based on the taxation law and practice in force at the date of this Base Prospectus and does not constitute legal or tax advice, and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, cancelling or disposing of Warrants and the receipt of any payments of interest with respect to such Warrants under the laws of the jurisdictions in which they may be liable to taxation.

There is currently in force in the Emirates of Abu Dhabi and Dubai legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE, DIFC or Dubai taxation in respect of payments of interest or principal on debt securities (including the Warrants).

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a Federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

The United Arab Emirates has entered into "Double Taxation Arrangements" with certain other countries, but these are not extensive in number.

7. PHILIPPINES TAXATION

This discussion presumes that (a) none of the Philippine Holders (as defined below) is entitled to exemption from Philippine tax or subject to special Philippine tax rates, (b) none of the Philippine Holders is an offshore banking unit in the Philippines of a foreign corporation or a foreign currency deposit unit of a domestic or resident foreign corporation, and (c) the Final Terms of the Warrants will not cause the Warrants to be considered as "deposit substitutes"¹ under Section 22(Y) of the National

¹ Tax Code, Section 22(Y). The term "deposit substitutes" shall mean "an alternative form of obtaining funds from the public (the term 'public' means borrowing from twenty (20) or more individual or corporate lenders at any one time), other than deposits, through the issuance, endorsement, or acceptance of debt instruments for the borrower's own account, for the purpose of relending or purchasing of receivables and other obligations, or financing their own needs or the needs of their agent or dealer. These instruments may include, but need not be limited to, bankers' acceptances, promissory notes, repurchase agreements, including reverse repurchase agreements entered into by and between the Bangko Sentral ng Pilipinas (BSP) and any authorized agent bank, certificates of assignment or participation and similar instruments with recourse: Provided, however, That debt instruments issued for inter-bank call loans with maturity of not more than five (5) days to cover deficiency in reserves against deposit liabilities, including those between or among banks and quasi-banks, shall not be considered as deposit substitute debt instruments."

Internal Revenue Code of 1997, as amended ("**Tax Code**"), as "long-term deposit or investment certificates"¹ under Section 22(FF) of the Tax Code, or to have a term of more than five years so as to qualify the Warrants to be long-term bonds under Section 32(B)(7)(g) of the Tax Code. This discussion is limited to documentary stamp tax ("**DST**") and income tax in relation to the holding of the Warrants by the Philippine Holders. Creditable withholding tax on income is excluded from this discussion.

Issuance of Warrants by SCB to Philippine residents

Philippine residents ("**Philippine Holders**") may be domestic corporations, resident foreign corporations, resident citizens or resident aliens. The issuance of Warrants outside the Philippines shall not be subject to DST imposed on debt instruments under Section 179 of the Tax Code. However, if Warrants issued outside the Philippines by SCB or SCBHK are sold or transferred within the Philippines, the DST imposed under Section 176 of the Tax Code on Warrants issued in any foreign country will apply even if the Warrants were issued abroad, and the DST shall be collected from the person selling or transferring the Warrants within the Philippines.

Interest paid to Philippine residents

A domestic corporation and a resident citizen are subject to income tax in the Philippines on income from sources within and without the Philippines (Sections 23(A) and (E), Tax Code). On the other hand, resident foreign corporations and resident aliens are subject to income tax in the Philippines only on income from Philippine sources (Sections 23(D) and (F), Tax Code).

Interest income is considered derived from sources within the Philippines if it is from bonds, notes or other interest-bearing obligations of Philippine residents (Section 42(A)(1), Tax Code).

Corporations

Interest income from the Warrants derived by a Philippine Holder that is a domestic corporation forms part of its gross taxable income that is subject to the corporate income tax of 30% on net taxable income (Section 27(A), Tax Code).

Foreign income tax paid on said interest income may be credited against Philippine income tax, subject to certain conditions.

On the other hand, interest income derived by a Philippine Holder that is a resident foreign corporation from Warrants issued abroad may not be subject to Philippine income tax since the same may be considered income from non-Philippine sources (Section 23(F), Tax Code).

Individuals

Interest income from Warrants derived by a Philippine Holder that is a resident citizen forms part of his gross taxable income that is subject to graduated rates of tax, the highest of which is one hundred twenty-five thousand Pesos (P125,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand Pesos (P500,000) (Section 24(A)(2), Tax Code).

Interest income of resident aliens from Warrants issued abroad is not subject to Philippine income tax for being income from a non-Philippine source.

¹ Tax Code, Section 22(FF). The term "long-term deposit or investment certificate" shall refer to "certificate of time deposit or investment in the form of savings, common or individual trust funds, deposit substitutes, investment management accounts and other investments with a maturity period of not less than five (5) years, the form of which shall be prescribed by the Bangko Sentral ng Pilipinas (BSP) and issued by banks only (not by nonbank financial intermediaries and finance companies) to individuals in denominations of ten thousand pesos (P10,000) and other denominations as may be prescribed by the BSP."

