

HSBC HOLDINGS PLC

Form 424B2

March 19, 2018

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**The information in this preliminary prospectus supplement is incomplete and may be changed. This preliminary prospectus supplement and the accompanying prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Filed Pursuant to Rule 424(b)(2)  
Registration No. 333-223191**

**SUBJECT TO COMPLETION DATED MARCH 19, 2018**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

**(To prospectus dated February 23, 2018)**

**HSBC HOLDINGS PLC**

**\$           % Perpetual Subordinated Contingent Convertible Securities  
(Callable           and Every Five Years Thereafter)**

We are offering \$           principal amount of           % Perpetual Subordinated Contingent Convertible Securities (Callable           and Every Five Years Thereafter) (the Securities ). The Securities will be issued pursuant to the indenture dated August 1, 2014 (as amended or supplemented from time to time), as supplemented and amended by a sixth supplemental indenture, which is expected to be entered into on           , 2018 (together, the Indenture ). From (and including) the issue date to (but excluding)           (such date and each fifth anniversary date thereafter, a Reset Date ), the interest rate on the Securities will be           % per annum. From and including each Reset Date to (but excluding) the next following Reset Date, the applicable per annum interest rate will be equal to the sum of the applicable Mid-Market Swap Rate on the relevant Reset Determination Date and           %. Subject to cancellation as described further below, we will pay interest on the Securities, if any, in arrear on           and           of each year, beginning on           , 2018.

**The interest rate following any Reset Date may be less than the interest rate that applies immediately prior to such Reset Date, including the initial interest rate of           %. Moreover, interest will be due and payable on an interest payment date only to the extent it is not cancelled or deemed to have been cancelled in accordance with the terms of the Securities. We will have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. The terms of the Securities also provide for circumstances under which we will be restricted from making an interest payment (in whole or in part) on an interest payment date, and the interest payable in respect of any such interest payment date will be deemed to have been cancelled (in whole or in part).**

**The Securities are perpetual and have no fixed maturity or fixed redemption date. As a result, you may not receive any payments with respect to the Securities as we are not required to pay the principal amount of the Securities at any time prior to a Winding-up Event and we will have the sole and absolute discretion at all times and for any reason to cancel in whole any interest payment.**

We may redeem the Securities in whole (but not in part) at 100% of their principal amount plus any accrued and unpaid interest to (but excluding) the date of redemption (excluding any cancelled or deemed to have been cancelled interest) on any Reset Date or upon the occurrence of certain tax and regulatory events as described in this prospectus supplement under *Description of the Securities Redemption Special Event Redemption*. Any redemption of the Securities is subject to the restrictions described in this prospectus supplement under *Description of the Securities Redemption Redemption Conditions*.

If the US dollar London interbank offered rate ceases to be calculated or administered for publication, the Independent Financial Adviser or we may select an Alternative Base Rate, and the manner in which the Mid-Market Swap Rate is calculated or determined may be varied, as described in this prospectus supplement. See *Description of the Securities Interest*.

If a Capital Adequacy Trigger Event occurs, then an Automatic Conversion will occur without delay (but no later than one month following the date on which it is determined such Capital Adequacy Trigger Event has occurred), at which point all of our obligations under the Securities will be released irrevocably and automatically in consideration of our issuance of Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities) on the Conversion Date, and under no circumstances will such released obligations be reinstated. On the Settlement Date, we expect the Conversion Shares Depository to deliver to the securityholders either (i) Conversion Shares (based on the Conversion Price) or (ii) if we elect, in our sole and absolute discretion, that a Conversion Shares Offer be made, the Conversion Shares Offer Consideration (consisting of the *pro rata* share of cash proceeds from the sale of any Conversion Shares pursuant to the Conversion Shares Offer (based on the Conversion Shares Offer Price) and the *pro rata* share of any Conversion Shares not sold pursuant to the Conversion Shares Offer (based on the Conversion Price)). The realizable value of any Conversion Shares received by a securityholder following an Automatic Conversion may be significantly less than the initial Conversion Price of \$ and/or the US dollar equivalent of the initial Conversion Shares Offer Price of £2.70, and the securityholders could lose all or part of their investment in the Securities as a result of the Automatic Conversion.

By its acquisition of the Securities, among other things, each securityholder (which, for these purposes, includes each beneficial owner) will (i) acknowledge and agree that interest is payable solely at our discretion and no amount of interest will become due and payable in respect of the relevant interest period to the extent that it has been (x) cancelled (in whole or in part) by us at our sole discretion and/or (y) deemed to have been cancelled (in whole or in part), (ii) consent to all of the terms and conditions of the Securities, including (x) the occurrence of a Capital Adequacy Trigger Event and any related Automatic Conversion following a Capital Adequacy Trigger Event and (y) the appointment of the Conversion Shares Depository (or the relevant recipient in accordance with the terms of the Securities), the issuance of the Conversion Shares to the Conversion Shares Depository (or the relevant recipient in accordance with the terms of the Securities) and the potential sale of the Conversion Shares pursuant to a Conversion Shares Offer and (iii) acknowledge and agree that effective upon, and following, a Capital Adequacy Trigger Event, other than any amounts payable in the case of our winding-up or the appointment of an administrator for our administration as described in this prospectus supplement, no securityholder will have any rights against us with respect to repayment of the principal amount of the Securities or payment of interest or any other amount on or in respect of such Securities, in each case that is not due and payable, which liabilities will be automatically released.

