

31 October 2023

BANCO SANTANDER, S.A., HONG KONG BRANCH

as ISSUER

EUR 5,000,000,000 CERTIFICATE OF DEPOSIT PROGRAMME

INFORMATION MEMORANDUM

CITIGROUP

as ARRANGER

**BANCO SANTANDER, S.A.
BANK OF CHINA (HONG KONG) LIMITED**

BARCLAYS

BNP PARIBAS

CHINA CITIC BANK INTERNATIONAL

CITIGROUP

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

HSBC

NOMURA INTERNATIONAL PLC

STANDARD CHARTERED BANK

as DEALERS

IMPORTANT NOTICES

This Information Memorandum contains summary information in connection with a EUR 5,000,000,000 multicurrency programme (the "**Programme**") for the issue of negotiable certificates of deposit (the "**CDs**") under which Banco Santander, S.A., Hong Kong Branch (the "**Issuer**") may issue and have outstanding at any time CDs up to a maximum aggregate amount of EUR 5,000,000,000 or its equivalent in alternative currencies. The Issuer may from time to time appoint dealers for a particular series of CDs and/or dealers for the CDs under the Programme (together, the "**Dealers**"). The Issuer has authorised the Dealers to circulate this Information Memorandum in connection herewith.

This Information Memorandum must not be reproduced in any form, in whole or in part, for any purpose whatsoever and it must not be transmitted to any other person.

This Information Memorandum is not intended to provide the basis of any credit or other evaluation and in particular, does not constitute an offer of, or an invitation by or on behalf of the Issuer, Citigroup Global Markets Limited (the "**Arranger**") or the Dealers to any person to subscribe for or purchase any of the CDs or any interests in CDs issued by the Issuer.

The Arranger and the Dealers have not separately verified the information contained or incorporated by reference in this Information Memorandum. No representation or warranty, express or implied, is made by the Arranger or the Dealers, or any director, officer, employee, agent or affiliate of any such person, with respect to the completeness or accuracy of any information in this Information Memorandum relating to the Issuer and no responsibility is accepted by the Arranger or any of the Dealers as to any acts or omissions of the Issuer or any other person (other than the relevant Arranger or Dealers) in connection with the issue and offering of the CDs or the adequacy, accuracy, completeness or reasonableness of the information contained or incorporated by reference in this Information Memorandum or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, or the issue and offering of the CDs. The Arranger and each Dealer 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 Information Memorandum or any such statement.

The Arranger and the Dealers and their respective affiliates (the "**Dealer Groups**") are involved in a wide range of financial services and businesses including securities trading and brokerage activities and providing commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services, out of which conflicting interests or duties may arise. In the ordinary course of these activities, each Dealer Group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of investors or any other party that may be involved in the issue of CDs or the Programme.

The CDs do not represent deposits or other liabilities of the Arranger or the Dealers or any of their affiliates. None of the Arranger, the Dealers or any of their affiliates guarantees any payments due under the CDs or guarantees in any way the performance of any obligations of any other party.

Each investor purchasing CDs, including the Dealers, should determine for itself the relevance of the information contained in this Information Memorandum and the necessity for additional credit review, and its interest in purchasing CDs should be based upon whatever independent credit investigations and evaluations of the Issuer he considers necessary.

If an investor buys a CD and does not hold the CD to maturity, but instead sells it in the market, the investor may incur a loss on his initial investment. This is because, during the term of the CD, the

market price of the CD may fluctuate. The market price of a CD may move up or down, compared with the amount of the initial purchase price, depending on many factors, including movements in prevailing interest rates, changes in the perceived credit standing of the Issuer and factors generally affecting the market for similar securities or deposits. An investor is as likely to incur losses as to realise profits as a result of these market price movements. An investor should carefully consider whether the purchase of a CD is a suitable investment in light of the investor's financial position and investment objectives, particularly if he may wish to sell the CD before its stated maturity.

The distribution of this Information Memorandum and the offering of the CDs in certain jurisdictions may be restricted by law. Persons who come into possession of this Information Memorandum are required to inform themselves of and to observe any such restrictions. No person to whom the CDs are offered or this Information Memorandum is sent shall make any offer or sale (directly or indirectly) of any CDs, or distribute or cause to be distributed any document or other material in connection with the CDs in any country or jurisdiction, except in such manner and in such circumstances as will comply with any applicable laws or regulations of such country or jurisdiction.

The CDs have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, neither the CDs nor any interests in them may be offered, sold or delivered within the United States or to, or for the account of, U.S. persons.

The information contained in this Information Memorandum has been provided by the Issuer. To the best of the knowledge and belief of the Issuer as at the date of this Information Memorandum, the facts contained or incorporated by reference in this Information Memorandum are true and correct in all material respects and there are no other material facts or omissions that would alter the information contained herein.

The CDs do not constitute "protected deposits" and are not protected by the Deposit Protection Scheme in Hong Kong established under the Deposit Protection Scheme Ordinance (Cap. 581) of Hong Kong.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or inconsistent with this Information Memorandum. Any such information given or representation made by or attributed to the Issuer, whether in the public domain or otherwise, should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the delivery of this Information Memorandum, any Issue Terms (as defined herein), any agreement made on the basis hereof nor the offering, sale or delivery of any CD shall under any circumstances create any implication that the information contained in this Information Memorandum is true subsequent to the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented in that there has been no change in the financial situation or business affairs of the Issuer since the date hereof or if later, the date upon which the Information Memorandum has been the most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Information Memorandum by reference or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Information Memorandum may refer to information included in other locations, including but not limited to certain websites. That information does not form part of this Information Memorandum and the Issuer does not take any responsibility for such information.

In this Information Memorandum, references to "U.S." and "United States" are to the United States of America, references to "EUR" and "€" are to the lawful currency of the member states of the European Union that adopt the single currency, references to "U.S. dollars" and "US\$" are to United States dollars, references to "H.K. dollars" and "HK\$" are to Hong Kong dollars, references to "PRC" and "Chinese mainland" are to the People's Republic of China and "Renminbi" and "CNY" are to Renminbi yuan.

The CDs may be subject to the Bail-In Power as a result of which holders of CDs (including beneficial holders) may see the reduction of all or part of their investments in the CDs as set out more fully in the Terms and Conditions hereto.

In particular, holders of CDs (including beneficial holders) may see the reduction of all or part of their investments in the followings ways, or some combination thereof: (i) the reduction of all, or a portion, of the Amounts Due (as defined herein) on a permanent basis; (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to such holder of any such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of any CD; (iii) the cancellation of any CD or Amounts Due; (iv) the amendment or alteration of the maturity of any CD or amendment of the amount of interest payable on any CD, or the date on which interest becomes payable, including by suspending payment for a temporary period; and (v) the variation of the terms of any CD, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority (each as defined herein).

CDs denominated in Renminbi may be issued under the Programme. If a "Renminbi Disruption Event" is specified as being applicable in the relevant Issue Terms and the Issuer is not able to satisfy the payments of principal or interest (in whole or in part) in respect of the relevant CDs as a result of a Renminbi Disruption Event, the Issuer's obligation to make a payment in Renminbi under the Terms and Conditions may be replaced by an obligation to pay such amount at the U.S. Dollar Equivalent (as defined in the Terms and Conditions). Upon the occurrence of a Renminbi Disruption Event, the Issuer shall give notice to the Holders in accordance with Condition 5 (*Renminbi Disruption*) stating the occurrence of the Renminbi Disruption Event.

Solely by virtue of appointment as Arranger or Dealer, as applicable, on the Programme, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of EU Delegated Directive 2017/593 or the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook.

Solely for the purposes of the Issuer's product approval process in respect of a particular CD issue, the target market assessment in respect of any of the CDs to be issued under the Programme has led to the conclusion that: (i) the target market for the CDs is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the CDs to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the CDs (a "**distributor**") should take into consideration the Issuer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the CDs (by either adopting or refining the Issuer's target market assessment) and determining appropriate distribution channels.

DEPOSIT PROTECTION

This Programme is not subject to the Deposit Protection Scheme established by the Hong Kong Deposit Protection Board pursuant to the Deposit Protection Scheme Ordinance (Cap. 581) of Hong Kong and each CD issued under the Programme is not a "protected deposit" and is not protected by the Deposit Protection Scheme.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (including any that are published or issued from time to time after the date of this Information Memorandum) are incorporated in, and taken to form part of, this Information Memorandum:

- the most recently published annual report of Banco Santander, S.A. (the "**Bank**"), which contains the English language translation of the audited annual consolidated financial statements of the Bank;
- all supplements or amendments to this Information Memorandum circulated by the Issuer from time to time;
- in relation to any Series (as defined herein) of CDs, the relevant Issue Terms and all documents stated therein to be incorporated in this Information Memorandum; and
- all other documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference.

Any statement contained in a document incorporated by reference into this Information Memorandum or contained in any supplement or amendment to this Information Memorandum or in any document incorporated by reference therein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Copies of the documents specified above as containing information incorporated by reference in this Information Memorandum may be inspected, free of charge, during normal business hours at the office of the Issuer.

Copies of the Bank's most recently published annual report from time to time incorporated by reference in this Information Memorandum can also be obtained from its corporate website at <https://www.santander.com>. The information on the corporate website of the Bank does not form part of this Information Memorandum unless that information is incorporated by reference into this Information Memorandum.

DESCRIPTION OF BANCO SANTANDER, S.A.

The description of the Bank is set out in its most recently published annual report (see "*Documents Incorporated by Reference*").

TABLE OF CONTENTS

	Page
SUMMARY OF THE PROGRAMME.....	8
TERMS AND CONDITIONS	18
FORM OF ISSUE TERMS	50
SUMMARY OF PROVISIONS RELATING TO EACH SERIES OF CDS WHILE IN GLOBAL FORM	60
SUBSCRIPTION AND SALE.....	62
TAXATION	66

SUMMARY OF THE PROGRAMME

This is a summary of some of the terms and conditions set out in the Programme Agreement. Each Dealer will have a full copy of the Programme Agreement.

- Issuer:** Banco Santander, S.A., Hong Kong Branch
- Programme:** Under the amended and restated programme agreement dated 31 October 2023 as the same may be amended from time to time (the "**Programme Agreement**"), the Issuer and any Dealer(s) and Agent(s) appointed under the Programme Agreement may agree the issue of negotiable, bearer certificates of deposit ("**CDs**").
- Arranger:** Citigroup Global Markets Limited
- Dealers:** Banco Santander, S.A.
Bank of China (Hong Kong) Limited
Barclays Bank PLC
BNP Paribas
China CITIC Bank International Limited
Citigroup Global Markets Limited
Crédit Agricole Corporate and Investment Bank
The Hongkong and Shanghai Banking Corporation Limited
Nomura International PLC
Standard Chartered Bank (Hong Kong) Limited
- The Issuer may from time to time terminate the appointment of any Dealer under the Programme by giving not less than 90 days' prior written notice or appoint additional dealers either in respect of one or more Series in respect of the whole Programme.
- Issuing, Paying and Calculation Agent:** Citicorp International Limited and Citibank N.A., London Branch have been initially appointed as the Issuing, Paying and Calculation Agent (the "**Agents**") in respect of the whole Programme.
- Alternatively, either (i) the Issuer will itself handle the issuing, paying and interest rate fixing functions or (ii) any other person may be appointed in any of these capacities under an Agency Appointment Agreement.
- Programme Limit:** On the date of this Information Memorandum, the total face amount of CDs that can be issued and remains outstanding at any time under the Programme Agreement should not exceed EUR 5,000,000,000 (or its equivalent in alternative currencies, as determined by the Arranger and the Issuer). However, there are provisions in the Programme

Agreement which permit the Issuer to increase this amount at any time on notice to any Dealer(s) and Agent(s).