Sale of Warrants by resident Philippine Holders either in the Philippines or Abroad

Gains, profits and income from the sale of personal property (such as Warrants) are considered to be from Philippines sources if the personal property is sold within the Philippines (Section 42(E), par.2, Tax Code).

Corporations

The gain realised by a Philippine Holder that is a domestic corporation on the subsequent sale of Warrants shall form part of its gross taxable income subject to the 30% corporate income tax whether the sale was consummated in the Philippines or abroad (Section 27(A), Tax Code).

The gain realised by a Philippine Holder that is a resident foreign corporation shall form part of its gross taxable income in the Philippines subject to the tax at 30% corporate income tax only when Warrants are sold within the Philippines (Section 28(A), Tax Code).

Individuals

The gain realised by a Philippine Holder that is a resident citizen on the subsequent sale of Warrants forms part of his gross taxable income that is subject to graduated rates of tax, the highest of which is one hundred twenty-five thousand Pesos (P125,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand Pesos (P500,000) regardless of the place of consummation of the sale (Philippines or abroad) (Section 24(A), Tax Code).

The gain realised by a Philippine Holder that is a resident alien forms part of his gross taxable income that is subject to graduated rates of tax, the highest of which is one hundred twenty-five thousand Pesos (P125,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand Pesos (P500,000) when Warrants are sold within the Philippines (Section 24(A), Tax Code).

When taxable, Philippine Holders of Warrants (whether corporate or individual) should include the gain realised on the sale in their income tax returns.

The subsequent sale of Warrants shall be exempt from DST pursuant to Section 199(f) of the Tax Code if there is no change in the maturity date or remaining period of coverage of Warrants from that of the original instrument, or to Section 199(g) of the Tax Code if Warrants, depending on their Final Terms, qualify, as fixed income securities or other securities traded in the secondary market or through an exchange.

Exercise of Warrants either in the Philippines or Abroad

Subject to its Final Terms, the exercise of a Warrant generally has the same effect as the redemption or retirement of a bond. The discussion under this section describes the Philippine tax consequences of the redemption or retirement of a bond.

Corporations

The gain realised on the exercise of Warrants by a Philippine Holder that is a domestic corporation shall form part of its gross taxable income subject to the 30% corporate income tax (Section 27(A), Tax Code). The gain realised by a Philippine Holder that is a resident foreign corporation is subject to the 30% corporate income tax when Warrants are exercised in the Philippines.

Individuals

The gain realised by a Philippine Holder that is a resident citizen on the exercise of Warrants shall form part of his gross taxable income that is subject to graduated rates of tax, the highest of which is one hundred twenty-five thousand Pesos (P125,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand

Pesos (P500,000) regardless of the place of exercise (Philippines or abroad) (Section 24(A)(2), Tax Code).

The gain realised by a Philippine Holder that is a resident alien from the exercise of Warrants within the Philippines forms part of his gross taxable income that is subject to graduated rates of tax, the highest which is one hundred twenty-five thousand Pesos (P25,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand Pesos (P500,000) (Section 24(A), Tax Code).

Section 39(E) of the Tax Code reads as follows:

- (E) Retirement of bonds, etc. — For purposes of this Title, amounts received by a holder upon retirement of bonds, debentures or certificates of indebtedness by a corporation (including those issued by a government or political subdivision thereof) with interest coupons or in registered form, shall be considered as amounts received in exchange therefor.

In interpreting this provision, the Bureau of Internal Revenue (“**BIR**”) ruled that the amount paid by the issuer to the holder of notes shall be considered payments in exchange of such notes. (BIR Ruling No. 052-01 dated 16 November, 2001). Thus, Section 42 of the Tax Code, will apply in determining sources of gross income in relation to the retirement/redemption of notes.

Moreover, the same BIR ruling held that “the gain, if any, shall be taxed at the regular income tax rates depending on the status of the investor (that is, whether individual, corporation, resident, or non-resident) x x x. This is because the gain on the principal is not interest, but rather gain realised from the redemption of the Notes by the Issuer upon Maturity Date.”

When taxable, Philippine Holders of Warrants (whether corporate or individual) should include the gain realised on the exercise of Warrants in their income tax returns.

No DST is imposed under the Tax Code on the exercise, cancellation or retirement of Warrants as debt instruments.

PURCHASERS AND SELLERS OF WARRANTS MAY BE REQUIRED TO PAY STAMP DUTIES, TAXES AND/OR OTHER CHARGES IN ACCORDANCE WITH THE LAWS AND PRACTICE OF THE COUNTRY OF PURCHASE OR SALE IN ADDITION TO THE ISSUE PRICE OF EACH WARRANT. POTENTIAL PURCHASERS OF WARRANTS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE TAX CONSEQUENCES OF TRANSACTIONS INVOLVING ANY WARRANTS.

ERISA MATTERS

A fiduciary of a pension, profit-sharing or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA), should consider the fiduciary standards of ERISA in the context of the ERISA plan's particular circumstances before authorizing an investment in the offered Warrants of an Issuer. Among other factors, the fiduciary should consider whether such an investment is in accordance with the documents governing the ERISA plan and whether the investment is appropriate for the ERISA plan in view of its overall investment policy and diversification of its portfolio.