**By its acquisition of the Securities, each securityholder (which, for these purposes, includes each beneficial owner) will acknowledge, accept, consent and agree, notwithstanding any other term of the Securities, the Indenture or any other agreements, arrangements or understandings between us and any securityholder, to be bound by (a) the effect of the exercise of any UK bail-in power (as defined herein) by the relevant UK resolution authority (as defined herein); and (b) the variation of the terms of the Securities or the Indenture, if necessary, to give effect to the exercise of any UK bail-in power by the relevant UK resolution authority. No repayment or payment of Amounts Due (as defined below) will become due and payable or be paid after the exercise of any UK bail-in power by the relevant UK resolution authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise. For these purposes,**

**Amounts Due** are the principal amount of, and any accrued but unpaid interest, including any **Additional Amounts** (as defined herein), on, the Securities. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK bail-in power by the relevant UK resolution authority. See *Description of the Securities Agreement with Respect to the Exercise of UK Bail-in Power*. Moreover, each securityholder (which, for these purposes, includes each beneficial owner) will consent to the exercise of the UK bail-in power as it may be imposed without any prior notice by the relevant UK resolution authority of its decision to exercise such power with respect to the Securities.

For the avoidance of doubt, the potential conversion of the Securities into shares, other securities or other obligations in connection with the exercise of any UK bail-in power by the relevant UK resolution authority is separate and distinct from an Automatic Conversion following a Capital Adequacy Trigger Event.

By its acquisition of the Securities, each securityholder (which, for these purposes, includes each beneficial owner) will acknowledge, accept, consent and agree to be bound by the Independent Financial Adviser's or our determination of the Alternative Base Rate and any adjustment factors applied thereto, including as may occur without any prior notice from us and without the need for us to obtain any further consent from such securityholder.

By its acquisition of the Securities, each securityholder (which, for these purposes, includes each beneficial owner), to the extent permitted by the Trust Indenture Act of 1939, as amended, will waive any and all claims, in law and/or in equity, against The Bank of New York Mellon, London Branch, as trustee, for, agree not to initiate a suit against the trustee in respect of, and agree that the trustee will not be liable for, any action that the trustee takes, or abstains from taking, in either case in accordance with the exercise of the UK bail-in power by the relevant UK resolution authority with respect to the Securities.

Application will be made to The Irish Stock Exchange plc (the Irish Stock Exchange) for the Securities to be admitted to the Official List and to trading on the Global Exchange Market (the GEM), which is the exchange regulated market of the Irish Stock Exchange. Admission to the Official List and trading on the GEM is expected to begin within 30 days of the initial delivery of the Securities.

**The Securities are not deposit liabilities of HSBC Holdings and are not covered by the United Kingdom Financial Services Compensation Scheme or insured by the US Federal Deposit Insurance Corporation or any other governmental agency of the United Kingdom, the United States or any other jurisdiction.**

Investing in the Securities involves certain risks. See *Risk Factors* beginning on Page S-21.

**The Securities are not intended to be sold and should not be sold to retail investors in the European Economic Area, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, as amended or replaced from time to time, other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to the section headed *Prohibition of sales to EEA retail investors* on page S-3 of this prospectus supplement.**

Unless otherwise defined, terms that are defined in *Description of the Securities* beginning on page S-49 have the same meaning when used on this cover page.

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the related prospectus. Any representation to the contrary is a criminal offense.**

	<b>Per Security</b>	<b>Total</b>
Public Offering Price <sup>(1)(2)</sup>	%	\$
Underwriting Discount	%	\$
Proceeds to us (before expenses)	%	\$

(1) Plus accrued interest, if any, from \_\_\_\_\_, 2018.

(2) Assumes no exercise of underwriters' over-allotment option described below.

We have agreed to grant HSBC Securities (USA) Inc. ( HSI ), on behalf of the underwriters, an option to purchase up to an additional \$ \_\_\_\_\_ principal amount (representing an increase of up to 10% of the aggregate principal amount) of Securities at the public offering price solely to cover over-allotments, if any. This over-allotment option is exercisable, at the discretion of HSI, on behalf of the underwriters, once only, in whole or in part, prior to the date of delivery of the Securities (as set forth on this cover page).

We may use this prospectus supplement and the accompanying prospectus in the initial sale of the Securities. In addition, HSI or another of our affiliates may use this prospectus supplement and the accompanying prospectus in a market-making transaction in any of these Securities after their initial sale. In connection with any use of this prospectus supplement and the accompanying prospectus by HSI or another of our affiliates, unless we or our agent informs the purchaser otherwise in the confirmation of sale, you may assume this prospectus supplement and the accompanying prospectus are being used in a market-making transaction.