- Currencies:** CDs may be denominated in:
- Hong Kong dollars ("**HK\$**");
 - United States dollars ("**US\$**");
 - Renminbi ("**CNY**"); or
 - other alternative currencies agreed between the Issuer and any relevant Dealer(s) and Agent(s) (each an "**Alternative Currency**").
- Series:** CDs will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest). The CDs of each Series will be interchangeable with all other CDs of that Series.
- General Conditions and Issue Terms:** Each CD will be subject to, and will benefit from, general terms and conditions (the "**Conditions**") in the form set out on page 18 (*Terms and Conditions*).
- Each Series, and each CD in a Series, will additionally be subject to, and will benefit from, the specific terms set out at the front of a CD (the "**Issue Terms**"). If there is any conflict between the Issue Terms and the Conditions, the Issue Terms for a CD will prevail over the Conditions. The form of an uncompleted Issue Terms is set out on page 50 (*Form of Issue Terms*).
- Fixed Rate CDs:** Fixed Rate CDs may be issued which bear fixed rate interest, payable in arrear at the rate(s) and on the date(s) specified in the CDs.
- Floating Rate CDs:** Floating Rate CDs may be issued which bear floating rate interest, payable in arrear at rates set separately for each Series. Interest Periods may be of one or three months or as otherwise provided.
- Discounted CDs:** Discounted CDs may be issued at a discount which do not bear interest.
- Form:** Each CD will evidence the deposit of a stated sum in HK\$, US\$, CNY or an Alternative Currency (as the case may be) for a fixed term and will be a Fixed Rate CD, Floating Rate CD or Discounted CD or in such other form as may be issued from time to time.
- CDs will be issued by the Issuer in global form and be represented by a global bearer CD (a "**Global CD**") pursuant to the Programme Agreement (as amended from time to time), representing notional interests in definitive CDs.

A Global CD will, in very limited circumstances, be exchangeable for security-printed bearer CDs in definitive form ("**Definitive CDs**").

Issuance Methods: The CDs may be issued on a syndicated or non-syndicated basis.

For syndicated issues, institutions may become "Syndicate Dealers" for a particular Series. Syndicate Dealers will become Dealers under the Programme Agreement, and will benefit from, and be subject to, the Programme Agreement in respect of the CDs they subscribe for in a particular Series by signing a Syndication Agreement.

For a non-syndicated issue, the Issuer may solicit offers for CD purchases from Dealers or it may respond to unsolicited offers made by Dealers. The Issuer may also issue CDs under the Programme Agreement directly to non-Dealers.

Custody and Clearing Systems:

Global CDs may be:

- (i) retained in safe custody on behalf of the Accountholders (as defined in the Conditions) by the Issuer or its Nominated Custodian appointed from time to time;
- (ii) lodged with the Hong Kong Monetary Authority as operator of the Central Moneymarkets Unit Service (the "CMU"); or
- (iii) lodged with Clearstream Banking S.A. ("**Clearstream**") or Euroclear Bank SA/NV ("**Euroclear**") and held by a common depositary for Euroclear and Clearstream.

CDs may be cleared through the CMU, Clearstream or Euroclear.

For each Series, the Issuer and the relevant Dealer(s) will agree the lodging arrangements for the Global CD(s).

Issue Price: Subject to any applicable regulatory restrictions, CDs may be issued at their principal amount or at a discount or premium to their principal amount.

Tenor of CDs: Subject to any applicable regulatory restrictions, CDs may be issued for such maturities of not less than seven days and not more than three years from and including the date of issue, as may be agreed between the Issuer, the relevant Dealer(s) and Agent(s).

Interest Payment Dates: To be determined for each issue of Fixed Rate CDs and Floating Rate CDs.

Interest Rate: To be determined for each issue of Fixed Rate CDs.

Interest Rates for Floating Rate CDs will be expressed as a margin to:

- (i) the floating rate under a notional interest rate swap transaction in the relevant currency governed by an agreement incorporating the latest version of the 2021 ISDA Interest Rate

Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto) as published by the International Swaps and Derivatives Association, Inc. (or any successor) on its website (www.isda.org) on the relevant Issue Date;

- (ii) HIBOR (in relation to HK\$), SOFR (in relation to US\$), SHIBOR (in relation to CNY) determined by reference to Reuters Monitor Money Rates Service (in relation to HIBOR or SHIBOR) or the website of the Federal Reserve Bank of New York (in relation to SOFR); or
- (iii) otherwise agreed for a particular issue and set out in the relevant Issue Terms.

**Interest and
Withholding Tax:**

All payments of principal and interest (if any) under a CD will be made free and clear of and without deduction or withholding for or on account of any present or future taxes, duties or other governmental charges of whatsoever nature imposed or levied by or on behalf of Hong Kong or Spain or any authority in Hong Kong or Spain having power to tax unless the Issuer is required by law to deduct or withhold any such taxes, duties or other charges, in which event the Issuer will pay in like manner and at the same time such additional amounts as will be necessary in order to ensure that the net amounts received by a CD Holder (as defined in the Conditions) after that deduction or withholding will equal the respective amounts of principal and interest which would have been receivable by that CD Holder if no such deduction or withholding had been required to be made except that no such additional amounts will be payable in respect of any payment to be made:

- (i) to the extent that a CD Holder (or any person for whom a CD Holder holds an interest in that CD (an "**Owner**")) is liable to those taxes, duties, or governmental charges in respect of its interest in that CD by reason of its having some connection with Hong Kong or Spain other than the mere holding of, or of an interest in, that CD;
- (ii) where withholding or deduction could be avoided by the CD Holder or the Owner making a declaration of non-residence or other similar claim for exemption to the appropriate authority or by providing other reasonable information regarding the CD Holder 's or the Owner's identity;
- (iii) more than 30 days after the Relevant Date (as defined in the Conditions) except to the extent that the Issuer would have been required to pay such additional amounts on the last day of the period of 30 days; or

- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

Tax Call: If the Issuer is or will be obliged to make any additional payment as provided above in respect of any CDs then, subject to certain notice requirements, it may redeem those CDs on the next Interest Payment Date.

Stamp Duty: Under present Hong Kong law, no stamp duty is payable on the issue or upon any subsequent transfer or delivery of the CDs.

Status of the CDs: The Deposits to be evidenced by the CDs constitute the direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency of the Issuer (and unless they qualify by law as subordinated debts (*créditos subordinados*) under article 281 of the restated text of the Spanish Insolvency Law, approved by Legislative Royal Decree 1/2020, of 5 May (the "**Insolvency Law**") or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) will rank equally and rateably without preference or priority among themselves and at least equally with all other Senior Higher Priority Liabilities of the Issuer except for obligations preferred by law on a liquidation or insolvency of the Issuer.

"**Senior Higher Priority Liabilities**" means any obligations in respect of principal of any unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non Preferred Liabilities; and

"**Senior Non Preferred Liabilities**" means any unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of the Issuer under Additional Provision 14.2 of Law 11/2015, and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Liabilities.

Bail-In: The CDs may be subject to the Bail-In Power as a result of which holders of CDs (including each holder of a beneficial interest in a CD) may see the reduction of all or part of their investments in the CDs as set out more fully in the Terms and Condition hereto.

In particular, holders of CDs (including beneficial holders) may see the reduction of all or part of their investments in the followings ways, or some combination thereof:

- (i) the reduction of all, or a portion, of the Amounts Due on a permanent basis;

- (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to such holder of any such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of any CD;
- (iii) the cancellation of any CD or Amounts Due;
- (iv) the amendment or alteration of the maturity of any CD, or amendment of the amount of interest payable on any CD, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
- (v) the variation of the terms of any CD, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority.

For this purpose:

"**Amounts Due**" means the principal amount or outstanding amount, together with any accrued but unpaid interest, and additional amounts as described in Condition 6, if any, due on the CDs. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-In Power by the Relevant Resolution Authority;

"**Bail-In Power**" means any powers existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to (i) the resolution of credit entities and/or transposition of the European Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**") (including, but not limited to Law 11/2015, Royal Decree 1012/2015, of 6 November, implementing Law 11/2015, as amended or superseded, and any other implementing regulations); (ii) the SRM Regulation; and (iii) the instruments, rules or standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, transferred or converted into shares, other securities, or other obligations of such regulated entity or any other person;

"**Law 11/2015**" means Spanish Law 11/2015 of 18 June, on recovery and resolution of credit institutions and investment firms, as amended from time to time;

"**Relevant Resolution Authority**" means the Fund for Orderly Bank Restructuring (Fondo de Reestructuración Ordenada Bancaria), the Single Resolution Board or any other entity with the authority to exercise any the resolution tools and powers contained in Law 11/2015 and the SRM Regulation from time to time; and

"**SRM Regulation**" means Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15th July, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending

Regulation (EU) No. 1093/2010, as amended or replaced from time to time.

Minimum size per series:

- HK\$35,000,000 for a Series of HK\$ CD;
- US\$5,000,000 for a Series of US\$ CD;
- CNY35,000,000 for a Series of CNY CD;
- Equivalent of HK\$35,000,000 for a Series of Alternative Currency CDs,

or such other amount as may be agreed.

Denominations of Definitive CDs:

- HK\$5,000,000 (or any whole multiple of that amount) for a HK\$ CD;
- US\$500,000 (or any whole multiple of that amount) for a US\$ CD;
- CNY5,000,000 (or any whole multiple of that amount) for a CNY CD,

or (subject to any applicable laws and regulations and requirements of the relevant clearing system) other agreed denominations for particular issues or for an Alternative Currency CD.

Rating:

The CDs will not be specifically rated by any rating agency.

Payments:

On each relevant Interest Payment Date and the Maturity Date, the Issuer or, if applicable, the Paying Agent will pay interest (in respect of the interest bearing CDs) and, if applicable, principal to each CD Holder.

The Issuer shall be completely discharged from its payment obligations by payment on the due date of the amount of interest or principal due on any CD to:

- (a) if the CD is held by the CMU, the CMU Accountholder whose account is noted as being credited with an interest in that CD, as notified to the Paying Agent by the CMU;
- (b) if the CD is held by a Clearing System (other than the CMU), the holder of one or more accounts with either such clearing system whose account is noted as being credited with the relevant CD;
- (c) if the CD is held by the Issuer or a Nominated Custodian, the person who, in accordance with the Issuer's or the Nominated Custodian's records, is credited with an interest in that CD; or
- (d) if the CD is not held by a Clearing System, the Issuer or a Nominated Custodian, the bearer who has presented or

surrendered, as the case may be, that CD to the office of the Paying Agent in Hong Kong.

Payments will be made by cheque or banker's draft or otherwise in accordance with the customary practice of the relevant Clearing System.

**Renminbi
Disruption Event:**

If a Series of CDs is denominated in CNY, notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity (each, a "**Renminbi Disruption**"), the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of the CDs when due in Renminbi, the Issuer shall, by sending an irrevocable notice not less than five or more than 30 calendar days prior to the due date for payment to the Holders, settle any such payment (in whole or in part) in U.S. Dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount. In case the Issuer needs to satisfy payments of principal or interest in part in Renminbi and in part in U.S. Dollars, it shall to the extent possible make payment to each Holder in the same pro rata amount of Renminbi and U.S. Dollar in accordance with the rules of the Clearing System from time to time.

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, Beijing, London, TARGET and in New York City;

"**Determination Date**" means the day which is three Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

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

"**Illiquidity**" means where the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the CDs as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the CDs in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted

after [Issue Date] and it is impossible for the Issuer, due to an event beyond its control or any other laws applicable to the Issuer, to comply with such law, rule or regulation);

"Non-transferability" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after [Issue Date] and it is impossible for the Issuer, due to an event beyond its control or any other laws applicable to the Issuer, to comply with such law, rule or regulation);

"Renminbi Dealer" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

"Spot Rate" means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"U.S. Dollar Equivalent" means the Renminbi amount converted into U.S. Dollars using the Spot Rate for the relevant Determination Date.

Default:

In respect of the interest bearing CDs only, a Series of CDs may be declared immediately due and payable by a holder of a Definitive CD or an Accountholder of a Global CD if the Issuer fails to pay interest on that CD when due and that failure continues for a period of seven Business Days.