Certain provisions of ERISA and the Internal Revenue Code of 1986, as amended (the Code), prohibit employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, plans described in and subject to Section 4975 of the Code (including, without limitation, retirement accounts and Keogh Plans), and entities whose underlying assets include plan assets by reason of a plan's investment in such entities (including, without limitation, as applicable, insurance company general accounts) (collectively, plans), from engaging in certain transactions involving "plan assets" with parties that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the plan or entity. Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) and other plans that are not subject to ERISA or to the Code may be subject to similar restrictions under state, federal, local or non-U.S. law. Any employee benefit plan or other entity, to which such provisions of ERISA, the Code or similar law apply, proposing to acquire the offered Warrants should consult with its legal counsel.

The Issuers have affiliates, including insurance company affiliates and broker-dealer affiliates, that provide services to many employee benefit plans. The Issuers and any of their such affiliates may each be considered a "party in interest" and a "disqualified person" to a large number of plans. A purchase of offered Warrants of an Issuer by any such plan would be likely to result in a prohibited transaction between the plan and the relevant Issuer.

Accordingly, unless otherwise provided in connection with a particular offering of Warrants, offered Warrants may not be purchased, held or disposed of by any plan or any other person investing "plan assets" of any plan that is subject to the prohibited transaction rules of ERISA or Section 4975 of the Code or other similar law, unless one of the following exemptions (or a similar exemption or exception) applies to such purchase, holding and disposition:

- Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for transactions with certain service providers (the Service Provider Exemption);
- Prohibited Transaction Class Exemption (PTCE) 96-23 for transactions determined by in-house asset managers;
- PTCE 95-60 for transactions involving insurance company general accounts;
- PTCE 91-38 for transactions involving bank collective investment funds;
- PTCE 90-1 for transactions involving insurance company separate accounts; or
- PTCE 84-14 for transactions determined by independent qualified professional asset managers.

The U.S. Department of Labor has promulgated a regulation, 29 C.F.R. section 2510.3-101, as modified by Section 3(42) of ERISA (the Plan Asset Regulation) describing what constitutes the plan assets of a plan with respect to the plan's investment in an entity. Under the Plan Asset Regulation, if a plan invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the Investment Company Act, the plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in debt form may be considered an equity interest if it

has substantial equity features. If the relevant Issuer were deemed under the Plan Asset Regulation to hold plan assets by reason of a plan's investment in any of the Warrants, such plan assets would include an undivided interest in the assets held by the relevant Issuer and transactions by the relevant Issuer would result in, among other things, (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the relevant Issuer, and (ii) the possibility that certain transactions that the relevant Issuer might enter into, or may have entered into, in the ordinary course of business might constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code. The Issuers believe that Warrants should not be treated as equity interests for the purposes of the Plan Asset Regulation.

Unless otherwise provided in connection with a particular offering of Warrants, any purchaser of the offered Warrants or any interest therein will be deemed to have represented and warranted to the relevant Issuer on each day from the date of its purchase of the offered Warrants through and including the date of disposition of such offered Warrants that either:

- (a) it is not an employee benefit plan as described in Section 3(3) of ERISA, subject to the provisions of Title I of ERISA, a plan described in Section 4975(e)(1) of the Code to which Section 4975 of the Code applies, or an entity whose underlying assets include plan assets by reason of a plan's investment in the entity,
- (b) it is not any other plan subject to any federal, state, local or foreign law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, and
- (c) it will not sell or otherwise transfer any such Warrant or interest to any person without first obtaining the same foregoing representations and warranties from that person.

Due to the complexity of these rules and the penalties imposed upon persons involved in prohibited transactions, it is important that any person considering the purchase of the offered Warrants with plan assets consult with its counsel regarding the consequences under ERISA and the Code, or other similar law, of the acquisition and ownership of offered Warrants.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Transfer Restrictions

As a result of the following restrictions, purchasers of Warrants are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Warrants.

Each purchaser of Warrants or an interest therein will, by its purchase of such Warrants, be deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A, Regulation S or the Conditions are used herein as defined therein) and shall be deemed to make any additional or supplemental acknowledgments, representations and agreements as set out in the applicable Final Terms:

- (i) that either: (a) in the case of the issue or transfer of a Warrant to or for a person who takes delivery in the form of Warrants represented by a Unitary Global W&C Security, either (1) it is a QIB purchasing (or holding) the Warrants for its own account or the account of one or more QIBs and it is aware and each beneficial owner of such Warrants has been advised that any sale is being made in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the Securities Act or (2) it is outside the United States and is not a U.S. person, or (b) in the case of the issue or transfer of a Warrant to or for a person who takes delivery in the form of Warrants represented by a Regulation S Global W&C Security, it is outside the United States and is not a U.S. person;
- (ii) that in issuing a Warrant linked to any Reference Item, the Issuer is not making, and has not made, any representations whatsoever as to the Reference Item with any exchange or which any governmental entity regulating the purchase and sale of securities or a Warrant linked to any Reference Item;
- (iii) that the Issuer and any affiliate of the Issuer may whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to the issuer of a Reference Item which is or may be material in the context of an issue of Warrants linked to such Reference Item and which is not or may not be known to the general public or any Warrantholder. Warrants linked to any Reference Item do not create any obligation on the part of the Issuer or any affiliate of the Issuer to disclose to any Warrantholder any such relationship or information (whether or not confidential) and neither the Issuer nor any affiliate of the Issuer shall be liable to any Warrantholder by reason of such non-disclosure. No such information had been used in the selection of any issuer of a Reference Item for Warrants linked to any Reference Item;
- (iv) that the Issuer and any affiliate of the Issuer may have existing or future business relationships with the issuer of a Reference Item (including, but not limited to, lending, depositary, risk management, advisory or banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its or their interests arising therefrom without regard to the consequences for the Warrantholder of a Warrant linked to the issuer of a Reference Item;
- (v) that the market value of the Warrants linked to the issuer of a Reference Item may be adversely affected by movements in the value of the issuer of the Reference Item or in currency exchange rates or general market conditions;
- (vi) that the amounts received (if any) in respect of any Warrant may be less than its issue price;
- (vii) that no Warrants are being offered and sold in a transaction involving a public offering in the United States within the meaning of the Securities Act, and that no Warrants have been or will be registered under the Securities Act or any applicable U.S. State securities laws and no Warrants may be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

- (viii) that, unless it holds an interest in a Regulation S Global W&C Security (in which event the Warrants represented by such Regulation S Global W&C Security may only be transferred at any time outside the United States to a non-U.S. person in a transaction pursuant to Regulation S), if in the future it decides to resell, pledge, or otherwise transfer the Warrants or any beneficial interests in the Warrants, it will do so only (1) to the Issuer or any Affiliate thereof, (2) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A or (3) outside the United States to a non-U.S. person in compliance with Rule 903 or 904 of Regulation S, in each case in accordance with all applicable securities laws of the States of the United States and any other jurisdiction and as provided in the applicable Final Terms;
- (ix) it will, and will require each subsequent Warrantholder to, notify any purchaser of Warrants from it of the resale restrictions referred to in (viii) above;
- (x) that the Warrants initially offered in the United States to QIBs will be represented by a Unitary Global W&C Security and that Warrants offered outside the United States in reliance on Regulation S will be represented by (a) a Regulation S Global W&C Security if offered to non-U.S. persons only and (b) a Unitary Global W&C Security if concurrently offered to non-U.S. persons and to QIBs in the United States;
- (xi) that at the time of its purchase and throughout the period in which it holds such Warrants or any interest therein (a) it is not an employee benefit plan as described in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), subject to the provisions of Title I of ERISA, a plan described in Section 4975(e)(1) of the Code to which Section 4975 of the Code applies, or an entity whose underlying assets include plan assets by reason of a plan’s investment in the entity, (b) it is not any other plan subject to any federal, state, local or foreign law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, and (c) it will not sell or otherwise transfer any such Warrant or interest to any person without first obtaining the same foregoing representations and warranties from that person;
- (xii) that the Regulation S Global W&C Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS WARRANT AND, IN THE CASE OF WARRANTS TO BE SETTLED BY PHYSICAL DELIVERY OF SECURITIES, ANY SUCH SECURITIES, HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, 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 THE WARRANTS AND CERTIFICATES AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE WARRANTS OF THE TRANCHE OF WHICH THIS WARRANT FORMS PART.

BY ITS PURCHASE AND HOLDING OF A WARRANT OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH WARRANT OR INTEREST THEREIN, THAT (A) IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DESCRIBED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, A PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE TO WHICH SECTION 4975 OF THE CODE APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN’S INVESTMENT IN THE ENTITY, (B) IT IS NOT ANY OTHER PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, AND (C) IT WILL NOT SELL OR OTHERWISE

TRANSFER ANY SUCH WARRANT OR INTEREST TO ANY PERSON WITHOUT FIRST OBTAINING THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES FROM THAT PERSON.”;

- (xiii) that the Unitary Global W&C Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS WARRANT AND, IN THE CASE OF WARRANTS TO BE SETTLED BY PHYSICAL DELIVERY OF SECURITIES, ANY SUCH SECURITIES, HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE WARRANTS AND CERTIFICATES AGENCY AGREEMENT AND (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR (3) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS WARRANT IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. [THE SECURITIES REPRESENTED BY THIS UNITARY GLOBAL W&C SECURITY MAY NOT BE EXERCISED BY OR ON BEHALF OF A PERSON LOCATED IN THE UNITED STATES OR ANY U.S. PERSON.]¹

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE WARRANTS AND CERTIFICATES AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

BY ITS PURCHASE AND HOLDING OF A WARRANT OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH WARRANT OR INTEREST THEREIN, THAT (A) IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DESCRIBED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, A PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE TO WHICH SECTION

¹ Text to be included in legend where non U.S. certification is required upon exercise.