The underwriters expect to deliver the Securities to purchasers in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking S.A. and Euroclear Bank SA/NV on or about \_\_\_\_\_, 2018.

***Sole Structuring Adviser and Book-Running Manager***

**HSBC**

The date of this prospectus supplement is \_\_\_\_\_, 2018.

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**Restrictions on marketing and sales to retail investors**

The Securities described in this prospectus supplement are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities to retail investors. In particular, in June 2015, the Financial Conduct Authority (the FCA) published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which set out certain rules and took effect from October 1, 2015 (the PI Rules). In addition, (i) on January 1, 2018, the provisions of Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) on key information documents for packaged retail and insurance-based investment products became directly applicable in all European Economic Area (EEA) member states and (ii) Directive 2014/65/EU (as amended, MiFID II) was required to be implemented in EEA member states by January 3, 2018. Together, the PI Rules, the PRIIPs Regulation and MiFID II are referred to as the Regulations.

The Regulations set out various obligations in relation to (i) the manufacturing and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible securities, such as the Securities.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein) including the Regulations.

HSBC and some or all of the underwriters are required to comply with the Regulations. By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from HSBC and/or any underwriter, each prospective investor represents, warrants, agrees with and undertakes to HSBC and its affiliates and each of the underwriters and their affiliates that: (1) it is not a retail client (as defined in MiFID II); (2) whether or not subject to the Regulations, it will not (A) sell or offer the Securities (or any beneficial interest therein) to retail clients (as defined in MiFID II) or (B) communicate (including the distribution of this prospectus supplement or the accompanying prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (as defined in MiFID II). In selling or offering the Securities or making or approving communications relating to the Securities, it may not rely on the limited exemptions set out in the PI Rules; and (3) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) by investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from HSBC or any underwriter, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client. For the avoidance of doubt, the restrictions described above do not affect the distribution of the Securities in jurisdictions outside the EEA, such as the United States, provided that any distribution into the EEA complies with the PI Rules.

**Prohibition of sales to EEA retail investors**

The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the

meaning of Directive 2002/92/EC (as amended, the IMD ), where that customer would not

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qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU), and includes any relevant implementing measure in any Member State.

**We are responsible for the information contained and incorporated by reference in this prospectus supplement, the accompanying prospectus and in any related free-writing prospectus we prepare or authorize. We have not authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus and in any related free-writing prospectus we prepare or authorize, as well as information we have previously filed with the Securities and Exchange Commission (the SEC) and incorporated by reference, is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.**

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Securities in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or on behalf of the underwriters or any of them, to subscribe to or purchase any of the Securities, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

In connection with the issue of the Securities, HSBC Securities (USA) Inc. ( HSI ) or any person acting for it may over-allot Securities (provided that the aggregate principal amount of Securities allotted does not exceed 115% of the aggregate principal amount of the Securities subject to the offering) or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on HSI or any agent of it to do this. Any stabilization may begin on or after the date on which adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after we receive the proceeds of the issue and 60 days after the date of the allotment of any Securities. Such stabilizing, if commenced, may be effected on any stock exchange, over-the-counter market or otherwise, in accordance with all applicable laws and rules.

The Securities may not be a suitable investment for all investors and you must determine the suitability (either alone or with the help of a financial adviser) of an investment in the Securities in light of your own circumstances. In particular, each potential investor should:

have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus;

have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;

have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for principal or interest payments (US dollars) is different from the currency in which such investor's financial activities are principally denominated;

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understand thoroughly the terms of the Securities, such as the provisions regarding the cancellation of interest, Automatic Conversion upon a Capital Adequacy Trigger Event and the UK bail-in power, and be familiar with the behavior of any relevant indices and financial markets and the potential impact on the Securities of the cancellation of interest, Automatic Conversion upon a Capital Adequacy Trigger Event and/or the exercise of the UK bail-in power;

understand that the price, if any, at which securities dealers may be willing to purchase or sell the Securities in the secondary market may be influenced by factors that are beyond our control, and such potential investor may not be able to obtain a price equal to the price it paid for its Securities in the secondary market; and

be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

You should not invest in the Securities unless you have the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities due to the likelihood of our cancelling interest, the occurrence of a Capital Adequacy Trigger Event and corresponding Automatic Conversion or an exercise of the UK bail-in power and the impact this investment will have on your overall investment portfolio. Prior to making an investment decision, you should consider carefully, in light of your own financial circumstances and investment objectives, all the information contained in this prospectus supplement and the accompanying prospectus and incorporated by reference herein and therein.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments and who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the Financial Promotion Order ), (ii) are persons falling within Article 49(2)(a) to (d) ( high net worth companies, unincorporated associations etc. ) of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as relevant persons ). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

This prospectus supplement has been prepared on the basis that any offer of the Securities in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer in that Member State of the Securities which are the subject of an offering contemplated in this prospectus supplement as completed by final terms in relation to the offer of those Securities may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither we nor any of the underwriters have authorized, nor do we or any of the underwriters authorize, the making of any offer of the Securities in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer. Neither we nor the underwriters have authorized, nor do we authorize, the making of any offer of the Securities through any financial intermediary, other than offers made by the underwriters, which constitute the final placement of the Securities contemplated in this prospectus supplement.