Put Options:

A Series of CDs may be issued on the basis that a holder can require redemption on one or more dates ("**Put Option Exercise Dates**")

before the stated Maturity Date. The availability of this option and the Put Option Exercise Date(s) will be determined and set out in the CDs for each Series and the applicable Issue Terms.

Call Options: A Series of CDs may be issued on the basis that the Issuer can redeem the whole Series on one or more dates ("**Call Option Exercise Dates**") before the stated Maturity Date. The availability of this option and the Call Option Exercise Date(s) will be determined and set out in the CDs for each Series and the applicable Issue Terms.

Deed of Covenant: The Issuer has entered into the Deed of Covenant dated on or about the date of the Programme Agreement for the benefit of the Relevant Accountholders (as defined in the Deed of Covenant). Copies of the Deed of Covenant are available for inspection by the Relevant Accountholders during normal business hours at the office of the Issuer.

Governing Law: Hong Kong law

TERMS AND CONDITIONS

These are the Conditions applicable to CDs issued under the EUR 5,000,000,000 Certificate of Deposit Programme for Banco Santander, S.A., Hong Kong Branch.

1. STATUS

- 1.1 The Deposits to be evidenced by the CDs constitute the direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency of the Issuer (and unless they qualify by law as subordinated debts (*créditos subordinados*) under article 281 of the restated text of the Spanish Insolvency Law, approved by Legislative Royal Decree 1/2020, of 5 May (the "**Insolvency Law**") or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) will rank equally and rateably without preference or priority among themselves and at least equally with all other Senior Higher Priority Liabilities of the Issuer except for obligations preferred by law on a liquidation or insolvency of the Issuer.
- 1.2 "**Senior Higher Priority Liabilities**" means any obligations in respect of principal of any unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non Preferred Liabilities.
- 1.3 "**Senior Non Preferred Liabilities**" means any unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of the Issuer under Additional Provision 14.2 of Law 11/2015, and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Liabilities.

2. PAYMENTS

- 2.1 Principal is repayable and interest is payable on each Global CD and Definitive CD to (or to the order of) the relevant CD Holder.
- 2.2 If a CD is held by the CMU, payment of interest or principal by the Paying Agent to the CMU Accountholder at the relevant time will discharge the obligations of the Issuer in respect of that payment. For these purposes, a notification from the CMU will be conclusive evidence of the records of the CMU unless there is manifest error.
- 2.3 If a CD is held by a Clearing System (other than the CMU), payment to the person who has been recorded by that Clearing System as being credited with an Entry or Entries in that CD will discharge the obligations of the Issuer in respect of that payment.
- 2.4 If a CD is held by the Issuer or a Nominated Custodian, payment to the person who has been recorded by the Issuer or the Nominated Custodian as being credited with an Entry or Entries in that CD in accordance with the terms and conditions governing the relationship between the Issuer and that person will discharge the obligations of the Issuer in respect of that payment.

2.5 Payment of interest or principal by the Paying Agent to the bearer of a Definitive CD who has presented or surrendered, as the case may be, that Definitive CD to the office of the Paying Agent will discharge the obligations of the Issuer in respect of that payment.

2.6 All payments of principal and interest in respect of a CNY CD will be made solely by credit to a Renminbi bank account maintained in accordance with applicable laws and regulations at a bank in Hong Kong.

3. **INTEREST PAYMENT DATES AND INTEREST PERIODS**

3.1 If this CD is expressed to be Fixed Rate or Floating Rate, the Deposit bears interest from the Deposit Date and (subject to Condition 3.2) the interest will be payable on each Interest Payment Date.

3.2 If any Interest Payment Date, including the Maturity Date, would otherwise fall on a day which is not a Business Day it shall be adjusted in accordance with the Business Day Convention specified in the Issue Terms.

3.3 "**Interest Period**" means each period from (and including) one Period End Date to (but excluding) the following applicable Period End Date, except that the initial Interest Period will commence on (and include) the Deposit Date and the final Interest Period will end on (but exclude) the Maturity Date.

3.4 Interest or amortisation for any period of time (whether or not constituting an Interest Period, the "**Calculation Period**") will be calculated by reference to the applicable Day Count Fraction specified in the Issue Terms.

4. **RATES OF INTEREST (FOR FIXED RATE CDS AND FLOATING RATE CDS)**

4.1 For a Fixed Rate CD, interest will accrue at the Fixed Rate.

4.2 For a Floating Rate CD, the rate of interest per annum (the "**Interest Rate**") payable on the Deposit in respect of each Interest Period will be calculated by the Calculation Agent as:

4.2.1 if the Floating Rate Determination is Screen Rate Determination, the aggregate of the Margin and the Floating Rate Benchmark, calculated in accordance with Condition 4.3, 4.4 or 4.5, in effect on the Interest Determination Date for a period equivalent to that Interest Period; and

4.2.2 if the Floating Rate Determination is ISDA Rate Determination, the aggregate of the Margin and the ISDA Rate, calculated in accordance with Condition 4.6,

in effect on the Interest Determination Date for a period equivalent to that Interest Period.

4.3 If the Floating Rate Determination is Screen Rate Determination and the Floating Rate Benchmark is HIBOR, "**HIBOR**" will be the rate determined by the Calculation Agent on the following basis:

4.3.1 If, at or about 11:00 a.m. (Hong Kong time) on the Interest Determination Date, an averaged offered rate for Hong Kong dollar deposits for the period comparable

to the relevant Interest Period (or, if the periods are not the same, such period, if any, as the Calculation Agent determines to be substantially the same) is quoted on the fixing line of the page "HKABHIBOR" of the Reuters Money 3000 Service, if the Floating Rate Benchmark is "HIBOR/Reuters" (or such other page or service as may replace the appropriate page or service for the purpose of displaying Hong Kong inter-bank offered rates of leading banks for Hong Kong dollars), then HIBOR for the relevant Interest Period will, except as provided below, be that rate.

- 4.3.2 If, on any Interest Determination Date, the average offered rate so appearing is replaced by the corresponding rates of more than one bank or financial institution the rate will be the arithmetic mean of the respective rates so appearing (rounded, if necessary, to five decimal places).
 - 4.3.3 If, on any Interest Determination Date, the rates described in Condition 4.3.1 or 4.3.2 do not appear, the Issuer will request each of the Reference Banks to provide the Calculation Agent with its offered quotation to leading banks for Hong Kong dollar deposits in Hong Kong for a period equivalent or approximately equivalent to the relevant Interest Period in the amount equal or approximately equal to the Nominal Definitive Principal Amount as at or about 11:00 a.m. (Hong Kong time) on the Interest Determination Date in question and HIBOR for the relevant Interest Period will, subject as provided below, be the arithmetic mean (rounded, if necessary, to five decimal places) of those offered quotations, as determined by the Calculation Agent.
 - 4.3.4 If, on any Interest Determination Date, one or two only of the Reference Banks, when requested to do so, provide(s) the Calculation Agent with such offered quotation, then HIBOR for the Interest Period concerned will, subject as provided below, be determined as in Condition 4.3.3 on the basis of the offered quotations of those Reference Banks providing those quotation.
 - 4.3.5 If, on any Interest Determination Date, none of the Reference Banks when requested to do so provides the Calculation Agent with the offered quotations, then HIBOR will, subject as provided below, be HIBOR in effect for the last preceding Interest Period to which Conditions 4.3.1 to 4.3.4 applied; **provided that** if at any time during the relevant Interest Period, the Calculation Agent determines that a rate can once again be determined in accordance with any of Conditions 4.3.1 to 4.3.4 above the Calculation Agent will determine the rate and references to an Interest Period will be construed as being references to the period from such date of determination until the next succeeding Interest Payment Date.
- 4.4 If the Floating Rate Determination is Screen Rate Determination and the Floating Rate Benchmark is SOFR, "**SOFR**" will be the rate determined by the Calculation Agent on the following basis:
- 4.4.1 Where the SOFR Calculation Method is specified in the Issue Terms as being "SOFR Arithmetic Mean", SOFR will be the SOFR Arithmetic Mean as determined by the Calculation Agent as at the relevant Interest Determination

Date, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards.

4.4.2 Where the SOFR Calculation Method is specified in the Issue Terms as being "SOFR Compound", SOFR will be the Compounded Daily SOFR on the relevant Interest Determination Date as determined by the Calculation Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

4.4.3 For the purposes of this Condition 4.4:

"Compounded Daily SOFR" means with respect to an Interest Period, an amount equal to the rate of return for each calendar day during the Interest Period, compounded daily, calculated by the Calculation Agent on the Interest Determination Date, as follows:

(i) if "SOFR Compound with Lookback" is specified in the Issue Terms:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_{i-p\text{USDB}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"d" means, in respect of an Interest Period, the number of calendar days in such Interest Period;

"d₀" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"i" means a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"Lookback Period" or **"p"** means two U.S. Government Securities Business Days or such other number of days as specified in the Issue Terms;

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

"SOFR_i" means, in respect of each U.S. Government Securities Business Day i, the SOFR Reference Rate in respect of such U.S. Government Securities Business Day; and

"SOFR_{i-pUSBD}" means, in respect of a U.S. Government Securities Business Day i, SOFR_i in respect of the U.S. Government Securities Business Day falling the number of U.S. Government Securities Business Days equal to the Lookback Period prior to such U.S. Government Securities Business Day i ("**pUSBD**"), **provided that**, unless SOFR Cut-Off Date is specified

as not applicable in the Issue Terms, SOFR_i in respect of each U.S. Government Securities Business Day i in the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Period End Date, will be SOFR_i in respect of the SOFR Cut-Off Date for such Interest Period;

- (ii) if "SOFR Compound with Observation Period Shift" is specified in the Issue Terms:

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

where:

" d " means, in respect of an Observation Period, the number of calendar days in such Observation Period;

" d_0 " means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

" i " means a series of whole numbers from one to d_0 , each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

" n_i " means, in respect of a U.S. Government Securities Business Day i in the relevant Observation Period, the number of calendar days from, and including, such U.S. Government Securities Business Day i up to, but excluding, the following U.S. Government Securities Business Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling the number of Observation Shift Days prior to the first day of such Interest Period and ending on, but excluding, the date that is the number of Observation Shift Days prior to the next occurring Period End Date for such Interest Period;

"**Observation Shift Days**" means five U.S. Government Securities Business Days or such other number of days as specified in the Issue Terms; and

"**SOFR_i**" means, in respect of each U.S. Government Securities Business Day i in the relevant Observation Period, the SOFR Reference Rate in respect of such U.S. Government Securities Business Day;

- (iii) if "SOFR Compound with Payment Delay" is specified in the Issue Terms:

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

where:

"**d**" means, in respect of an Interest Period, the number of calendar days in such Interest Period;

"**d₀**" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to **d₀**, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**Interest Payment Dates**" shall be the dates occurring the number of Business Days equal to the Interest Payment Delay following each Period End Date; **provided that** the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or, if the Deposits are to be repaid prior to the Maturity Date, such earlier date on which the Deposits become due and payable;

"**Interest Payment Delay**" means the number of U.S. Government Securities Business Days specified in the Issue Terms;

"**Interest Determination Date**" shall be the Period End Date at the end of each Interest Period; **provided that** the Interest Determination Date with respect to the final Interest Period will be the SOFR Cut-Off Date;

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

"**SOFR_i**" means, for any U.S. Government Securities Business Day **i** in the relevant Interest Period, the SOFR Reference Rate in respect of such U.S. Government Securities Business Day **i**; and

for purposes of calculating SOFR Compound with Payment Delay with respect to the final Interest Period, the level of the SOFR Reference Rate for each U.S. Government Securities Business Day in the period from and including the SOFR Cut-Off Date to but excluding the Maturity Date or any earlier date on which the Deposits become due and payable, as applicable, shall be the level of the SOFR Reference Rate in respect of such SOFR Cut-Off Date; and

(iv) if "SOFR Index with Observation Shift" is specified in the Issue Terms:

$$\left(\frac{\text{SOFR Index}_{\text{Final}}}{\text{SOFR Index}_{\text{Initial}}} - 1 \right) \times \frac{360}{d_c}$$

where:

"**d_c**" means the number of calendar days from (and including) the day in relation to which $\text{SOFR Index}_{\text{Initial}}$ is determined to (but excluding) the day in relation to which $\text{SOFR Index}_{\text{Final}}$ is determined;

"Observation Shift Days" means five U.S. Government Securities Business Days or such other number of days as specified in the Issue Terms;

"SOFR Index" means with respect to any U.S. Government Securities Business Day, (i) the SOFR Index value as published by the NY Federal Reserve as such index appears on the NY Federal Reserve's Website at the SOFR Determination Time; or (ii) if the SOFR Index specified in (i) above does not so appear, unless both a SOFR Transition Event and its related SOFR Replacement Date have occurred, the SOFR Index as published in respect of the first preceding U.S. Government Securities Business Day for which the SOFR Index was published on the NY Federal Reserve's Website;

"SOFR IndexFinal" means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the next occurring Period End Date for such Interest Period; and

"SOFR IndexInitial" means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the first day of such Interest Period (or, in the case of the first Interest Period, the Interest Commencement Date);

"NY Federal Reserve" means the Federal Reserve Bank of New York;

"NY Federal Reserve's Website" means the website of the NY Federal Reserve, currently at www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

"Reuters Page USDSOFR=" means the Reuters page designated "USDSOFR=" or any successor page or service;

"SOFR Reference Rate" means the rate determined by the Calculation Agent in respect of a U.S. Government Securities Business Day, in accordance with the following provisions:

- (i) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day that appears at approximately 3:00 p.m. (New York City time) (the **"SOFR Determination Time"**) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day; or
- (ii) if the rate specified in (i) above does not so appear and the Calculation Agent determines that a SOFR Transition Event has not occurred, the Secured Overnight Financing Rate published on the NY Federal Reserve's Website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve's Website;

"SOFR Arithmetic Mean" means, with respect to an Interest Period, the arithmetic mean of the SOFR Reference Rate for each calendar day during such

Interest Period, as calculated by the Calculation Agent, **provided that**, the SOFR Reference Rate in respect of each calendar day during the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Period End Date will be the SOFR Reference Rate on the SOFR Cut-Off Date. For these purposes, the SOFR Reference Rate in respect of any calendar day which is not a U.S. Government Securities Business Day shall, subject to the preceding proviso, be deemed to be the SOFR Reference Rate in respect of the U.S. Government Securities Business Day immediately preceding such calendar day;

"SOFR Cut-Off Date" means, unless specified as not applicable in the Issue Terms, in respect of an Interest Period, the fourth U.S. Government Securities Business Day prior to the next occurring Period End Date for such Interest Period (or such other number of U.S. Government Securities Business Days specified in the Issue Terms); and

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

- 4.4.4 Notwithstanding Conditions 4.4.1 to 4.4.3, if the Calculation Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark, then the provisions set forth in Condition 4.4.5 will apply to all determinations of the Rate of Interest for each Interest Period thereafter.
- 4.4.5 If the Calculation Agent, failing which the Issuer, determines at any time prior to the SOFR Determination Time on any U.S. Government Securities Business Day that a SOFR Transition Event and the related SOFR Replacement Date have occurred, the Issuer will appoint an agent (the **"Replacement Rate Determination Agent"**) which will determine the SOFR Replacement. The Replacement Rate Determination Agent may be (i) a leading bank, broker-dealer or benchmark agent in New York as appointed by the Issuer, (ii) the Issuer, (iii) an affiliate of the Issuer or the Calculation Agent or (iv) such other entity that the Issuer determines to be competent to carry out such role.

In connection with the determination of the SOFR Replacement, the Replacement Rate Determination Agent will determine appropriate SOFR Replacement Conforming Changes.

Any determination, decision or election that may be made by the Calculation Agent or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, will (in the absence of manifest error) be conclusive and binding on the Issuer, the Calculation Agent, the Issuing Agent, the Paying Agent, the holder of a CD and each Accountholder.

Following the designation of a SOFR Replacement, the Calculation Agent may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement,

provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

In connection with the SOFR Replacement provisions above, the following definitions shall apply:

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to SOFR for the applicable tenor;

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

"SOFR Benchmark" means (i) (unless "SOFR Index with Observation Shift" is specified in the Issue Terms) the SOFR Reference Rate or (ii) SOFR Index (each as defined in Condition 4.4.3);

"SOFR Replacement" means any one (or more) of the SOFR Replacement Alternatives to be determined by the Replacement Rate Determination Agent as of the SOFR Replacement Date if the Calculation Agent failing which the Issuer, determines that a SOFR Transition Event and its related SOFR Replacement Date have occurred on or prior to the SOFR Determination Time in respect of any determination of the SOFR Benchmark on any U.S. Government Securities Business Day in accordance with:

- (i) the order of priority specified SOFR Replacement Alternatives Priority in the Issuer Terms; or
- (ii) if no such order of priority is specified, in accordance with the priority set forth below:
 - (a) Relevant Governmental Body Replacement;
 - (b) ISDA Fallback Replacement; and
 - (c) Industry Replacement,

provided that, in each case, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement Alternative listed, it shall attempt to determine the SOFR Replacement in accordance with each subsequent SOFR Replacement

Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

"SOFR Replacement Alternatives" means:

- (i) the sum of: (a) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the relevant Interest Period and (b) the SOFR Replacement Adjustment (the **"Relevant Governmental Body Replacement"**);
- (ii) the sum of: (a) the ISDA Fallback Rate and (b) the SOFR Replacement Adjustment (the **"ISDA Fallback Replacement"**); or
- (iii) the sum of: (a) the alternative rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current SOFR Benchmark for the relevant Interest Period giving due consideration to any industry-accepted rate as a replacement for the then-current SOFR Benchmark for U.S. dollar-denominated floating rate securities at such time and (b) the SOFR Replacement Adjustment (the **"Industry Replacement"**);

"SOFR Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Replacement Rate Determination Agent as of the applicable SOFR Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (ii) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) determined by the Replacement Rate Determination Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current SOFR Benchmark with the applicable Unadjusted SOFR Replacement for U.S. dollar-denominated floating rate securities at such time;

"SOFR Replacement Conforming Changes" means, with respect to any SOFR Replacement, any technical, administrative or operational changes (including, but not limited to, changes to timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention and other administrative matters) that the Replacement Rate Determination Agent decides may be

appropriate to reflect the adoption of such SOFR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the SOFR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner); and

"SOFR Replacement Date" means the earliest to occur of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of sub-paragraphs (i) or (ii) of the definition of "SOFR Transition Event" the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark (or such component); or
- (ii) in the case of sub-paragraph (iii) of the definition of "SOFR Transition Event" the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

"SOFR Transition Event" means the occurrence of any one or more of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

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

has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant); or

- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative; and

"Unadjusted SOFR Replacement" means the SOFR Replacement prior to the application of any SOFR Replacement Adjustment.

4.5 If the Floating Rate Determination is Screen Rate Determination and the Floating Rate Benchmark is SHIBOR, "**SHIBOR**" will be the rate determined by the Calculation Agent on the following basis:

- 4.5.1 If, at or around 11:30 a.m. (Beijing time) on the Interest Determination Date, the Shanghai Interbank Offered Rate for the critical term comparable to the relevant Interest Period (or, if the periods are not the same, such period, if any, as the Calculation Agent determines to be substantially the same) is quoted on the fixing line of the page "SHIBOR" of the Reuters Money 3000 Service, then the relevant SHIBOR will, except as provided below, be that rate.
- 4.5.2 If, on any Interest Determination Date, the rates described in Condition 4.5.1 do not appear, the relevant SHIBOR will, except as provided below, be the Shanghai Interbank Offered Rate as published on <http://www.shibor.org> by the China Foreign Exchange Trade System & National Interbank Funding Centre under the authorisation of the People's Bank of China for the critical term comparable to the relevant Interest Period (or, if the periods are not the same, such period, if any, as the Calculation Agent determines to be substantially the same).
- 4.5.3 If for any reason the relevant SHIBOR is not published on <http://www.shibor.org> in respect of a certain Interest Determination Date, the relevant SHIBOR in respect of the Business Day immediately preceding that Interest Determination Date shall be applied in place thereof.
- 4.5.4 If on any Interest Determination Date for any reason such offered rate described in Condition 4.5.1, 4.5.2 or 4.5.3 is not published or is unavailable, then the rate to be applied in place shall be the offered rate that the Issuer obtains from quotations provided by four leading dealers in the relevant inter-bank market (selected in good faith by the Issuer) for such rate at, or as soon as practicable following, such time. If four such quotations are received by the close of business on such day, the applicable offered rate shall be the arithmetic mean of the quotations received (ignoring the highest and lowest quotations). If two or three such quotations are received by such time, the applicable offered rate shall be, subject as provided below, the arithmetic mean of such quotations.

- 4.5.5 If, on any Interest Determination Date, only one or none of the Reference Banks when requested to do so provides the offered quotations, then SHIBOR will be the SHIBOR in effect for the last preceding Interest Period to which Conditions 4.5.1 to 4.5.4 applied.
- 4.6 Where the Floating Rate Determination is ISDA Determination, ISDA Rate will be the rate equal to the Floating Rate under an interest rate swap transaction if the Calculation Agent were acting as "Calculation Agent" (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto) as published by the International Swaps and Derivatives Association, Inc. (or any successor) on its website (www.isda.org) on the relevant Issue Date (the "**ISDA Definitions**") and under which:
- 4.6.1 the Floating Rate Option is specified in the Issue Terms;
- 4.6.2 the Designated Maturity is a period specified in the Issue Terms;
- 4.6.3 the relevant Reset Date is, (I) if the applicable Floating Rate Option is based on HIBOR, the first day of that Interest Period or (II) in any other case, as specified in the Issue Terms.

For the purpose of this Condition 4.6, Floating Rate, Floating Rate Option, Designated Maturity and Reset Date have the meanings given to those terms in the ISDA Definitions.

- 4.7 The Calculation Agent will, as soon as practicable after 11:00 a.m. on each Interest Determination Date calculate the amount of interest payable in respect of each CD for the relevant Interest Period (the "**Interest Amount**").
- 4.8 A statement from the Calculation Agent as to the amount on which and the rate at which interest accrues during any Interest Period and as to the amount of interest accrued in respect of any Interest Period or part of an Interest Period will be conclusive and binding on the holder of a CD and each Accountholder.
- 4.9 The Calculation Agent will, as soon as practicable after the receipt of a request (in accordance with the rules of the relevant Clearing System or the terms and conditions governing the relationship between the Issuer and that holder of a CD or that Accountholder) from a holder of a CD or Accountholder, certify to that holder or Accountholder the Interest Rate in respect of any Interest Period and the Interest Amount payable in respect of that Interest Period.
- 4.10 If full repayment is improperly withheld or refused on any due date, interest will continue to accrue on the Deposits at a rate calculated by reference to the Margin and the Interest Rate determined by the Calculation Agent, on the basis of interest periods having approximately the same length as the Interest Periods.
- 4.11 If a Benchmark Event occurs in relation to an Original Reference Rate (other than SOFR) when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a

view to the Issuer determining a Successor Rate (subject to the terms of this Condition 4.11), failing which an Alternative Rate (in accordance with this Condition 4.11, and, in either case, an Adjustment Spread if any (in accordance with this Condition 4.11 and any Benchmark Amendments (in accordance with this Condition 4.11).

An Independent Adviser appointed pursuant to this Condition 4.11 shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Issuing Agent, the Paying Agent, the holder of a CD or any Accountholder for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4.11.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4.11 prior to the relevant Interest Determination Date, as applicable, the Rate of Interest applicable to the next succeeding Interest Period, shall be equal to the Rate of Interest last determined in relation to the Deposits in respect of the immediately preceding Interest Period or, where the Benchmark Event occurs before the first Interest Payment Date, the Rate of Interest will be Initial Rate of Interest specified in the Issue Terms. For the avoidance of doubt, this Condition 4.11 shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.11.