4975 OF THE CODE APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY, (B) IT IS NOT ANY OTHER PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, AND (C) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SUCH WARRANT OR INTEREST TO ANY PERSON WITHOUT FIRST OBTAINING THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES FROM THAT PERSON.”;

- (xiv) Warrants related to a specified currency or basket of currencies, a specified commodity or basket of commodities or a specified inflation index or basket of inflation indices may not at any time be offered, sold, resold, held, traded, pledged, cancelled, transferred or delivered, directly or indirectly, in the United States or, to by or for the account or benefit of, U.S. persons as defined in Regulation S or that are not non-United States persons as defined in the Commodity Exchange Act; and
- (xv) that that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer and if it is acquiring any Warrants as a fiduciary or agent for one or more qualified institutional buyer, 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.

No sale of Warrants in the United States to any one purchaser will be for an issue price of less than U.S.\$100,000 (or its foreign currency equivalent) and no Unitary Global W&C Securities will be issued in connection with such a sale for a smaller issue price. If the U.S. purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase Warrants for an issue price of at least U.S.\$100,000 (or its foreign currency equivalent).

Each issuance of Warrants shall be subject to the selling restrictions set out in this section and to such additional U.S. selling restrictions as the relevant Issuer or, as the case may be, each Manager may agree as a term of the issuance and purchase of such Warrants, which additional selling restrictions shall be set out in the applicable Final Terms. The Issuer or, as the case may be, each Manager of an issue of such Warrants will be required to agree that it will offer, sell or deliver such Warrants only in compliance with such additional U.S. selling restrictions. In addition, each issuance of Warrants will be subject to the transfer restrictions set forth in this section in addition to or as supplemented or amended by any other transfer restrictions and restrictions on offering, selling, transferring, pledging, delivering, cancelling or exercising the Warrants (including any required certifications, including as to non-U.S. beneficial ownership and being located outside the United States, in respect thereof as determined by the Issuer) as set forth in the applicable Final Terms. In order to receive any underlying reference assets in respect of physically settled Warrants, Warranholders may be required to certify that (a) Warrants are not being exercised by or on behalf of a U.S. person or a person within the United States or (b) in certain circumstances, if specified in the Final Terms, that the Warrants are being exercised by a QIB. By its purchase of Warrants, any such purchaser will be deemed to have acknowledged, represented and agreed with such restrictions.

Furthermore, neither the sale of nor trading in Warrants which relate to currencies, commodities or indices has been approved by the United States Commodity Futures Trading Commission under the Commodity Exchange Act, and no U.S. person may at any time purchase, trade or maintain a position in such Warrants unless otherwise specified in the applicable Final Terms. In addition, each person exercising such Warrants (or, in the case of Automatic Exercise, collecting exercise amounts in respect of such Warrants) will be required to certify that neither it nor the beneficial owner of the Warrants is a U.S. person or is located in the United States.

Selling Restrictions

In respect of each Tranche of Warrants issued under the Programme, a Manager may, by entering into a purchase agreement, agree with the relevant Issuer the basis upon which it agrees to purchase

Warrants. Any such agreement will extend to those matters stated under “*General Terms and Conditions of the Warrants*”.

No action has been or will be taken by any Manager that would permit a public offering of the Warrants or possession or distribution of any offering material in relation to the Warrants in any jurisdiction where action for that purpose is required save as specified in the applicable Product Prospectus and the applicable Final Terms. No offers, sales or deliveries of any Warrants, or distribution of any offering material relating to the Warrants, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

United States

The Warrants and, in the case of warrants to be settled by physical delivery of securities, any such securities have not been and will not be registered under the Securities Act or any state securities law and may not be offered, sold or delivered 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 and applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The Warrants do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the United States Commodity Exchange Act and trading in the Warrants has not been approved by the United States Commodity Futures Trading Commission under the Commodity Exchange Act.

Each Manager will be required to agree, except as permitted by applicable law, not to offer, sell or deliver the Warrants (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each other Manager to which it sells Warrants (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Warrants are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S and the Manager may directly or through its U.S. broker-dealer affiliate arrange for the offer and resale of Warrants within the United States only to qualified institutional buyers in private transactions exempt from the registration requirements of the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Warrants within the United States by the Manager that is not participating in the offering may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Manager will be required to represent and agree that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Warrants which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Warrants to the public in that Relevant Member State:

- (i) if the final terms of the Warrants specify that an offer of those Warrants may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Warrants which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates

specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the relevant Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Warrants referred to in (ii) to (iv) above shall require the relevant Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Warrants to the public” in relation to any Warrants in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

United Kingdom

Each Manager will be required to represent and agree that:

- (a) in relation to any Warrants which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Warrants 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 agent) for the purposes of their businesses where the issue of the Warrants would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the relevant Issuer;
- (b) 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 the Warrants in circumstances in which section 21(1) of the FSMA in the case of SCB, would not, if it was not an authorised person or in the case of SCBHK, does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Warrants in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Warrants issued by the relevant Issuer, each Manager will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Warrants (except for Warrants which are a “structured product” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong) other than (i) to “professional

investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (b) 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 Warrants, 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 Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Warrants have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended; the “**FIEA**”). Accordingly, each Manager will be required to represent, warrant and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Warrants in Japan or to a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Act No.228 of 1949, as amended)) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager will be required to represent, warrant and agree that this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of Warrants may not be circulated or distributed, nor may the Warrants be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Warrants are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Warrants pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or
- (2) where no consideration is or will be given for the transfer; or

- (3) where the transfer is by operation of law; or
- (4) pursuant to Section 276(7) of the SFA.