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Each securityholder (which, for these purposes, includes each beneficial owner) acknowledges that The Stock Exchange of Hong Kong Limited (the "HKSE") and the Securities and Futures Commission of Hong Kong (the "SFC") may request us to report certain information with respect to such securityholder (which may be

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obtained from the underwriters), including, among other things, such securityholder's name, countries of operation and allotment sizes, that we may provide the HKSE and the SFC with any such requested information with respect to such securityholder and that our major securityholders (which may include those who have invested in the Securities) and their respective interests may be disclosed in our annual and interim reports (which disclosure as of the date of this prospectus supplement would be required by those who have an interest in 5% or more of any class of our voting shares, including any interest in unissued shares that may be issuable upon conversion of the Securities) and/or other public filings as may be required to be made in the future by us in accordance with applicable stock exchange rules or regulatory requirements.

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**CERTAIN DEFINITIONS AND PRESENTATION OF FINANCIAL AND OTHER DATA**

**Definitions**

As used in this prospectus supplement and the accompanying prospectus, the terms HSBC Holdings, we, us and our refer to HSBC Holdings plc. HSBC Group and HSBC mean HSBC Holdings together with its subsidiary undertakings.

**Presentation of Financial Information**

The consolidated financial statements of HSBC Group have been prepared in accordance with International Financial Reporting Standards ( IFRSs ), as issued by the International Accounting Standards Board (the IASB ) and as endorsed by the European Union ( EU ). EU-endorsed IFRSs could differ from IFRSs as issued by the IASB, if, at any point in time, new or amended IFRSs were to be endorsed by the EU. As of December 31, 2017, there were no unendorsed standards effective for the year ended December 31, 2017 affecting our consolidated financial statements included in our Annual Report on Form 20-F for the year ended December 31, 2017 filed with the SEC on February 20, 2018 (the 2017 Form 20-F ), and there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to HSBC. Accordingly, HSBC's financial statements for the year ended December 31, 2017 were prepared in accordance with IFRSs as issued by the IASB.

We use the US dollar as our presentation currency in our consolidated financial statements because the US dollar and currencies linked to it form the major currency bloc in which we transact and fund our business.

With the exception of the capital ratios presented under *HSBC Holdings plc*, the financial information presented in this document has been prepared in accordance with IFRSs as issued by the IASB and as endorsed by the EU. See *Where You Can Find More Information About Us*.

**Currency**

In this prospectus supplement, all references to (i) US dollars, US\$, or \$ are to the lawful currency of the United States of America and (ii) sterling, pounds sterling or £ are to the lawful currency of the UK.

**LIMITATIONS ON ENFORCEMENT OF US LAWS AGAINST US, OUR MANAGEMENT AND OTHERS**

We are an English public limited company. Most of our directors and executive officers (and certain experts named in this prospectus supplement and the accompanying prospectus or in documents incorporated herein by reference) are resident outside the United States, and a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons or to enforce against them or us in US courts judgments obtained in US courts predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our English solicitors, Cleary Gottlieb Steen & Hamilton LLP, that there is doubt as to enforceability in the English courts, in original actions or in actions for enforcement of judgments of US courts, of liabilities predicated solely upon the federal securities laws of the United States. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in the UK. The enforceability of any judgment in the UK will

depend on the particular facts of the case in effect at the time.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein contain both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements may be identified by the use of terms such as believes, expects, estimate, may, intends, plan, will, should, potential, reasonably possible negative thereof or similar expressions, or by discussions of strategy. These forward-looking statements include statements relating to: Moody's Investor Service's (Moody's) statement regarding our financial strength; implementation and exercise of the UK bail-in powers; our plan to issue additional senior debt securities; interest payments, restrictions and cancellations; sale, price and delivery of Conversion Shares; occurrence and effects of certain trigger and conversion events; our capital requirements and potential management actions taken to meet such requirements; potential remedies and protections; changes in the market price of our ordinary shares; and listing of the Securities. We have based the forward-looking statements on current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about us, as described under "Cautionary statement regarding forward-looking statements" contained in the 2017 Form 20-F. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of their dates. Additional information, including information on factors which may affect HSBC's business, is contained in the 2017 Form 20-F.