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in this Condition 4.11 subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Deposits (subject to the operation of this Condition 4.11); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in this Condition 4.11) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Deposits (subject to the operation of this Condition 4.11).

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread), if any, shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

If any Successor Rate, Alternative Rate and in, either case, the applicable Adjustment Spread is determined in accordance with this Condition 4.11 and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 11, without any requirement

for the consent or approval of CD Holders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 4.11, the Calculation Agent or the Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4.11 to which, in the sole opinion of the Calculation Agent or the Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the Paying Agent (as applicable) in these Conditions.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.11 will be notified promptly by the Issuer to the Calculation Agent, the Paying Agent and, in accordance with Condition 11, the CD Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the CD Holders of the same, the Issuer shall deliver to the Issuing Agent, the Paying Agent and the Calculation Agent a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) the applicable Adjustment Spread and (d) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4.11; and
- (ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Issuing Agent and the Paying Agent shall display such certificate at its offices, for inspection by the CD Holders at all reasonable times during normal business hours or may be provided by email to a CD Holder following their prior written request to the Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Paying Agent).

Each of the Issuing Agent, the Paying Agent and the Calculation Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Issuing Agent's, the Paying Agent's or the Calculation Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Issuing Agent, the Paying Agent, the Calculation Agent, the holder of a CD and Accountholders.

Notwithstanding any other provision of this Condition 4.11, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4.11, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or

determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

Without prejudice to the obligations of the Issuer under this Condition 4.11, the Original Reference Rate and the fallback provisions provided for in Conditions 4.3, 4.4 and 4.5 will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this Condition 4.11 shall prevail.

As used in this Condition 4.11:

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied);
- (iii) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged);
- (iv) if no such spread, formula or methodology can be determined in accordance with (i) to (iii) above, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this sub-paragraph (iv) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the CD Holders;

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with this Condition 4.11 is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same currency as the Deposits;

"Benchmark Event" means:

- (i) the Original Reference Rate ceasing to exist or ceasing to be published for a period of at least 5 Business Days in relation to a Rate of Interest of Floating Rate CDs; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Deposits; or
- (v) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has become unlawful for the Issuing Agent, the Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any CD Holder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Issuing Agent, the Paying Agent and the Calculation Agent. For the avoidance of doubt, neither the Issuing Agent, the Paying Agent, nor the Calculation Agent shall have any responsibility for making such determination.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer;

"Original Reference Rate" means:

- (i) the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof), as applicable, on the Deposits; or

- (ii) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of this Condition 4.11.

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

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

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

5. **RENMINBI DISRUPTION**

If a Series of CDs is denominated in CNY, notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity (each, a **"Renminbi Disruption"**), the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of the CDs when due in Renminbi, the Issuer shall, by sending an irrevocable notice not less than five or more than 30 calendar days prior to the due date for payment to the Holders, settle any such payment (in whole or in part) in U.S. Dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount. In case the Issuer needs to satisfy payments of principal or interest in part in Renminbi and in part in U.S. Dollars, it shall to the extent possible make payment to each Holder in the same pro rata amount of Renminbi and U.S. Dollar in accordance with the rules of the Clearing System from time to time.

For the purposes of this Condition 5:

"Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, Beijing, London, TARGET and in New York City;

"Determination Date" means the day which is three Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

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

"Illiquidity" means where the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the CDs as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers;

"Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the CDs in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after [Issue Date] and it is impossible for the Issuer, due to an event beyond its control or any other laws applicable to the Issuer, to comply with such law, rule or regulation);

"Non-transferability" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after [Issue Date] and it is impossible for the Issuer, due to an event beyond its control or any other laws applicable to the Issuer, to comply with such law, rule or regulation);

"Renminbi Dealer" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

"Spot Rate" means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; and

"U.S. Dollar Equivalent" means the Renminbi amount converted into U.S. Dollars using the Spot Rate for the relevant Determination Date.

6. TAXES

All payments of principal and interest (if any) under a CD will be made free and clear of and without deduction or withholding for or on account of any present or future taxes, duties or other governmental charges of whatsoever nature imposed or levied by or on behalf of Hong Kong or Spain or any political subdivision or any authority in Hong Kong or Spain having power to tax unless the Issuer is required by law to deduct or withhold any such taxes, duties or other charges, in which event the Issuer will pay in like manner and at the same time such additional amounts

as will be necessary in order to ensure that the net amounts received by a CD Holder after that deduction or withholding will equal the respective amounts of principal and interest which would have been receivable by that CD Holder if no such deduction or withholding had been required to be made except that no such additional amounts will be payable in respect of any payment to be made:

- (i) to the extent that a CD Holder (or any person for whom a CD Holder holds an interest in that CD (an "**Owner**")) is liable to those taxes, duties, or governmental charges in respect of its interest in that CD by reason of its having some connection with Hong Kong or Spain other than the mere holding of, or of an interest in, that CD;
- (ii) where withholding or deduction could be avoided by the CD Holder or the Owner making a declaration of non-residence or other similar claim for exemption to the appropriate authority or by providing other reasonable information regarding the CD Holder 's or the Owner's identity; or
- (iii) more than 30 days after the Relevant Date except to the extent that the Issuer would have been required to pay such additional amounts on the last day of the period of 30 days.

In these Conditions, "Relevant Date" means whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Owner on or prior to such due date, the date on which the full amount is so received by the Owner.

7. **TAX CALL**

7.1 The Issuer may at its option redeem all Deposits comprising a Series at any time in whole, but not in part on giving not less than 14 days' irrevocable notice to all CD Holders and the Paying Agent (**provided that** the notice must expire on an Interest Payment Date if this is a Fixed Rate CD or a Floating Rate CD), at its principal amount, if:

- (ii) the Issuer has or will become obliged to pay additional amounts under the Condition titled "Taxes" as a result of any change in, or amendment to, the laws or regulations of Hong Kong or Spain or any authority in Hong Kong or Spain having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Deposit Date; and
- (iii) that obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no notice of redemption will be given earlier than 14 days before the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the CDs then due.

7.2 After issuing a notice under Condition 7.1, the Issuer will be obliged to repay all the Deposits in the Series

- 7.2.1 for each Fixed Rate CD and Floating Rate CD in a Series, together with any unpaid interest accrued on the CD in accordance with these Conditions; or
- 7.2.2 for each Discounted CD in a Series, subject to a deduction from the Global Principal Amount (for a Global CD) or Nominal Definitive Principal Amount (for a Definitive CD) to represent the unamortised amount of the Deposit calculated by reference to the Discounted Bid Rate and on the basis of the actual number of days remaining from the date fixed for redemption to the Maturity Date and in accordance with the relevant Day Count Fraction,
- 7.2.3 on the date provided in the relevant notice on surrender of that CD (if that CD is not held by the CMU, or by transfer of the interest in that CD to the Paying Agent (if that CD is held by the CMU).

Notice will be deemed to have been given to a CD Holder when published in accordance with the Condition titled "Notices" below.

8. **PUT OPTION**

- 8.1 If the Issue Terms specify that a Put Option is applicable for a CD the Issuer will redeem the CD on any Put Option Exercise Date specified in the Issue Terms on the following basis:
 - 8.1.1 If the CD is held by the CMU, a CD Holder wishing to exercise the Put Option must:
 - (i) deliver to the Paying Agent a duly completed Redemption Notice not earlier than 45 days before and not later than 30 days before the relevant Put Option Exercise Date; and
 - (ii) transfer the relevant part of its interest in the CD to the Paying Agent's account with the CMU as specified in the form of Redemption Notice provided by the Paying Agent.
 - 8.1.2 If the Put Option is being exercised for a Global CD which is held by or on behalf of a Clearing System other than the CMU:
 - (i) the CD Holder must (in accordance with the rules of that Clearing System) instruct the Clearing System through which they hold their interests in the Global CD and, on receiving those instructions, the holder of the Global CD must deliver to the Paying Agent one or more Redemption Notices not earlier than 45 days before and not later than 30 days before the relevant Put Option Exercise Date (as stated in the Issue Terms), specifying in each case the aggregate Nominal Definitive Principal Amount(s) (as stated in the Issue Terms) for which the Put Option is being exercised; and
 - (ii) the holder of the Global CD must present the Global CD to the Paying Agent at the same time as delivering a Redemption Notice so that the Global CD may be annotated on the Put Option Exercise Date to record that the relevant interests have been repaid.

- 8.1.3 If the Put Option is being exercised for a Global CD which is held by the Issuer or a Nominated Custodian:
- (i) the CD Holder must (in accordance with the terms and conditions governing the relationship between the Issuer and the CD Holder) deliver to the Issuer a Redemption Notice not earlier than 45 days before and not later than 30 days before the relevant Put Option Exercise Date, specifying the aggregate Nominal Definitive Principal Amount(s) for which the Put Option is being exercised; and
 - (ii) the Issuer is entitled to prohibit any transfers by the CD Holder of an interest in a Global CD for which a Redemption Notice has been received until the relevant Put Option Exercise Date.
- 8.1.4 If the Put Option is being exercised in respect of a Definitive CD which is not held by or on behalf of a Clearing System:
- (i) the CD Holder must deliver to the Paying Agent a duly completed Redemption Notice not earlier than 45 days before and not later than 30 days before the relevant Put Option Exercise Date; and
 - (ii) the CD Holder must deposit that Definitive CD with the Paying Agent at the same time as delivering the Redemption Notice.
- 8.2 To the extent that the procedures in Conditions 8.1.1, 8.1.2, 8.1.3 or 8.1.4 are followed, the Issuer will repay each relevant Deposit on the relevant Put Option Exercise Date in accordance with the directions given to the Paying Agent in the relevant Redemption Notice and the relevant CD(s), or interest in the relevant CD(s), will be surrendered.
- 8.3 Any Redemption Notice received by the Paying Agent will be irrevocable and will bind both the Issuer and each relevant CD Holder.
- 8.4 Any CD so deposited may not be withdrawn and any transfer so made may not be reversed without the prior consent of the Issuer.
- 8.5 On the relevant Put Option Exercise Date, the CD (or interest in a CD) for a Fixed Rate CD and a Floating Rate CD for which the Redemption Notice has been received will become immediately due and payable at its principal amount together with accrued interest (except as otherwise provided in the Issue Terms).
- 8.6 The Put Option under this Condition 8 shall not be applicable to a Discounted CD
9. **CALL OPTION**
- 9.1 If the Issue Terms specify that a Call Option is applicable for a CD, the Issuer may at its option repay all the Deposits comprising a Series in whole but not in part on any Call Option Exercise Date (specified in the Issue Terms) on giving not more than 45 nor less than 30 days' prior written notice to each CD Holder and the Paying Agent of its intention to exercise the option, which notice will be irrevocable and will be binding on both the Issuer and each CD Holder.

- 9.2 After issuing a notice under Condition 9.1, the Issuer will be obliged to repay all the Deposits comprising a Series on the relevant Call Option Exercise Date (specified in the Issue Terms) on surrender of the relevant CDs (in respect of the CDs not held by the CMU), or by transfer of the interest in that CD to the Paying Agent (if that CD is held by the CMU).
- 9.3 Notice will be deemed to have been given to each CD Holder when published in accordance with the Condition titled "Notices" below.
- 9.4 On the relevant Call Option Exercise Date (specified in the Issue Terms and the notice from the Issuer), the Deposits in the Series for Fixed Rate CDs and Floating Rate CDs will become immediately due and payable at their principal amount together with accrued interest (except as otherwise provided in the Issue Terms).
- 9.5 The Call Option under this Condition 9 shall not be applicable to a Discounted CD.