Malaysia

Each Manager will be required to:

- (a) acknowledge that the making available of, offer for subscription or purchase, or issuance of an invitation to subscribe for or purchase the Warrants may only be made outside Malaysia, except as otherwise permitted under applicable Malaysian laws and regulations or with the approval of any relevant Malaysian regulatory authority; and
- (b) represent and agree that it has not made available, offered for subscription or purchase, or issued an invitation to subscribe for or purchase and will not make available, offer for subscription or purchase, or issue an invitation to subscribe for or purchase, the Warrants, and that it has not circulated or distributed and will not circulate and distribute this Base Prospectus or any other offering document or material relating to the Warrants, directly or indirectly, to any persons in Malaysia, except as otherwise permitted under applicable Malaysian laws and regulations or with the approval of any relevant Malaysian regulatory authority.

Korea

The number of the Warrants shall be less than 50 and shall not be subdivided within one (1) year from the date of issuance of the Warrants and therefore any securities registration statement as specified under Article 119 of the Financial Investment Services and Capital Markets Act of Korea has not been and will not be filed with the Financial Services Commission of Korea. Each Manager will be required to represent and agree, that the Warrants have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as such term is defined in the Foreign Exchange Transaction Law of Korea), except as otherwise permitted under applicable Korean laws and regulations, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. By the purchase of the Warrants, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Warrants pursuant to the applicable laws and regulations of Korea. Each Manager will be required to undertake to ensure that any securities dealer to which it sells Warrants confirms that it is purchasing such Warrants as principal and agrees with such Manager that it will comply with the restrictions described above.

United Arab Emirates

Each Manager will be required to represent and agree that the Warrants have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and the sale of securities.

Dubai International Financial Centre

Each Manager will be required to represent and agree that it has not offered and will not offer the Warrants to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "DFSA"); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Indonesia

The Warrants offered under the Base Prospectus are not and will not be registered with the Capital Market and Financial Institutions Supervisory Agency in Indonesia and therefore are not authorised by the Capital Market and Financial Institutions Supervisory Agency for sale in a public offering manner in the Indonesian territory and or to Indonesian citizens wherever they are domiciled or to Indonesian entities or residents (including distribution and dissemination of the Base Prospectus, other written materials either through advertisements or other media in Indonesia or otherwise offer to more than 100 persons or resulting in sales to more than 50 persons) in circumstances which constitute a public offering of securities under the Indonesian Law No. 8/1995 regarding Capital Markets.

Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in Warrants. Subject as provided below, Warrants may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to Warrants constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act (the "**CISA**"), and neither this Base Prospectus nor any other offering or marketing material relating to Warrants may be publicly distributed or otherwise made publicly available in Switzerland.

Warrants which are "structured products" as such term is understood within the meaning of the CISA (the "**Structured Securities**") may only be offered, sold or advertised, and this Base Prospectus and any other offering or marketing material relating to such Structured Securities may only be distributed in Switzerland by way of private placement to qualified investors within the meaning of the CISA. The Structured Securities do not constitute participations in a collective investment scheme in the meaning of the CISA. Neither this Base Prospectus nor any other offering or marketing material relating to the offering, the Issuer or the Structured Securities have been or will be filed with or approved by any Swiss regulatory authority. The Structured Securities are not subject to the supervision of any Swiss regulatory authority, such as, the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Structured Securities will not benefit from protection or supervision by such authority.

Should any Series of Warrants be publicly offered, admitted to trading or listed in Switzerland, this will be set out in the applicable Final Terms and the relevant Issuer will prepare supplemental documents to the extent required by Swiss law and the rules and regulations of the SIX Swiss Exchange. Investors should in such case also consult any such document before making any investment decision.

South Africa

Each Manager agrees that it has not offered and will not offer for sale or subscription or sell any Warrants, directly or indirectly, within the Republic of South Africa or to any person or corporate or other entity resident in the Republic of South Africa except (a) in accordance with the exchange control regulations of the Republic of South Africa and (b) to any entity resident or within the Republic of South Africa in accordance with the Commercial Paper regulations, the Companies Act 2008, the Financial Advisory and Intermediary Services Act 2002 and the Collective Investment Schemes Control Act, 2002.