**WHERE YOU CAN FIND MORE INFORMATION ABOUT US**

We have filed with the SEC a registration statement on Form F-3 (No. 333-223191) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Securities offered by this prospectus supplement. As permitted by the rules and regulations of the SEC, this prospectus supplement and the accompanying prospectus omit certain information, exhibits and undertakings contained in the Registration Statement. For further information with respect to us or the Securities, please refer to the Registration Statement, including its exhibits and the financial statements, notes and schedules filed as a part thereof. Statements contained in this prospectus supplement and the accompanying prospectus as to the contents of any contract or other document are not necessarily complete, and in each instance reference is made to the copy of such contract or document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. In addition, we file with the SEC annual reports and special reports, proxy statements and other information. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, DC 20549. Please call the SEC at (800) SEC-0330 for further information on the public reference room. Documents filed with the SEC are also available to the public on the SEC's internet site at <http://www.sec.gov>.

We are incorporating by reference in this prospectus supplement and the accompanying prospectus the information in the documents that we file with the SEC, which means we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus. Each document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such documents will not create any implication that there has



been no change in our affairs since the date thereof or that the information contained therein is current as of any time subsequent to its date. The information incorporated by reference is considered to be a part of this prospectus supplement and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In the case of a conflict or inconsistency between information contained in this

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prospectus supplement and information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later. We incorporate by reference in this prospectus supplement and the accompanying prospectus the 2017 Form 20-F and the Form 6-K furnished to the SEC on February 27, 2018 (furnishing the IFRS 9 transition report).

In addition, all documents filed by us with the SEC pursuant to Sections 13(a), 13(c) or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and, to the extent expressly stated therein, certain reports on Form 6-K furnished by us after the date of this prospectus supplement will also be deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus and to be a part hereof from the date of filing of such document.

You may request a copy of these documents at no cost to you by writing or telephoning us at either of the following addresses:

Group Company Secretary

HSBC Holdings plc

8 Canada Square

London E14 5HQ

United Kingdom

Tel: +44-20-7991-8888

HSBC Holdings plc

c/o HSBC Bank USA, National Association

452 Fifth Avenue

New York, New York, 10018

Attn: Company Secretary

Tel: +1-212-525-5000

**Table of Contents****SUMMARY OF THE OFFERING**

*The following summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the financial statements and related notes incorporated by reference herein, before making an investment decision. Terms which are defined in "Description of the Securities" included in this prospectus supplement beginning on page S-49 have the same meaning when used in this summary.*

<b>Issuer</b>	HSBC Holdings plc.
<b>Securities Offered</b>	% Perpetual Subordinated Contingent Convertible Securities (Callable and Every Five Years Thereafter) in an aggregate principal amount of \$ (or up to \$ (representing an increase of up to 10% of the aggregate principal amount) if the underwriters over-allotment option is exercised in full) (the Securities ).
<b>Issue Date</b>	, 2018.
<b>Interest</b>	From (and including) the issue date to (but excluding) , the interest rate on the Securities will be % per annum. From (and including) each Reset Date to (but excluding) the next following Reset Date, the applicable per annum interest rate will be equal to the sum of the applicable Mid-Market Swap Rate on the relevant Reset Determination Date and %.
<b>Reset Dates</b>	, and each fifth anniversary date thereafter (each such date, a Reset Date ).
	Each period from (and including) a Reset Date to (but excluding) the following Reset Date shall be a Reset Period.
<b>Reset Determination Date</b>	The second business day immediately preceding a Reset Date (each, a Reset Determination Date ).
<b>Mid-Market Swap Rate</b>	Means the Mid-Market Swap Rate Quotation that appears on Bloomberg page ISDA 01 (or such other page as may replace such page on Bloomberg or such other information service, in each case, as may be nominated by the person providing or sponsoring the information

appearing on such page for purposes of displaying comparable rates) (the relevant screen page ) as of approximately 11:00 a.m. (New York time) on the relevant Reset Determination Date, all as determined by the calculation agent (the Mid-Market Swap Rate ).

If no such rate appears on the relevant screen page for a five-year term, then the Mid-Market Swap Rate will be determined through the use of straight-line interpolation by reference to two rates, one of which will be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next shorter than the length of the actual Reset Period and the other of which will be determined in accordance with

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the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next longer than the length of the actual Reset Period.

If on any Reset Determination Date the relevant screen page is not available or the Mid-Market Swap Rate does not appear on the relevant screen page, the calculation agent will request the principal office in New York of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Market Swap Rate (as selected by us on the advice of an investment bank of international repute) (the Reference Banks ) to provide it with its Mid-Market Swap Rate Quotation as of approximately 11:00 a.m. (New York time) on the relevant Reset Determination Date. If two or more of the Reference Banks provide the calculation agent with Mid-Market Swap Rate Quotations, the interest rate for the relevant Reset Period will be the sum of % and the arithmetic mean (rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations, as determined by the calculation agent. If only one or none of the Reference Banks provides the calculation agent with a Mid-Market Swap Rate Quotation, the interest will be determined to be the rate of interest as of the last preceding Reset Date or, in the case of the initial Reset Determination Date, %.