10. **DEFAULT**

Subject to Condition 14, if in respect of the interest bearing CDs, the Issuer fails to pay interest on the CD when due and that failure continues for a period of seven Business Days, then a holder of a Definitive CD or an Accountholder of a Global CD can declare, by notice in writing given to the Paying Agent at its specified office, that a Definitive CD or any interest in a Definitive CD represented by a Global CD is immediately due and payable and at that time it will become immediately due and payable:

- (a) for a Fixed Rate CD and a Floating Rate CD, at its principal amount together with accrued interest; or
- (b) for a Discounted CD, subject to a deduction from the Global Principal Amount (for a Global CD) or Nominal Definitive Principal Amount (for each Definitive CD) to represent the unamortised amount of the Deposit calculated by reference to the Discounted Bid Rate and on the basis of the actual number of days remaining from the date fixed for redemption to the Maturity Date and in accordance with the relevant Day Count Fraction,

without further formality unless that repayment event is remedied before the Paying Agent receives the notice.

11. **NOTICES**

- 11.1 Subject to Conditions 11.2 and 11.3 below, notices may be published in the South China Morning Post or any other leading daily newspaper published in the English language in Hong Kong:
- 11.1.1 specifying any appointment or change of Paying Agent or Calculation Agent;
- 11.1.2 giving notice under the Conditions titled "Tax Call" and "Call Option" above; or
- 11.1.3 giving notice in respect of any other matters for which a notice is to be given under the Conditions as soon as is practicable.

Any notice will be deemed duly given on the date it is published or, if published more than once, the first date of that publication.

- 11.2 If a CD is held by the CMU, notices may be given by their being delivered to the CMU.
- 11.3 If a CD is held on behalf of Euroclear or Clearstream, notices may be given by their being delivered to Euroclear or Clearstream, as the case may be, or otherwise to the Accountholders.
- 11.4 If the Issuer or a Nominated Custodian holds an interest in a CD on behalf of a person, notice may be given to that person in accordance with any arrangements that apply between the Issuer and that person (which, for a customer of the Issuer, may include any arrangements for giving notice in accordance with terms and conditions applying to that customer).

12. **PURCHASES**

- 12.1 The Issuer or its subsidiaries may at any time purchase CDs in the open market or otherwise and at any price.
- 12.2 Any CDs purchased by the Issuer in the ordinary course of business of dealings in securities or as a nominee may be resold by it in the open market or otherwise and at any price.
- 12.3 Any CDs purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold.
- 12.4 All CDs so purchased by a subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.

13. **FURTHER ISSUES**

The Issuer may from time to time without the consent of any holder or Accountholder take deposits evidenced by further CDs having the same terms and conditions as this CD in all respects and so that such further issue will be consolidated and form a single series with the outstanding CDs of this Series. References in a CD to any such deposits or Series include (unless the context requires otherwise) any other deposits evidenced by other certificates of deposit issued under this Condition and forming a single series with that CD.

14. **BAIL-IN**

- 14.1 Notwithstanding any other term of the CDs or any other agreement, arrangement or understanding between the Issuer and any holder of a CD, by its acquisition and holding of a CD, each holder of a CD (which for the purposes of this Condition 14 includes each holder of a beneficial interest in a CD) acknowledges, accepts, consents and agrees:

- 14.1.1 to be bound by the effect of the exercise of the Bail-In Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:

- (i) the reduction of all, or a portion, of the Amounts Due on a permanent basis;
- (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to such holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of any CD, in which case such holder agrees to accept in lieu of its rights under any CD any such shares, other securities or other obligations of the Issuer or another person;
- (iii) the cancellation of any CD or Amounts Due; and
- (iv) the amendment or alteration of the maturity of any CD or amendment of the amount of interest payable on any CD, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

14.1.2 that the terms of any CD are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-In Power by the Relevant Resolution Authority.

14.2 No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-In Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in the Kingdom of Spain and the European Union applicable to the Issuer or its subsidiaries.

14.3 Upon the exercise of any Bail-In Power by the Relevant Resolution Authority with respect to any CD, the Issuer will make available a written notice to the holder as soon as practicable regarding such exercise of the Bail-In Power. The Issuer will also deliver a copy of such notice to the Paying Agent for information purposes. Any delay or failure to give notice to the holder will not affect the validity or enforceability of the Bail-In Power.

14.4 Upon the exercise of any Bail-In Power by the Relevant Resolution Authority, the Issuing Agent and the Paying Agent shall not be required to take any directions from the holder of any CD with respect to the exercise of any Bail-In Power by the Relevant Resolution Authority.

14.5 If the Relevant Resolution Authority exercises the Bail-In Power with respect to less than the total Amounts Due, unless the Paying Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of any CD pursuant to the Bail-In Power will be made on a prorata basis.

14.6 The matters set forth in this Condition 14 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a CD.

14.7 For the purposes of this Condition 14:

"**Amounts Due**" means the principal amount or outstanding amount, together with any accrued but unpaid interest, and additional amounts as described in Condition 6, if any, due on the CDs. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-In Power by the Relevant Resolution Authority;

"**Bail-In Power**" means any powers existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Spain, relating to (i) the resolution of credit entities and/or transposition of the European Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**") (including, but not limited to Law 11/2015, Royal Decree 1012/2015, of 6 November, implementing Law 11/2015, as amended or superseded, and any other implementing regulations); (ii) the SRM Regulation; and (iii) the instruments, rules or standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, transferred or converted into shares, other securities, or other obligations of such regulated entity or any other person;

"**Law 11/2015**" means Spanish Law 11/2015 of 18 June, on recovery and resolution of credit institutions and investment firms, as amended from time to time;

"**Relevant Resolution Authority**" means the Fund for Orderly Bank Restructuring (Fondo de Reestructuración Ordenada Bancaria), the Single Resolution Board or any other entity with the authority to exercise any the resolution tools and powers contained in Law 11/2015 and the SRM Regulation from time to time; and

"**SRM Regulation**" means Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15th July, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or replaced from time to time.

15. **GOVERNING LAW AND JURISDICTION**

- 15.1 *Governing law:* The CDs and any non-contractual obligations arising out of or in connection with the CDs are governed by Hong Kong law.
- 15.2 *Jurisdiction:* The courts of Hong Kong shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the CDs (including a dispute regarding any non-contractual obligation arising out of or in connection with the CDs).
- 15.3 *Appropriate forum:* The Issuer agrees that the courts of Hong Kong are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

16. **RIGHTS OF THIRD PARTIES**

No person shall have any right to enforce any term or condition of the CDs under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) of Hong Kong.

17. **DEFINITIONS IN A CD:**

"**Accountholder**" means, in respect of a Global CD at any time:

- (i) each CMU Accountholder credited with an interest in that Global CD except for a CMU Accountholder which is credited with that interest in its capacity as a Clearing System;
- (ii) each holder of one or more accounts with a Clearing System (other than the CMU) credited with an Entry or Entries in that Global CD except for any Clearing System which holds that account in its capacity as a Clearing System; or
- (iii) where a Global CD is held by the Issuer or a Nominated Custodian and has not been lodged with a Clearing System, each person who has been recorded by the Issuer or the Nominated Custodian as being credited with an Entry or Entries in that Global CD except for any Clearing System which is credited with that interest in its capacity as a Clearing System.

"**Alternative Currency**" means any freely transferable and available currencies other than Hong Kong dollars, US dollars or Renminbi that may be specified in the Issue Terms for a CD.

"**Alternative Currency CDs**" means CDs denominated or to be denominated in an Alternative Currency.

"**Alternative Floating Rate Benchmark**" means, for any Series, any method for calculating floating rate interest (other than HIBOR or SOFR or SHIBOR) in respect of that Series which may be agreed in writing for a particular Series between the Issuer and any Dealer(s) and Agent(s) participating in that Series before the issue of such Series.

"**Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are open for business in Hong Kong; and

- (i) for a US\$ CD, on which banks and foreign exchange markets are open for business in London and New York City;
- (ii) for an Alternative Currency CD, in the principal financial centre on which dealings in the Alternative Currency are carried out and on which, if the Alternative Currency CD is a Floating Rate CD, the relevant Floating Rate Benchmark or ISDA Rate can be determined; and
- (iii) if the CD is held by a Clearing System, on which that Clearing System is operating.

"**Business Day Convention**" means:

- (i) if "**Floating Rate**" is specified in the Issue Terms, the relevant date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event:

- (a) such date shall be brought forward to the immediately preceding Business Day; and
- (b) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) if "**Following**" is specified in the Issue Terms, the relevant date shall be postponed to the next day that is a Business Day;
- (iii) if "**Modified Following**" is specified in the Issue Terms, the relevant date shall be postponed to the next day that is a Business Day unless it would then fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
- (iv) if "**Preceding**" is specified in the Issue Terms, the relevant date shall be brought forward to the immediately preceding Business Day.

"**CD**" means any Global CD or Definitive CD.

"**CD Holder**" means, in respect of a CD at any time:

- (i) for a Global CD held by the CMU, each CMU Accountholder credited with an interest in that Global CD;
- (ii) for a Global CD held by a Clearing System (other than the CMU), each holder of one or more accounts with a Clearing System credited with an Entry or Entries in that Global CD;
- (iii) for a Global CD held by the Issuer or a Nominated Custodian, each person who has been recorded by the Issuer or the Nominated Custodian as being credit with an Entry or Entries in that Global CD; or
- (iv) for a Definitive CD, each holder of that Definitive CD.

"**Clearing System(s)**" means any of Clearstream, the CMU and Euroclear.

"**Clearstream**" means Clearstream Banking, société anonyme.

"**CMU Accountholder**" means, for any CD held by the CMU, any person or persons for whose account(s) interests in that CD are credited in accordance with the CMU Rules.

"**CMU Rules**" means the agreements, rules and regulations from time to time governing the operation of the CMU.

"**CMU**" means the Hong Kong Monetary Authority acting as operator of the Central Moneymarkets Unit Service.

"**CNY**" and "**Renminbi**" means the lawful currency of the People's Republic of China.

"**CNY CD**" means a CD denominated in Renminbi.

"**Day Count Fraction**" is the method for calculating interest or unamortised amounts payable by the Issuer in certain circumstances for any period of time and will be calculated by reference to:

- (i) if "**Actual/Actual**" is specified in the Issue Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the Issue Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/360**" is specified in the Issue Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if "**30/360**" is specified in the Issue Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30;

- (v) if "**30E/360**" is specified in the Issue Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30,

"**Deed of Covenant**" means the deed of covenant dated on or about the Programme Agreement and executed by the Issuer in relation to the Relevant Accountholders.

"**Definitive CDs**" means any definitive certificate of deposit issued or required to be issued under the terms of a Global CD, substantially in the form attached to that Global CD, subject to any necessary changes.

"**Deposit**" means:

- (i) for a CD specified to be Fixed Rate or Floating Rate, the Initial Global Principal Amount of a Global CD or the Nominal Definitive Principal Amount of a Definitive CD; and
- (ii) for a CD specified to be Discounted, a principal amount which, together with interest accrued thereon, will amount on the Maturity Date to the Global Principal Amount of any relevant Global CD or Nominal Definitive Principal Amount of a Definitive CD and to which a discount would be applied in respect of any repayment before the Maturity Date in accordance with the Conditions to reflect the unamortised amount of that interest at the relevant time.

"**Direct Rights**" has the meaning given to it in the Deed of Covenant.

"**Entry**" means any entry relating to any Global CD (or to the relevant part of it) or the Definitive CDs represented by the Global CD which is or has been made in an account of any account holder with a Clearing System, the Issuer or a Nominated Custodian and "**Entries**" shall have a corresponding meaning.

"**Euroclear**" means Euroclear Bank SA/NV.

"**Exchange Date**" has the meaning given to it in the Condition in a Global CD titled "Exchange for Definitive CDs".

"**Floating Rate Benchmark**" means:

- (i) for Hong Kong dollars, HIBOR;

- (ii) for US dollars, SOFR;
- (iii) for CNY, SHIBOR; or
- (iv) any applicable Alternative Floating Rate Benchmark.

"**Global CD**" means a permanent global certificate of deposit issued under the Programme which is specified as a "Global CD".