Jersey

No consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958 has been obtained in relation to the circulation in Jersey of any offer of Warrants described in this Base Prospectus and any such offer must be addressed exclusively to a restricted circle of persons in Jersey. For these purposes an offer is not addressed exclusively to a restricted circle of persons unless (i) the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror's appointed agent, (ii) the members of that category are the only persons who may accept

the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the offer and (iii) the number of persons in Jersey to whom the offer is so communicated does not exceed fifty.

Guernsey

The Warrants may only be offered or sold in, or from within the Bailiwick of Guernsey either (i) to or by persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended or (ii) to persons licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 as amended, or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002 as amended or (iv) to licensees under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000 as amended.

Kingdom of Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "Saudi Investor") who acquires Warrants pursuant to any offering should note that the offer of Warrants is a private placement under Article 10 and/or Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the "KSA Regulations"). Each Manager will be required to represent and agree, that any offer of Warrants will not be directed at more than 60 Saudi Investors (excluding "Sophisticated Investors" (as defined in Article 10 of the KSA Regulations)) and the minimum amount payable per Saudi Investor (excluding Sophisticated Investors) will be not less than Saudi Riyal ("SR") 1 million or an equivalent amount. Each offer of Warrants shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Warrants as a Sophisticated Investor may not offer or sell those Warrants to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Warrants are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Warrants in any one transaction is equal to or exceeds SR 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Kingdom of Bahrain

The Warrants are issued by SCB and SCHK incorporated in England & Wales and Hong Kong, respectively, and are only marketed to SCB and SCBHK existing account holders accredited investors in the Kingdom of Bahrain. They will not be subject to the Article 81 of CBB law.

Any offer of Securities does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). The offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain ("**CBB**"). Accordingly, no Securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Securities, whether directly or indirectly, to persons in the Kingdom of Bahrain.

The CBB has not reviewed or approved the offering documents and it has not in any way considered the merits of the Securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document.

For investors in the Kingdom of Bahrain the Warrants may only be offered in registered form and only to SCB and SCBHK existing account holder's accredited investors in a minimum investment of at least U.S.\$100,000.

Philippines

THE WARRANTS BEING OFFERED OR SOLD UNDER THE BASE PROSPECTUS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES. ANY OFFER OR SALE OF THE WARRANTS WITHIN THE PHILIPPINES IS SUBJECT TO THE REGISTRATION REQUIREMENT UNDER THE SAID CODE, UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION THEREUNDER.

General

The offer and sale of the Warrants will also be subject to such other restrictions on distribution and transfer as may be set out in the Product Prospectus and the relevant Final Terms.

These selling restrictions may be modified by the agreement of the Issuers and the Manager(s) following a change in a relevant law, regulation or directive. Any such modification will be set out in the relevant Product Prospectus and/or the relevant Final Terms issued in respect of the issue of Warrants to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Warrants, or possession or distribution of this Base Prospectus or any other offering material or any Product Prospectus or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Manager will be required to agree that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Warrants or has in its possession or distributes this Base Prospectus, any other offering material or any Product Prospectus or any Final Terms and neither the relevant Issuer nor any other Manager shall have responsibility therefore.

GENERAL INFORMATION

Authorisation

The establishment, amendment and restatement of the Programme and the issue of Notes by SCB have been duly authorised by (i) a resolution of the Court of Directors of SCB dated 9 November, 2001 and (ii) resolutions of a duly appointed Committee of the Court of Directors of SCB dated 14 December, 2001, 25 November, 2002, 5 May, 2004, 18 December, 2006, 20 May, 2009, 28 July, 2010, 16 September, 2011 and 25 June, 2012. The issue of Warrants and Certificates by SCB have been duly authorised by a resolution of a duly appointed Committee of the Court of Directors of SCB dated 20 May, 2009, 28 July, 2010, 16 September, 2011 and 25 June, 2012. Increase in the Programme size in relation to the Notes and the listing of Warrants and Certificates was authorised by a resolution of the Court of Directors of SCB dated 17 May, 2010.

The addition of SCBHK as an issuer under the Programme and the issue of Warrants by SCBHK have been duly authorised by (i) a resolution of SCBHK's Board of Directors dated 13 September, 2006 and (ii) resolutions of a duly appointed committee of the Board of Directors of SCBHK dated 8 December, 2006, 27 February, 2008, 29 May, 2009, 7 September, 2010, 27 September, 2011 and 26 June, 2012. The issue of Warrants and Certificates by SCBHK have been duly authorised by a resolution of a duly appointed committee of the Board of Directors of SCBHK dated 29 May, 2009, 7 September, 2010, 27 September, 2011 and 26 June, 2012. Increase in the Programme size in relation to the Notes and the listing of Warrants and Certificates was authorised by a resolution of the Board of Directors of SCBHK dated 26 May, 2010.

Approval, Listing and Admission to Trading

Application has been made to the CSSF to approve this document as a base prospectus. The CSSF's approval does not confirm, and the CSSF assumes no responsibility as to, the economic and financial soundness of the transaction and the quality or solvency of the Issuers. Application has also been made to the Luxembourg Stock Exchange for Warrants issued under the Programme to be listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on Markets in financial instruments.