**Mid-Market Swap Rate Quotation**

Means a quotation (expressed as a percentage rate per annum) for the mean of the bid and offered rates for the fixed leg payable semi-annually (calculated on the basis of twelve 30-day months or, in the case of an incomplete month, the actual number of days elapsed, in each case assuming a 360-day year) of a fixed-for-floating interest rate swap transaction in US dollars which transaction (i) has a five-year term commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the US dollar swap rate market at 11:00 a.m. (New York time) with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on six-month LIBOR (calculated on the basis of twelve 30-day months or, in the case of an incomplete month, the actual number of days elapsed, in each case assuming a 360-day year); *provided* that if (a) we determine that LIBOR has ceased to be calculated or administered and (b) the Independent Financial Adviser, or, if we are unable to appoint the Independent Financial Adviser, we (acting in good faith and a commercially reasonable manner), determine that another rate has replaced LIBOR in customary market usage for setting rates comparable to the Mid-Market Swap Rate (the Alternative Base Rate ), then the Mid-Market Swap Rate Quotation will be the quotation for the mean of bid and offered rates determined as provided above but as if the reference to LIBOR was a reference to the Alternative Base Rate and with such adjustments (if any) as may in our determination (after consultation with the Independent

Financial Adviser if appointed as provided for above) be necessary to take account of any adjustment factor to make such rates comparable to rates quoted on the basis of LIBOR; *provided further* that if the determination of the Alternative Base Rate occurs less than five

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business days prior to the relevant Reset Determination Date, the rate of interest will be as of the last preceding Reset Date or, in the case of the initial Reset Determination Date, %.

We will promptly give notice of the determination of the Alternative Base Rate and any adjustment factors to the trustee, the paying agent, the calculation agent and the securityholders.

By its acquisition of the Securities, each securityholder (which, for these purposes, includes each beneficial owner) will acknowledge, accept, consent and agree to be bound by the Independent Financial Adviser's or our determination of the Alternative Base Rate and any adjustment factors applied thereto, including as may occur without any prior notice from us and without the need for us to obtain any further consent from such securityholder.

**Interest Payment Dates**

Interest on the Securities, if any, will be payable in arrear on and of each year, beginning on , 2018.

**Discretionary Interest Payments**

We will have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date (the Discretionary Interest Payment Right).

**Restriction on Interest Payments**

Without prejudice to the Discretionary Interest Payment Right or the prohibition contained in Article 141(2) of CRD (as defined under *Description of the Securities Definitions*) (and any implementation of such provision in the UK or, as the case may be, any succeeding provision amending or replacing such Article or any such implementing provision) on the making of payments on the Securities before the Maximum Distributable Amount has been calculated, subject to the extent permitted in the following paragraph in respect of partial interest payments in respect of the Securities, we will not make an interest payment on any interest payment date (and such interest payment will therefore be deemed to have been cancelled and thus will not be due and payable on such interest payment date) if:

- (a) the amount of Relevant Distributions exceeds the amount of Distributable Items as of such interest payment date;
- (b)

the aggregate of (x) the interest amount payable in respect of the Securities and (y) the amounts of any distributions of the kind referred to in Article 141(2) of CRD (and any implementation of such provision in the UK or, as the case may be, any succeeding provision amending or replacing such Article or any such implementing provision) exceeds the Maximum Distributable Amount (if any) applicable to us as of such interest payment date;

- (c) the Solvency Condition is not satisfied in respect of such interest payment; or

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- (d) the Relevant Regulator orders us to cancel (in whole or in part) the interest otherwise payable on such interest payment date.

We may, in our sole discretion, elect to make a partial interest payment on the Securities on any interest payment date, only to the extent that such partial interest payment may be made without breaching the restriction in the preceding paragraph. For the avoidance of doubt, the portion of interest not paid on the relevant interest payment date will be deemed to have been cancelled and thus will not be due and payable on such interest payment date.

**Distributable Items** means the amount of our profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of the Securities and any Parity Securities and Junior Securities less any losses brought forward, profits which are non-distributable pursuant to the Companies Act 2006 (UK), as amended from time to time (the Companies Act ) or other provisions of English law from time to time applicable to us or our Memorandum and Articles of Association (our Articles of Association ) and sums placed to non-distributable reserves in accordance with the Companies Act or other provisions of English law from time to time applicable to us or our Articles of Association, those losses and reserves being determined on the basis of our individual accounts and not on the basis of our consolidated accounts.

**Junior Securities** means, in respect of the Securities, (i) any of our ordinary shares or our other securities that rank, or are expressed to rank, junior to the Securities in our winding-up or administration as described under *Description of the Securities Subordination* and/or (ii) any securities issued by any other member of the HSBC Group where the terms of such securities benefit from a guarantee or support agreement entered into by us that ranks, or is expressed to rank, junior to the Securities in our winding-up or administration as described under *Description of the Securities Subordination* and/or (iii) any of our capital instruments that qualify as common equity Tier 1 instruments under the Relevant Rules.

**Maximum Distributable Amount** means any applicable maximum distributable amount relating to us required to be calculated in accordance with Article 141 of CRD (and any implementation of such provision in the UK or, as the case may be, any succeeding provision amending or replacing such Article or any such implementing provision).