"**Global Principal Amount**" means the Initial Global Principal Amount (as specified in the Issue Terms) as reduced by reason of purchase and cancellation, exchanges for Definitive CDs, the creation of Direct Rights or early redemptions in accordance with the terms and conditions of a Global CD.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**HK\$**" and "**Hong Kong dollars**" means the lawful currency of Hong Kong.

"**HK\$ CD**" means a CD denominated in Hong Kong dollars.

"**Interest Determination Date**" means, with respect to each Series of CDs, each such date specified in the relevant Issue Terms of such Series.

"**Interest Payment Date**" means, with respect to each Series of CDs, each such date specified in the relevant Issue Terms of such Series.

"**Issue Terms**" means, a document substantially in the form of Schedule 1 (*Issue Terms*) to the Programme Agreement completed to specify all the information relating to an actual or proposed CD or Series which is required to be specified for the particular purpose of that document in accordance with the completion instructions in Schedule 1 (*Issue Terms*) to the Programme Agreement (together with any Alternative Floating Rate Benchmark (if applicable)) and which may be used (subject to the information which is specified on it and the basis on which it has been completed) as:

- (i) the basis of the information to be delivered in a Telephone Request for Bids;
- (ii) an attachment to (and forming part of) a Written Request for Bids;
- (iii) an attachment to (and forming part of) a Response to Request for Bids;
- (iv) an attachment to (and forming part of) an Unsolicited Offer;
- (v) an attachment to (and forming part of) an Issue Terms Confirmation; or
- (vi) an attachment to (and forming part of) a Global CD or a Definitive CD.

"**Issuing Agent**", "**Paying Agent**" or "**Calculation Agent**" means any person specified as any of these in the Issue Terms of any relevant CD.

"**Nominal Definitive Principal Amount**" means such amount specified in the Issue Terms.

"Nominated Custodian" means any person appointed by the Issuer to act as custodian of a Global CD which is not held by or on behalf of a Clearing System.

"Period End Date" means, with respect to each Series of CDs, each such date specified in the relevant Issue Terms of such Series.

"PRC" means the People's Republic of China, which for the purpose of this Agreement, shall exclude the Hong Kong Special Administrative Region, the Macau Special Administrative Region of the People's Republic of China and Taiwan.

"Programme" means the certificate of deposit programme established by the Issuer on 20 July 2011, initially for an aggregate amount of EUR 5,000,000,000 or its equivalent.

"Programme Agreement" means the amended and restated programme agreement (as amended from time to time) relating to the Programme dated 31 October 2023 entered into by the Issuer and the dealers named therein.

"Redemption Notice" means a notice based on the form set out in the Deed of Covenant.

"Reference Banks" means the principal offices of three major banks active in the relevant inter-bank market for the relevant currency in:

- (i) Hong Kong (if the currency is HK\$);
- (ii) Shanghai (if the currency is CNY); or
- (iii) the principal financial centre of any currency which is an Alternative Currency, as selected by the Issuer acting reasonably.

"Relevant Accountholder" has the meaning given to it in the Deed of Covenant.

"Relevant Time" means the time when Direct Rights take effect as contemplated by the Condition in a Global CD titled "Exchange for Direct Rights" and by the Deed of Covenant.

"Series" means each series of CDs which are all issued on the same terms and conditions (except, in some circumstances, only for Deposit Date) and which are all expressed to form part of the same Series.

"Spain" means Kingdom of Spain.

"United States" or **"U.S."** means the United States of America, including the states and the District of Columbia and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

"US\$" and "US dollars" means the lawful currency of the United States.

"US\$ CD" means a CD denominated in US dollars.

References to a **time of the day** are, except where the context requires otherwise, to Hong Kong time.

7. **Currency:** [Hong Kong Dollars / United States Dollars / *Renminbi / state Alternative Currency] *Specify in all Issue Terms*
- *Purchasers of the CDs should note that the Renminbi is not a freely convertible currency. All payments in respect of the CDs will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in currency or by transfer to a bank account in the PRC). In addition, there can be no assurance that access to Renminbi funds for the purposes of making payments on the CDs or generally may not remain or become restricted.*
8. **Deposit Date:** [] *Specify as a date or range of dates on Issue Terms attached to Written Request for Bids, Response to Request for Bids or Unsolicited Offer*
- Specify in Issue Terms attached to Issue Terms Confirmation and CDs*
9. **Maturity Date:** [[state number of Months/Years] from the Deposit Date] or [state Maturity Date] *Specify like this in Issue Terms attached to Written Request for Bids, Response to Request for Bids or Unsolicited Offer*
- [Interest Payment Date falling in [state month and year of maturity]]* or [state Maturity Date]** [or such earlier date on which the Deposit becomes repayable in accordance with the Conditions] *Specify like this in Issue Terms attached to Issue Terms Confirmation and CDs*
- *For Floating Rate CDs*
- **For Fixed Rate CDs or Discounted CDs*

Type of CD and Yield

10. **Interest Rate Basis:** [Fixed Rate / Floating Rate / Discounted] *Specify like this in Issue Terms*
11. **Interest Rate (Fixed Rate):** [\bullet per cent. per annum] [Not Applicable] *The Issuer has option to specify in a Written Request for Bids*

Specify in Issue Terms attached to Response to Request for Bid, Unsolicited Offer, Issue Terms Confirmation and CDs
12. **Floating Rate Determination (Floating Rate):** [Screen Rate Determination / ISDA Determination / Other] [Not Applicable] *Specify in all Issue Terms for Floating Rate CDs*
13. **Interest Determination Date (Floating Rate – Screen Rate Determination):** [First day of an Interest Period] [*for HK\$ CD*]

[\bullet U.S. Government Securities Business Days prior to each Interest Payment Date] [*where Floating Rate Benchmark is SOFR*]

[The business day (which, for the purposes hereof, shall be a day on which banks are open for business in Shanghai) before the first day of an Interest Period] [*for CNY CD*]

[Specify other]
14. **Floating Rate Benchmark (Floating Rate – Screen Rate Determination):** [HIBOR / SOFR / SHIBOR / other] [Reuters/other] [Not applicable] *Specify in Issue Terms where Floating Rate Determination is Screen Determination*
15. **Floating Rate Benchmark (Floating Rate – Screen Rate Determination – SOFR):** [Applicable / Not Applicable]
- **SOFR Calculation Method** [SOFR Arithmetic Mean]

[SOFR Compound – SOFR
Compound with Lookback]

[SOFR Compound – SOFR
Compound with
Observation Period Shift]

[SOFR Compound – SOFR
Compound with Payment
Delay]

[SOFR Compound – SOFR
Index with Observation
Shift]

- **Lookback Period** [[two] U.S. Government Securities Business Days / Not Applicable] *Specify in Issue Terms where SOFR Compound with Lookback is applicable*
 - **Observation Shift Days** [[five] U.S. Government Securities Business Days / Not Applicable] *Specify in Issue Terms where SOFR Compound with Observation Period Shift or SOFR Index with Observation Shift is applicable*
 - **Interest Payment Delay** [• U.S. Government Securities Business Days / Not Applicable] *Specify in Issue Terms where SOFR Compound with Payment Delay is applicable*
 - **SOFR Cut-Off Date** [As per the Conditions / • U.S. Government Securities Business Days / Not Applicable]
16. **Floating Rate Benchmark (Floating Rate – ISDA Determination):**
- **Floating Rate Option** [state *Floating Rate Option*] *Specify in Issue Terms where Floating Rate Determination is ISDA Determination*
[Not Applicable]
 - **Designated Maturity** [state *Designated Maturity*] *Specify in Issue Terms where Floating Rate Determination is ISDA Determination*
[Not Applicable]
 - **Reset Date** [state *Reset Date*] *Specify in Issue Terms where Floating Rate Determination is ISDA Determination*
[Not Applicable]

25. **Call Option Exercise Date(s):** [Interest Payment Date] *Specify in all Issue Terms falling in •*
[Not Applicable]

Calculation Methods

26. **Day Count Fractions:** [Actual/Actual] *Specify in all Issue Terms*
[Actual/365 (Fixed)]* **Actual/365 (Fixed)" should be specified for CNY CDs*
[Actual/360]** [30/360] ***Actual/360 should be specified for all Fixed Rate CDs and Floating Rate CDs (other than CDs issued in CNY and USD)*
[30E/360] [Other]
27. **Business Day Convention:** [Floating Rate] [Following] *Specify in all Issue Terms*
[Modified Following]* **"Modified Following" shall be specified for "Business Day Convention" in respect of CNY CDs*
[Preceding] [and No
Adjustment]** *** "No Adjustment" shall be specified for Fixed Rate CDs*
[Not Applicable]

Terms for Definitive CDs

28. **Nominal Definitive Principal Amount:** [State amount in figures (and words)] *Specify in all Issue Terms*
29. **Number of Definitive CDs initially represented by Global CD in a Series:** [State number in figures (and words)] *The Issuer has option to specify in Issue Terms attached to Written Request for Bids.*

Specify in Issue Terms attached to Response to Request for Bids, Unsolicited Offer, Issue Terms Confirmation and CDs.

Agents

30. **Issuing Agent:** [Citicorp International Limited] *Specify in all Issue Terms*

9/F Citi Tower ** For CDs held in the CMU*
One Bay East, *** For CDs held in Euroclear or Clearstream*
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

With a copy to:
20/F Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Email:
apac.rla.debts@citi.com
Attention: Regional Agency
& Trust Ops]*/

[Citibank N.A., London
Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

c/o:
Citibank, N.A., Dublin
Branch
1 North Wall Quay
Dublin 1
Ireland

Email:
ppayments@citi.com and
issueroptionscsu@citi.com
m (Payments) /
ecpissuance.uk@citi.com
(Issuance)
Attention: Agency &
Trust]**/

*[State name and address of
alternative Issuing Agent]*

31. **Paying Agent:**

[Citicorp International *Specify in all Issue Terms*
Limited

** For CDs held in the CMU*

9/F Citi Tower
One Bay East,
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

*** For CDs held in Euroclear or
Clearstream*

With a copy to:
20/F Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Email:
apac.rla.debts@citi.com
Attention: Regional Agency
& Trust Ops]*/

[Citibank N.A., London
Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

c/o:
Citibank, N.A., Dublin
Branch
1 North Wall Quay
Dublin 1
Ireland

Email:
ppayments@citi.com and
issueroptionscsu@citi.com
m (Payments) /
ecpissuance.uk@citi.com
(Issuance)
Attention: Agency &
Trust]**/

*[State name and address of
alternative Paying Agent]*

32. Calculation Agent:

[Citicorp International *Specify in all Issue Terms*
Limited

** For CDs held in the CMU*

9/F Citi Tower
One Bay East,
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

*** For CDs held in Euroclear or
Clearstream*

With a copy to:
20/F Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Email:
apac.rla.debts@citi.com
Attention: Regional Agency
& Trust Ops]*/

[Citibank N.A., London
Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

c/o:
Citibank, N.A., Dublin
Branch
1 North Wall Quay
Dublin 1
Ireland

Email: rate.fixing@citi.com
Attention: Agency &
Trust]**/

*[State name and address of
alternative Calculation
Agent]*

33. **CMU Lodging Agent:** [Citicorp International Limited] *Specify in all Issue Terms*

9/F Citi Tower
One Bay East,
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

With a copy to:
20/F Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Email:
apac.rla.debts@citi.com
Attention: Regional Agency
& Trust Ops]/

*[State name and address of
alternative CMU Lodging
Agent] / [Not Applicable]*

Renminbi Distribution Event

34. **Renminbi Disruption Event** [Applicable] *Specify in all Issue Terms*
[Not Applicable]

Special Features

35. [Applicable] *[State name any special terms and conditions]* *State whether applicable or not and, if applicable set out the terms particular to the series.*
[Not Applicable]

SUMMARY OF PROVISIONS RELATING TO EACH SERIES OF CDs WHILE IN GLOBAL FORM

Each Global CD contains provisions which apply to CDs while they are in global form. The following is a summary of some of those provisions:

Exchange for Definitive CDs

Each Global CD can be exchanged in whole but not in part (free of charge to the holder) for Definitive CDs:

- (i) if that Global CD is held by a Clearing System, when that Clearing System:
 - (a) has been closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise); or
 - (b) announces an intention permanently to cease business or does in fact do so;
- (ii) if that Global CD is held by the Issuer or a Nominated Custodian when:
 - (a) the holder of that Global CD has been closed for a continuous period of seven days (other than by reason of holidays, statutory or otherwise);
 - (b) the holder of that Global CD announces an intention permanently to cease business or does in fact do so; or
 - (c) the Issuer is, or declares that it is, unable to maintain records of the Entries for the Accountholders;
- (iii) Subject to Condition 14, if the Issuer does not pay in the manner provided in the Conditions any sum payable under that Global CD when due and the payment is not made within 7 days after the due date; or
- (iv) if:
 - (a) Subject to Condition 14, the Issuer would suffer a material disadvantage in respect of that Global CD as a result of a change in the laws or regulations (taxation or otherwise) of Hong Kong or Spain which would not be suffered if that Global CD was exchanged for Definitive CDs; and
 - (b) notwithstanding Condition 14, the Issuer issues to the holder of that Global CD a certificate, signed by an authorised signatory of the Issuer, confirming that material disadvantage.