Documents available

So long as Warrants are capable of being issued under the Programme, copies of the following documents will, when published from time to time, be available from the principal place of business of SCB, from the registered office of SCBHK and from the specified office of the Warrant Agents for the time being in London:

- (i) the constitutional documents of SCB and SCBHK;
- (ii) the Directors' Report and Financial Statements of SCB for the financial years ended 31 December, 2011 and 31 December, 2010;
- (iii) the Directors' Report and Consolidated Financial Statements of SCBHK in respect of the financial years ended 31 December, 2011 and 31 December, 2010;
- (iv) the Warrants and Certificates Agency Agreement, the SCB W&C Deed of Covenant, the SCBHK W&C Deed of Covenant, the W&C Deed Poll and the forms of the Global W&C Securities;
- (v) a copy of this Base Prospectus;
- (vi) a copy of the SCB Registration Document;

- (vii) a copy of the SCBHK Registration Document;
- (viii) any future offering circulars, prospectuses, information memoranda, supplements to the Base Prospectus, Product Prospectuses and Final Terms documents (save that a Final Terms document relating to an unlisted Warrant will only be available for inspection by a holder of such Warrant and such holder must produce evidence satisfactory to the relevant Issuer and the Warrant Agent as to its holding of Warrants and identity) and any other documents incorporated herein or therein by reference; and
- (ix) in the case of each issue of listed Warrants subscribed pursuant to a Purchase Agreement, the Purchase Agreement (or equivalent document.)

In addition, copies of this Base Prospectus, each Final Terms relating to Warrants that are admitted to trading on the Luxembourg Stock Exchange's regulated market and the documents incorporated by reference herein are available for viewing on the website of the Luxembourg Stock Exchange website (www.bourse.lu).

Clearing Systems

The Warrants have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Warrants allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Warrants are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

Conditions for determining price

The price and amount of the Warrants to be issued under the Programme will be determined by the Issuers and the Manager at the time of issue in accordance with prevailing market conditions.

No significant change

As far as SCB is aware and as at the date of this Base Prospectus, there has been no significant change in the financial or trading position of SCB or any of its subsidiaries (the "**SCB Group**") since 31 December, 2011.

As far as SCBHK is aware and as at the date of this Base Prospectus, there has been no significant change in the financial or trading position of SCBHK or any of its subsidiaries (the "**SCBHK Group**") since 31 December, 2011.

No material adverse change

As far as SCB is aware and as at the date of this Base Prospectus, there has been no material adverse change in the prospects of SCB or the SCB Group since 31 December, 2011.

As far as SCBHK is aware and as at the date of this Base Prospectus, there has been no material adverse change in the prospects of SCBHK or the SCBHK Group since 31 December, 2011.

Litigation

As discussed in the "Risk Review" section of Standard Chartered PLC's Annual Report for 2011 (which is incorporated by reference herein) SCB is conducting a review of its historical US sanctions compliance and is discussing that review with US enforcement agencies and regulators. SCB cannot predict when this review and these discussions will be completed or what the outcome will be. Save in relation to the matters described above (in the "Risk Review" section), as far as SCB is aware, SCB (whether as defendant or otherwise) is not engaged in any governmental, legal, arbitration, administrative or other proceedings, including any such proceedings which are pending or threatened of which it is aware, the results of which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or the operations of SCB or the SCB Group.

As discussed in the "Risk Review" section of Standard Chartered PLC's Annual Report for 2011 (which is incorporated by reference herein) SCBHK is conducting a review of its historical US sanctions compliance and is discussing that review with US enforcement agencies and regulators. SCBHK cannot predict when this review and these discussions will be completed or what the outcome will be. Save in relation to the matters described above (in the "Risk Review " section), as far as SCBHK is aware, SCBHK (whether as defendant or otherwise) is not engaged in any governmental, legal, arbitration, administrative or other proceedings, including any such proceedings which are pending or threatened of which it is aware, the results of which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or the operations of SCBHK or the SCBHK Group.

Auditors

The financial information relating to SCB contained in this Base Prospectus does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006, but constitutes non-statutory accounts within the meaning of section 435 of the Companies Act 2006. The auditor of SCB is KPMG Audit Plc, Chartered Accountants and member of the Institute of Chartered Accountants in England and Wales, of 15 Canada Square, London E14 5GL, which has audited, and rendered unqualified auditor's reports on, the accounts of SCB for the three years ended 31 December, 2009, 31 December, 2010 and 31 December, 2011, which have been delivered to the Registrar of Companies.

The auditor of SCBHK is KPMG and member of the Hong Kong Institute of Certified Public Accountants, of 8/F Prince's Building, 10 Chater Road, Central, Hong Kong, which has audited, and rendered unqualified auditor's reports on, the accounts of SCBHK for the two years ended 31 December, 2011 and 31 December, 2010.

Post-issuance information

Neither SCB nor SCBHK intends to provide any post-issuance information, unless required by applicable laws and regulations.

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