Parity Securities means, (i) the most senior ranking class or classes of preference shares in our capital from time to time and any other of our securities ranking, or expressed to rank, *pari passu* with the Securities and/or such senior preference shares in our winding-up or administration as described under *Description of the Securities Subordination*, and/or (ii) any securities issued by any other member of the HSBC Group where the terms of such securities benefit from a guarantee or support agreement entered into by us which ranks or is

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expressed to rank *pari passu* with the Securities and/or such senior preference shares in our winding-up or administration as described under *Description of the Securities Subordination*.

**Relevant Distributions** means, in relation to any interest payment date, the sum of (i) all distributions or interest payments made or declared by us since the end of the last financial year and prior to such interest payment date on or in respect of any Parity Securities, the Securities and any Junior Securities and (ii) all distributions or interest payments payable by us (and not cancelled or deemed to have been cancelled) on such interest payment date on or in respect of any Parity Securities, the Securities and any Junior Securities, in the case of each of (i) and (ii), excluding any payments already accounted for in determining the Distributable Items.

**Solvency Condition** means the condition that, other than in the event of our winding-up or administration, as described in *Description of the Securities Subordination*, or with respect to the payment of the cash proceeds from any Conversion Shares Offer Consideration, as described under *Description of the Securities Automatic Conversion Upon Capital Adequacy Trigger Event Conversion Shares Offer*, payments in respect of, or arising from, the Securities will be conditional (x) upon our being solvent at the time of payment by us, and (y) in that no sum in respect of or arising from the Securities may fall due and be paid except to the extent that we could make such payment and still be solvent immediately thereafter. For purposes of determining whether the Solvency Condition is met, we will be considered to be solvent at a particular point in time if (x) we are able to pay our debts owed to Senior Creditors as they fall due and (y) the Balance Sheet Condition has been met.

**Notice of Interest Cancellation**

If practicable, we will provide notice of any cancellation or deemed cancellation of interest (in each case, in whole or in part) to the securityholders through the Depository Trust Company ( DTC ) (or, if the Securities are held in definitive form, to the securityholders at their addresses shown on the register for the Securities) and to the trustee and the paying agent directly on or prior to the relevant interest payment date. If practicable, we will endeavor to do so at least five business days prior to the relevant interest payment date. Failure to provide such notice will have no impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest (and accordingly, such interest will not be due and payable), or give the securityholders any rights as a result of such failure.

**Agreement to Interest Cancellation**

By its acquisition of the Securities, each securityholder (which, for these purposes, includes each beneficial owner) will acknowledge and agree that:

- (a) interest is payable solely at our discretion and no amount of interest will become due and payable in respect of the relevant interest period to the extent that it has been (x) cancelled (in

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whole or in part) by us at our sole discretion and/or (y) deemed to have been cancelled (in whole or in part), including as a result of our Distributable Items or the Maximum Distributable Amount being exceeded, failing to satisfy the Solvency Condition or an order from the Relevant Regulator; and

- (b) a cancellation or deemed cancellation of interest (in each case, in whole or in part) in accordance with the terms of the Indenture (as defined below) and the Securities will not constitute a default in payment or otherwise under the terms of the Indenture or the Securities.

**Optional Redemption**

The Securities will not be redeemable at the option of the securityholders at any time.

The Securities may be redeemed in whole (but not in part) at our option on any Reset Date at a redemption price equal to 100% of the principal amount plus any accrued and unpaid interest to (but excluding) the date of redemption (which interest will exclude any interest that is cancelled or deemed to have been cancelled as described under *Description of the Securities Interest Interest Cancellation* ). Any redemption of the Securities is subject to the restrictions described under *Description of the Securities Redemption Redemption Conditions*.

**Special Event Redemption**

The Securities may be redeemed in whole (but not in part) at our option upon the occurrence of a Tax Event or a Capital Disqualification Event. See *Description of the Securities Redemption Special Event Redemption*. In each case, the redemption price will be equal to 100% of the principal amount plus any accrued and unpaid interest to (but excluding) the date of redemption (which interest will exclude any interest that is cancelled or deemed to have been cancelled as described under *Description of the Securities Interest Interest Cancellation* ). Any redemption of the Securities is subject to the restrictions described under *Description of the Securities Redemption Redemption Conditions*.

**Notice of Redemption**

Any redemption of the Securities will be subject to our giving prior notice to the securityholders as described under *Description of the Securities Redemption Notice of Redemption*.

A redemption notice will be automatically rescinded and will have no force and effect, and no redemption amount will be due and payable, if either (x) the Solvency Condition is not satisfied in respect of the

relevant redemption amount on the applicable redemption date, (y) a Capital Adequacy Trigger Event occurs prior to the applicable redemption date (in which case, an Automatic Conversion will occur as described under *Description of the Securities Automatic Conversion Upon Capital Adequacy Trigger Event* ) or (z) the relevant UK resolution authority exercises its UK bail-in power prior to the applicable redemption date.