In the case of (i) or (iii) above, the holder of a Global CD may give notice to the Paying Agent of its intention to exchange that Global CD for Definitive CDs on or after the Exchange Date specified in the notice. In the case of (iv) above, the Issuer may give notice to the Paying Agent (if one is specified in the Issue Terms) or the holder of that Global CD. In the case of (ii) above, any Accountholder may require the Issuer to deliver Definitive CDs representing that Accountholder's interest in that Global CD within 30 days of the date of a request.

"Exchange Date" means a day falling not less than 30 days or, in the case of exchange following non-payment, 14 days after the date on which the notice requiring exchange is given and on which banks in Hong Kong and, except in the case of an exchange under (i) above, the relevant Clearing Systems are open for business.

On or after any Exchange Date, the holder of a Global CD may surrender that Global CD to or to the order of the Issuer (or, if one is specified in the Issue Terms, the Paying Agent).

In exchange for a Global CD (or an interest in a Global CD), the Issuer will deliver, or procure the delivery of, an equal aggregate nominal principal amount of duly executed Definitive CDs.

On exchange in full of a Global CD, the Issuer will, if the holder so requests, procure that the Global CD is cancelled and returned to the holder together with the relevant Definitive CDs. In these circumstances, the Issuer will bear the cost of preparing any Definitive CDs and any costs associated with the withdrawal of a Global CD from the relevant Clearing System(s).

Exchange for Direct Rights

Subject to Condition 14, an Accountholder may from time to time elect for 'Direct Rights' to come into effect under the provisions of a Global CD and the Deed of Covenant if:

- (i) the Issuer does not pay in the manner provided in the Conditions any sum payable under a Global CD when due and the payment is not made within 7 days after the due date and no Definitive CDs have been requested to be produced; or
- (ii) if Definitive CDs have been requested to be produced and they have not been produced in a manner and by the time required by the Global CD.

SUBSCRIPTION AND SALE

Selling Restrictions

1. **Distribution**

By its purchase and acceptance of CDs issued under the Programme Agreement, each Dealer (which term shall, in the case of a Syndicated Issue and in this section, include Syndicate Dealers) has agreed to observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver CDs; and it has agreed not to directly or indirectly offer, sell, re-sell, re-offer or deliver CDs or any participation in the CDs or distribute any offering material or any circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with all applicable laws and regulations.

2. **Hong Kong**

Each Dealer has represented and agreed that and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, 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 Certificates 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.

3. **People's Republic of China ("PRC")**

The Dealer and investors who are citizens of the PRC, which shall, for the purposes of this paragraph, exclude Hong Kong, Macau and Taiwan, or residents in the PRC ("**PRC Investors**") have acknowledged that this Information Memorandum, or the Certificates or any material or information contained or incorporated by reference in this Information Memorandum relating to the Certificates, have not been, and will not be submitted to become, approved/verified by or registered with any relevant government authorities under PRC law. Accordingly the Certificates may not be offered or sold directly or indirectly in the PRC and this Information Memorandum may not be supplied to the public in the PRC or used in connection with any offer for subscription or sale of the Certificates in the PRC directly or indirectly. The material or information contained or incorporated by reference in this Information Memorandum relating to the Certificates does not

constitute an offer to sell or the solicitation of an offer to buy any securities by any person in the PRC. The Certificates may only be offered or sold to PRC Investors that are authorised to engage in the purchase of Certificates of the type being offered or sold.

4. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under this Programme will be required to represent, warrant and agree, to and with the Issuers that it has not made, and will not make, any offers, promotions, solicitations for sales of or for, as the case may be, any Certificates in the PRC, except where permitted by CSRC or the People's Bank of China and other competent authorities or where the activity otherwise is permitted under PRC law. PRC Investors should note that they themselves are responsible for informing themselves about observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licenses, verifications and/or registrations from all relevant governmental authorities (including but not limited to the CSRC or the People's Bank of China and/or the State Administration of Foreign Exchange), and complying with all the applicable PRC regulations, including but not limited to any relevant PRC foreign exchange regulations and/or outbound investment regulations.

5. **Spain**

Neither the CDs nor this Information Memorandum have been registered with the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, each Dealer and the Issuer has represented and agreed that the CDs may not be offered, sold or distributed, nor may any subsequent resale of CDs be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain and without complying with all legal and regulatory requirements under Spanish securities laws.

The CDs may only be offered or sold in Spain by institutions authorised under the Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (as amended or replaced from time to time, the "**Spanish Securities Markets and Investment Services Law**"), Royal Decree 217/2008 of 15 February on the legal regime applicable to investment services companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*) (as amended or replaced from time to time) and related legislation to provide investment services in Spain and in accordance with the provisions of the Spanish Securities Markets and Investment Services Law and further developing legislation.

6. **Selling Restrictions addressing Additional United Kingdom Securities Laws**

Each Dealer has represented and agreed as follows:

- 6.1 **No deposit-taking:** In relation to CDs with a tenor of less than one year,
 - 6.1.1 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
 - 6.1.2 it has not offered or sold and will not offer or sell any CDs other than to persons:

- (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
- (ii) 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 CDs would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

- 6.2 **Financial promotion:** It has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any CDs in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- 6.3 **General compliance:** It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the CDs in, from or otherwise involving the United Kingdom.

7. **United States of America**

- 7.1 The CDs have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S. Each Dealer has represented that it has not offered or sold, and will not offer or sell, any CDs constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S.
- 7.2 Each Dealer has also represented and agreed that it has offered and sold the CDs, and will offer and sell the CDs (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "distribution compliance period"), only in accordance with Rule 903 of Regulation S.
- 7.3 Each Dealer has also agreed that, at or prior to confirmation of sale of CDs, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases CDs from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

- 7.4 Each Dealer has represented and agreed that neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the CDs, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Terms used in this paragraph 7 have the meanings given to them by Regulation S under the Securities Act.

8. **Singapore**

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any CDs or caused the CDs to be made the subject of an invitation for subscription or purchase and will not offer or sell any CDs or cause the CDs to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the CDs, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (the "SFA")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

9. **Japan**

The CDs have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the "FIEA") and, accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any CDs in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

10. **Amendments to Selling Restrictions**

If as a result of a change in or the making of any law, treaty or official directive or request (whether or not having the force of law, but if not having the force of law compliance with which is in accordance with the practice of responsible financial institutions in the country concerned) the Issuer determines that the foregoing selling restrictions require amendment or variation to ensure compliance with such law, treaty or official directive or request, then the Issuer may promulgate new selling restrictions to each Dealer which shall take effect as if set out in the Programme Agreement from the date specified in such notice in accordance with the terms of the Programme Agreement.

TAXATION

1. HONG KONG

The statements below regarding taxation are based on the law and practice of Hong Kong at the date of this Information Memorandum and are subject to any subsequent changes in law or practice (which could be made on a retroactive basis). The following statements do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the CDs and may not apply equally to all persons. Prospective purchasers of the CDs are advised to consult their own tax advisers concerning the tax consequences of their ownership of the CDs.

Withholding tax

No withholding tax is payable in respect of payments of principal or interest on the CDs or any gains arising on the sale of the CDs.

Profits Tax

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

Under the Inland Revenue Ordinance (Cap. 112) ("**IRO**") of Hong Kong as it is currently applied, interest on the CDs may be subject to Hong Kong profits tax in the following circumstances:

- interest on the CDs is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong;
- interest on the CDs is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business; or
- interest on the CDs is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong.

Pursuant to the *Exemption from Profits Tax (Interest Income) Order*, interest income accruing on or after 22 June 1998 to a person other than a financial institution on deposits (denominated in any currency) placed with, *inter alia*, an authorised institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Provided no documents involving the issue of the CDs are registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of the CDs by the Issuer is expected to constitute a deposit to which the above exemption from the payment of profits tax will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of CDs will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal, or redemption of CDs will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum which has a Hong Kong source is derived in carrying on of the trade, profession or business in Hong Kong. The source of such sums will generally be determined by having regard to the location where and the manner in which the CDs are acquired and disposed.

On 1 January 2023, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 (the "**Amendment Ordinance**") came into operation. Under the Amendment Ordinance, certain foreign-sourced income accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is to be regarded as arising in or derived from Hong Kong and chargeable to profits tax when it is received in Hong Kong.

Stamp Duty

No stamp duty should be payable on the issue or subsequent transfer of the CDs where the CDs are "certificates of deposits" as defined under Section 2 of the IRO.

Estate Duty

Hong Kong estate duty has been abolished with respect to all deaths after 10 February 2006.

2. FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the CDs, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the CDs, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the CDs, such withholding would not apply to foreign passthru payments prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and CDs that have a fixed term and are not treated as equity for U.S. federal income tax purposes, issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding on foreign passthru payments unless materially modified after such date. However, if additional instruments (as described under "*Terms and Conditions – Further Issues*") that are not distinguishable from previously issued CDs are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all CDs, including the CDs offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Prospective purchasers should consult their own tax advisors regarding how these rules may apply to their investment in the CDs.

Holders or intending holders are recommended to consult their advisers as to their own tax position.

The contents of this Information Memorandum are based on Hong Kong law as at 31 October 2023.

For any further information, please contact the Issuer.

ISSUER

BANCO SANTANDER, S.A., HONG KONG BRANCH

10/F, Two International Finance Center
8 Finance Street
Central
Hong Kong

ARRANGER

CITIGROUP GLOBAL MARKETS LIMITED

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

ISSUING AGENT, CALCULATION AGENT AND PAYING AGENT

CITICORP INTERNATIONAL LIMITED

9/F Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

CITIBANK N.A., LONDON BRANCH

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

DEALERS

BANCO SANTANDER, S.A.

Avda. Cantabria S/N
Edif. Encinar, Planta 0
28660, Boadilla del Monte
Madrid
Spain

BANK OF CHINA (HONG KONG) LIMITED

8/F, Bank of China Tower
No.1 Garden Road
Central, Hong Kong

BARCLAYS BANK PLC

1 Churchill Place
London, E14 5HP
United Kingdom

BNP PARIBAS

63/F, Two International Finance Centre
8 Finance Street
Central, Hong Kong

CHINA CITIC BANK INTERNATIONAL LIMITED

80 FL. International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

CITIGROUP GLOBAL MARKETS LIMITED

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

26/FI Two Pacific Place
88 Queensway
Hong Kong

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

L17, HSBC Main Building
1 Queen's Road Central
Hong Kong

NOMURA INTERNATIONAL PLC

1 Angel Lane
London EC4R 3AB
United Kingdom

STANDARD CHARTERED BANK (HONG KONG) LIMITED

15/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

LEGAL COUNSEL

CLIFFORD CHANCE, S.L.P.

Paseo de la Castellana 110
28046 Madrid
Spain

CLIFFORD CHANCE

27th Floor, Jardine House
One Connaught Place
Central, Hong Kong