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**Capital Adequacy Trigger Event**

A Capital Adequacy Trigger Event will occur if at any time the end-point CET1 Ratio is less than 7.0%. Whether a Capital Adequacy Trigger Event has occurred at any time will be determined by us, the Relevant Regulator or any agent of the Relevant Regulator appointed for such purpose by the Relevant Regulator.

end-point CET1 Ratio means, as of any date, the ratio of CET1 Capital to the Risk Weighted Assets, in each case as of such date, expressed as a percentage.

CET1 Capital means, as of any date, the sum, expressed in US dollars, of all amounts that constitute common equity Tier 1 capital of the HSBC Group as of such date, less any deductions from common equity Tier 1 capital required to be made as of such date, in each case as calculated by us on a consolidated basis and without applying the transitional provisions set out in Part Ten of the CRR (or in any successor provisions thereto or any equivalent provisions of the Relevant Rules which replace or supersede such provisions) in accordance with the Relevant Rules applicable to us as of such date (which calculation will be binding on the trustee, the paying agent and the securityholders). For the purposes of this definition, the term common equity Tier 1 capital will have the meaning assigned to such term in CRD IV (as the same may be amended or replaced from time to time) as interpreted and applied in accordance with the Relevant Rules then applicable to the HSBC Group or by the Relevant Regulator.

Risk Weighted Assets means, as of any date, the aggregate amount, expressed in US dollars, of the risk weighted assets of the HSBC Group as of such date, as calculated by us on a consolidated basis and without applying the transitional provisions set out in Part Ten of the CRR (or in any successor provisions thereto or any equivalent provisions of the Relevant Rules which replace or supersede such provisions) in accordance with the Relevant Rules applicable to us as of such date (which calculation will be binding on the trustee, the paying agent and the securityholders). For the purposes of this definition, the term risk weighted assets means the risk weighted assets or total risk exposure amount, as calculated by us in accordance with the Relevant Rules.

**Automatic Conversion upon a Capital Adequacy Trigger Event**

If a Capital Adequacy Trigger Event occurs, then an Automatic Conversion will occur without delay (but no later than one month following the date on which it is determined such Capital Adequacy Trigger Event has occurred), as described under *Description of the Securities Automatic Conversion Upon Capital Adequacy Trigger Event Procedure Automatic Conversion Procedure*, at which point all of

our obligations under the Securities will be irrevocably and automatically released in consideration of our issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities) on the date on which the Automatic Conversion will take place, or has

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taken place, as applicable (such date, the Conversion Date ), and under no circumstances will such released obligations be reinstated.

After a Capital Adequacy Trigger Event, subject to the conditions described under *Description of the Securities Automatic Conversion Upon Capital Adequacy Trigger Event Procedure*, we expect the Conversion Shares Depository to deliver to the securityholders on the Settlement Date either (i) Conversion Shares or (ii) if we elect, in our sole and absolute discretion, that a Conversion Shares Offer be made, the Conversion Shares Offer Consideration.

The Securities will not be convertible into Conversion Shares at the option of the securityholders at any time.

Conversion Shares means our ordinary shares to be issued to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities) following an Automatic Conversion, which ordinary shares will be in such number as is determined by dividing the aggregate principal amount of the Securities outstanding immediately prior to the Conversion Date by the Conversion Price rounded down, if necessary, to the nearest whole number of ordinary shares. The Conversion Price is fixed initially at \$ and is subject to certain anti-dilution adjustments as described under *Description of the Securities Anti-dilution Adjustment of Conversion Price and Conversion Shares Offer Price*. On the issue date, the Conversion Shares Offer Price and the Conversion Price will be equal (based on an exchange rate of £1.00 = \$ ).

Conversion Shares Offer means, our election, at our sole and absolute discretion, that the Conversion Shares Depository make an offer of all or some of the Conversion Shares to all or some of our ordinary shareholders at a cash price per Conversion Share equal to the Conversion Shares Offer Price, subject to the conditions described further under *Description of the Securities Automatic Conversion Upon Capital Adequacy Trigger Event Procedure*.

Conversion Shares Offer Price is fixed initially at £2.70 and is subject to certain anti-dilution adjustments as described under *Description of the Securities Anti-dilution Adjustment of Conversion Price and Conversion Shares Offer Price*. On the issue date, the Conversion Shares Offer Price and the Conversion Price will be equal (based on an exchange rate of £1.00 = \$ ).

Conversion Shares Offer Consideration means in respect of each Security (i) if all the Conversion Shares are sold in the Conversion Shares Offer, the *pro rata* share of the cash proceeds from such sale attributable to such Security converted from sterling (or any such other currency in which our ordinary shares are denominated) into US dollars at the Prevailing Rate as of the date that is three Depository Business Days prior to the relevant Settlement Date as determined by the Conversion Shares Depository (less the *pro rata* share of any foreign exchange transaction costs) (the *pro rata* cash component ), (ii) if some but not all of the Conversion Shares are

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